ANNEX III

NON-CONFORMING MEASURES FOR FINANCIAL SERVICES

SCHEDULE OF THE UNITED KINGDOM

Introductory Notes

1. Commitments under Chapter Seven-D (Financial Services) are undertaken subject to the limitations and conditions set forth in these headnotes and the Schedule below.

2. The Schedule below sets out:

(a) in Section A, pursuant to Article 7D.10 (Non-Conforming Measures), the UK's existing measures that are not subject to some or all of the obligations imposed by:

(i) Article 7D.3 (National Treatment);

(ii) Article 7D.4 (Most Favoured Nation Treatment);

(iii) Article 7D.5 (Market Access for Financial Institutions);

(iv) Article 7D.6 (Cross-Border Trade); or

(v) Article 7D.9 (Senior Management and Boards of Directors); and

(b) in Section B, pursuant to Article 7D.10 (Non-Conforming Measures), the specific sectors, sub-sectors or activities for which the UK may maintain existing, or adopt new or more restrictive, measures that do not conform with obligations imposed by:

(i) Article 7D.3 (National Treatment);

(ii) Article 7D.4 (Most Favoured Nation Treatment);

(iii) Article 7D.5 (Market Access for Financial Institutions);

(iv) Article 7D.6 (Cross-Border Trade); or

(v) Article 7D.9 (Senior Management and Boards of Directors);

3. Each entry in Section A sets out the following elements:

(a) **Sector** refers to the sector for which the entry is made;

(b) **Sub-Sector**, where referenced, refers to the specific sub-sector for which the entry is made;

(c) **Obligations Concerned** specifies the obligations referred to in paragraph 2(a) that, pursuant to Article 7D.10 (Non-Conforming Measures), do not apply to the listed measure or measures covered by the entry;

(d) **Level of Government** indicates the level of government maintaining the listed measures;

(e) **Measures** identifies the laws, regulations or other measures for which the entry is made. A measure cited in the **Measures** element:

(i) means the measure as amended, continued or renewed as of the date of entry into force of the Upgrade Protocol; and

(ii) includes any subordinate measure adopted or maintained under the authority of and consistent with the measure; and

(f) **Description**, sets out the non-conforming measure and provides a general non-binding description of the measure for which the entry is made.

4. Each entry in Section B sets out the following elements:

(a) **Sector** refers to the sector for which the entry is made;

(b) **Sub-Sector**, where referenced, refers to the specific sub-sector for which the entry is made;

(c) **Obligations Concerned** specifies the obligations referred to in paragraph 2(b) that, pursuant to Article 7D.10 (Non-Conforming Measures), do not apply to the sectors, sub-sectors or activities listed in the entry;

(d) **Level of Government** indicates the level of government maintaining the listed measures; and

(e) **Description** sets out the scope or nature of the sectors, sub-sectors or activities covered by the entry to which the reservation applies.

5. For greater certainty, measures falling under exceptions applicable to this Chapter, such as those in Article 7D.11 (Exceptions), need not be scheduled. The listing of a measure is without prejudice to whether that measure or any other measure is covered by exceptions such as those in Article 7D.11 (Exceptions).

6. For greater certainty, for prudential reasons within the context of Article 7D.11 (Exceptions), the United Kingdom shall not be prevented from applying measures to branches established in the United Kingdom by enterprises incorporated in Korea.

7. In the interpretation of an entry in Section A:

(a) **Description** provides a general non-binding description of the measure for which the entry is made;

(b) **Obligations Concerned** specifies the obligations referred to in subparagraph (c) of paragraph 3 do not apply to the listed measures; and

(c) all elements of the entry shall be considered. An entry shall be interpreted in the light of the relevant obligations against which the entry is taken. The **Measures** element shall prevail over all other elements.

8. In the interpretation of an entry in Section B, all elements of the entry shall be considered. The **Description** element shall prevail over all other elements.

9. To clarify the United Kingdom's commitment with respect to Article 7D.5 (Market Access for Financial Institutions), a financial service supplier, other than a branch, when establishing in the United Kingdom may be required to adopt a specific legal form, on a non-discriminatory basis.

SECTION A

Sector:	All Financial Services
Sub-Sector:	Banking and other financial services (excluding insurance)
Obligations Concerned:	Article 7D.5 (Market Access for Financial Institutions)
Level of Government:	Central
Measures:	*Financial Services and Markets Act 2000* (2000, c.8), sections 19, 22, 31, 426 and 428, Parts 4A, 9A and XVII, paragraph 25 of Schedule 2 and paragraph 2B of Schedule 6. *The Alternative Investment Fund Managers Regulations 2013* (SI 2013/1773), regulations 3, 10 and 57. *The Open-Ended Investment Companies Regulations 2001* (SI 2001/1228), regulations 14 & 15.
Description:	Only firms incorporated in the United Kingdom and having a place of business in the United Kingdom can act as depositories of the assets of investment funds. The establishment of a specialised management company, incorporated in the United Kingdom and having a place of business in the United Kingdom, is required to perform the activities of management of common funds, including unit trusts, and investment companies.

SECTION B

Sector:	All Financial Services
Obligations Concerned:	Article 7D.6 (Cross-Border Trade)
Level of Government:	Central
Description:	The UK reserves the right to adopt or maintain any measure with respect to the supply of a financial service by the presence of natural persons, subject to the provisions of Chapter Seven-C (Entry and Temporary Stay of Business Persons), that is not inconsistent with the United Kingdom's obligations under the GATS."