

[X]. Chapter Seven (Trade in Services, Establishment and Electronic Commerce) is and its Annexes, and Chapter Eight (Payments and Capital Movements) are hereby replaced with the following:

[X]. The Understanding on Regulations relating to Zoning, Urban Planning and Environmental Protection is hereby replaced with the following:

**“UNDERSTANDING ON REGULATIONS RELATING TO ZONING, URBAN
PLANNING AND ENVIRONMENTAL PROTECTION**

During the negotiations on Chapter Seven-A (Cross-Border Trade in Services) and Chapter 7B (Investment) as part of the negotiation of the Upgrade Protocol, the Parties discussed regulations relating to zoning, urban planning and environmental protection which are applicable in Korea and in the United Kingdom at the time of signature of the Upgrade Protocol.

The Parties share the understanding that, in so far as regulations relating to zoning, urban planning and environmental protection constitute non-discriminatory and non-quantitative measures affecting establishment, they are not market access limitations within the meaning of Article 7A.5 (Market Access) or Article 7B.4 (Market Access).

Based on the common understanding above, the Parties confirm that specific measures maintained by Korea in the following Acts are not market access limitations:

- *Seoul Metropolitan Area Readjustment Planning Act*
- *Industrial Cluster Development and Factory Establishment Act*
- *Special Act on the Improvement of Air Quality in Air Control Zones*

The Parties confirm their right to introduce new regulations relating to zoning, urban planning, and environmental protection.

This Understanding shall constitute an integral part of this Agreement.”