

ANNEX I
SCHEDULE OF KOREA

Sector:	Construction Services
Obligations Concerned:	Local Presence (Article 12.5)
Measures:	<p><i>Framework Act on the Construction Industry</i> (Law No. 7796, December 29, 2005), Articles 9 and 10</p> <p><i>Enforcement Decree of the Framework Act on the Construction Industry</i> (Presidential Decree No. 19513, June 12, 2006), Article 13</p> <p><i>Enforcement Regulations of the Framework Act on the Construction Industry</i> (Ordinance of the Ministry of Construction and Transportation No. 530, August 7, 2006), Articles 2 and 3</p> <p><i>Information and Communication Construction Business Act</i> (Law No. 7817, December 30, 2005), Article 14</p> <p><i>Fire Fighting System Installation Business Act</i> (Law No. 7982, September 22, 2006), Articles 4 and 5</p> <p><i>Enforcement Decree of the Fire Fighting System Installation Business Act</i> (Presidential Decree No. 19846, January 24, 2007), Article 2 (Table 1)</p> <p><i>Enforcement Regulations of the Fire Fighting System Installation Business Act</i> (Ordinance of Ministry of Government Administration and Home Affairs No. 368, January 9, 2007), Article 2</p>
Description:	<p><u>Cross-Border Trade in Services</u></p> <p>A person that supplies construction services in Korea must, prior to the signing of the first contract related to such services, establish an office in Korea.</p> <p>A compulsory subcontract system is applied to contractors registered as general contractors. Such compulsory subcontract system will be abolished from January 1, 2008.</p>

Sector:	Leasing, Rental, Maintenance, Repair, Sales, and Disposal Services Related to Construction Machinery and Equipment
Obligations Concerned:	Local Presence (Article 12.5)
Measures:	<p><i>Construction Machinery Management Act</i> (Law No. 7545, May 31, 2005), Article 21</p> <p><i>Enforcement Decree of the Construction Machinery Management Act</i> (Presidential Decree No. 19507, June 12, 2006), Articles 13, 14, 15, and 15-2</p> <p><i>Enforcement Regulations of the Construction Machinery Management Act</i> (Ordinance of the Ministry of Construction and Transportation No. 530, August 7, 2006), Articles 57 through 63, 65-2, and 65-3</p>
Description:	<p><u>Cross-Border Trade in Services</u></p> <p>A person that supplies leasing, rental, maintenance, repair, sales, and disposal services related to construction machinery and equipment must establish an office in Korea.</p>

Sector: Transportation Services - Automobile Maintenance, Repair, Sales, Disposal, and Inspection Services; Automobile License Plate Issuing Services

Obligations Concerned: Market Access (Article 12.4)
Local Presence (Article 12.5)

Measures: *Automobile Management Act* (Law No. 8254, January 19, 2007), Articles 20, 44, 45, and 53

Enforcement Regulations of the Automobile Management Act (Ordinance of the Ministry of Construction and Transportation No. 551, March 19, 2007), Articles 7, 8, 83, 87, and 111

Description: Cross-Border Trade in Services

A person that supplies automobile management services (which includes used car sales, maintenance, repair, and disposal services) must establish an office in Korea and obtain authorization from the head of the *si/gun/gu* (municipal authorities), which is subject to an economic needs test, as appropriate.

A person that supplies automobile inspection services that is designated as a “designated repair facility” must establish an office in Korea.

A person that supplies license plate manufacturing, delivery, and seal services that is designated as a “license plate issuing agency” must establish an office in Korea.

Sector: Distribution Services - Wholesale and Retail Distribution of Tobacco and Liquor

Obligations Concerned: Market Access (Article 12.4)
Local Presence (Article 12.5)

Measures: *Tobacco Business Act* (Law No. 8365, April 11, 2007),
Articles 12, 13, and 16

Enforcement Decree of the Tobacco Business Act
(Presidential Decree No. 18445, June 29, 2004), Articles 4
and 5

Enforcement Regulations of the Tobacco Business Act
(Ordinance of the Ministry of Finance and Economy No.
512, July 5, 2006), Articles 5, 6-2, and 7

Liquors Act (Law No. 7841, December 31, 2005), Articles
8 through 10

Enforcement Decree of the Liquors Act (Presidential Decree
No. 19336, February 9, 2006), Article 9

Notice of National Tax Service, 2005-5 and 2005-8
(January 21, 2005)

Description: Cross-Border Trade in Services

A person that supplies tobacco wholesale (including importation) or retail distribution services must establish an office in Korea.

Only designated tobacco retailers may sell tobacco to retail buyers. The sale of tobacco to retail buyers by mail or in electronic commerce is prohibited.

The distance between places of business of tobacco retailers must be at least 50 meters.

A person that supplies liquor wholesale distribution services must establish an office in Korea and obtain authorization from the head of the relevant tax office, which is subject to an economic needs test.

The sale of liquor by telephone or in electronic commerce is prohibited.

Sector:	Agriculture and Livestock
Obligations Concerned:	National Treatment (Article 11.3)
Measures:	<p><i>Foreign Investment Promotion Act</i> (Law No. 8380, April 11, 2007), Article 4</p> <p><i>Enforcement Decree of the Foreign Investment Promotion Act</i> (Presidential Decree No. 19826, January 5, 2007), Article 5</p> <p><i>Consolidated Public Notice for Foreign Investment</i> (No. 2007-69, February 28, 2007, Ministry of Commerce, Industry and Energy), Appendix 1</p>
Description:	<p><u>Investment</u></p> <p>Foreign persons may not: (i) invest in an enterprise engaged in rice or barley farming; or (ii) hold 50 percent or more of the equity interest of an enterprise engaged in beef cattle farming.</p>

Sector:	Business Services - <i>An-gyung-sa</i> (Optician and Optometry) Services
Obligations Concerned:	Market Access (Article 12.4) Local Presence (Article 12.5)
Measures:	<i>Medical Technicians Act</i> (Law No. 7148, January 29, 2004), Article 12 <i>Enforcement Regulations of the Medical Technicians Act</i> (Ordinance of the Ministry of Health and Welfare No. 333, October 17, 2005), Article 15
Description:	<u>Cross-Border Trade in Services</u> Only a natural person that is a licensed <i>an-gyung-sa</i> (optician or optometrist) that has established an office in Korea may engage in optician or optometry services. An <i>an-gyung-sa</i> (optician or optometrist) may not establish more than one office.

Sector:	Wholesale and Retail Distribution Services
Obligations Concerned:	Market Access (Article 12.4) Local Presence (Article 12.5)
Measures:	<p><i>Pharmaceutical Affairs Act</i> (Law No. 8035, October 4, 2006), Articles 34 and 37</p> <p><i>Decree on the Facility Standards of Pharmacy, Manufacturer, Importer and Distributor of Pharmaceuticals</i> (Presidential Decree No. 18401, May 25, 2004), Articles 7 and 9</p> <p><i>Supply, Demand and Distribution of Oriental Medicinal Herbs Regulations</i> (Notice of the Ministry of Health and Welfare No. 2006-69, September 5, 2006), Articles 4 and 13</p> <p><i>Medical Devices Act</i> (Law No. 8037, October 4, 2006), Article 14</p> <p><i>Enforcement Regulations of the Medical Devices Act</i> (Ordinance of the Ministry of Health and Welfare No. 366, July 27, 2006), Article 19</p> <p><i>Functional Foods Act</i> (Law No. 8033, October 4, 2006), Article 6</p> <p><i>Enforcement Regulations of the Functional Foods Act</i> (Ordinance of the Ministry of Health and Welfare No. 300, December 10, 2004), Articles 2 and 5</p> <p><i>Food Sanitation Act</i> (Law No. 8005, September 27, 2006), Articles 18, 21 and 22</p> <p><i>Enforcement Decree of the Food Sanitation Act</i> (Presidential Decree No. 18978, July 27, 2005), Articles 9 through 11</p> <p><i>Enforcement Regulations of the Food Sanitation Act</i> (Ordinance of the Ministry of Health and Welfare No. 363, July 3, 2006), Articles 16 and 20 (attached table 9)</p> <p><i>Act on the Control of Narcotics</i> (Law No. 7098, January 20, 2004), Article 6</p>

Description:

Cross-Border Trade in Services

A person that supplies wholesale trade services must establish an office in Korea in order to receive an import business license to supply such services with respect to:

- (a) pharmaceuticals and related items;
- (b) medical devices; or
- (c) functional foods (including dietary supplements).

To supply the following services a person must establish an office in Korea:

- (a) transportation, sales, and preservation (cold storage) of food and food additives;
- (b) food supply services;
- (c) food inspection services; or
- (d) narcotic drug wholesale and retail distribution services.

The Minister of Health and Welfare controls the supply and demand of the wholesale distribution of imported designated *han-yak-jae* (Asian medicinal herbs).

Certain liquor-selling bars and the wholesale and retail distribution of narcotics require authorization by the relevant authority.

Sector:	Retail Distribution of Pharmaceuticals
Obligations Concerned:	Market Access (Article 12.4) Local Presence (Article 12.5)
Measures:	<i>Pharmaceutical Affairs Act</i> (Law No. 8035, October 4, 2006), Articles 16 and 19
Description:	<u>Cross-Border Trade in Services</u> A person that supplies pharmaceutical product retail distribution services (including distribution of <i>han-yak-jae</i> (Asian medicinal herbs)) must establish a pharmacy in Korea. That person may not establish more than one pharmacy nor establish in the form of a corporation.

Sector: Transportation Services - Rail Transportation and Incidental Services

Obligations Concerned: Market Access (Article 12.4)

Measures: *Rail Transport Service Business Act* (Law No. 7303, December 31, 2004), Articles 5, 6, and 12

Korea Railroad Corporation Act (Law No. 7052, December 31, 2003), Article 9

Rail Construction Act (Law No. 8251, January 19, 2007), Article 8

Framework Act on Rail Industry Development (Law No. 8135, December 30, 2006), Articles 3, 20, 26, and 38

Korea Rail Network Authority Act (Law No. 8257, January 19, 2007), Article 7

Description: Cross-Border Trade in Services

Only the Korea Railroad Corporation may supply railroad transportation services on railroad routes constructed on or before June 30, 2005.

Only juridical persons that have obtained authorization from the Minister of Construction and Transportation may supply railroad transportation services on railroad routes constructed on or after July 1, 2005. Such authorization is subject to an economic needs test.

Only the central or local level of government, or the Korea Rail Network Authority may supply rail construction services and maintain and repair government-owned rail facilities (including high-speed rail). However, juridical persons that meet the criteria in the *Private Investment in Social Infrastructure Act* may supply rail construction services.

Sector:	Transportation Services - Passenger Road Transportation Services (not including Taxis and Scheduled Passenger Road Transportation Services)
Obligations Concerned:	Local Presence (Article 12.5)
Measures:	<p><i>Passenger Transport Service Act</i> (Law No. 8095, December 26, 2006), Article 5</p> <p><i>Enforcement Decree of the Passenger Transport Service Act</i> (Presidential Decree No. 19715, October 26, 2006), Article 3</p> <p><i>Enforcement Regulations of the Passenger Transport Service Act</i> (Ordinance of the Ministry of Construction and Transportation No. 530, August 7, 2006), Article 9</p> <p><i>Cableway and Tramway Transport Service Act</i> (Law No. 7714, December 7, 2005), Article 4</p> <p><i>Enforcement Regulations of the Cableway and Tramway Transport Service Act</i> (Ordinance of the Ministry of Construction and Transportation No. 520, June 14, 2006), Article 3</p>
Description:	<p><u>Cross-Border Trade in Services</u></p> <p>A person that supplies passenger road transportation services, not including taxis and scheduled passenger road transportation services, must establish an office in the <i>dang-hae--ji-yeok</i> (relevant geographic area) in Korea.</p>

Sector:	Transportation Services - International Maritime Cargo Transportation and Maritime Auxiliary Services
Obligations Concerned:	National Treatment (Article 12.2) Market Access (Article 12.4) Local Presence (Article 12.5)
Measures:	<i>Maritime Transportation Act</i> (Law No. 8381, April 11, 2007), Articles 24 and 33 <i>Enforcement Regulations of the Maritime Transportation Act</i> (Ordinance of the Ministry of Maritime Affairs and Fisheries No. 340, June 26, 2006), Articles 17, 19, 29, and 30 <i>Pilotage Act</i> (Law No. 8379, April 11, 2007), Article 6 <i>Ship Investment Company Act</i> (Law No. 8223, January 3, 2007), Articles 3 and 31
Description:	<u>Cross-Border Trade in Services</u> A person that supplies international maritime cargo transportation and shipping brokerage services must be organized as a <i>Chusik Hoesa</i> (stock company) in Korea. A ship investment company must also be organized as a <i>Chusik Hoesa</i> (stock company) in Korea. Only a Korean national may supply maritime pilotage services.

Sector:	Transportation Services - Air Transportation Services
Obligations Concerned:	National Treatment (Article 11.3) Senior Management and Boards of Directors (Article 11.9)
Measures:	<i>Aviation Act</i> (Law No. 8128, December 28, 2006), Articles 3, 6, 112, 113, 114 and 132 <i>Enforcement Regulations of the Aviation Act</i> (Ordinance of the Ministry of Construction and Transportation No. 532, August 18, 2006), Articles 278, 278-2, 298 and 299

Description: Investment

The following persons may not supply scheduled or non-scheduled domestic air transportation services or supply international air transportation services as Korean air carriers:

- (a) a foreign national;
- (b) a foreign government or a foreign *gong-gong-dan-che* (organization for public purposes);
- (c) an enterprise organized under foreign law;
- (d) an enterprise in which any of the persons referred to in subparagraphs (a) through (c) owns 50 percent or more of the equity interest, or has control; or
- (e) an enterprise organized under Korean law whose *dae-pyo-ja* (for example, a chief executive officer, president, or similar principal senior officer) is a foreign national or half or more of whose senior management are foreign nationals.

A person that owns an aircraft or is authorized to operate a chartered aircraft must register the aircraft with the Minister of Construction and Transportation. The persons listed in subparagraphs (a) through (e) are not allowed to register an aircraft.

Sector:	Transportation Services - Specialty Air Services
Obligations Concerned:	National Treatment (Articles 11.3 and 12.2) Senior Management and Boards of Directors (Article 11.9) Local Presence (Article 12.5)
Measures:	<i>Aviation Act</i> (Law No. 8128, December 28, 2006), Articles 3, 6, and 134 <i>Enforcement Regulations of the Aviation Act</i> (Ordinance of the Ministry of Construction and Transportation No. 532, August 18, 2006), Articles 298 and 299-2

Description: Cross-Border Trade in Services and Investment

A person that supplies aircraft-*sa-yong* (use) services or such non-scheduled air transportation services as glider towing, parachute jumping, aerial construction, heli-logging, and aerial sightseeing must register its self-owned or chartered aircraft with the Minister of Construction and Transportation and establish an office in Korea.

The following persons may not register an aircraft:

- (a) a foreign national;
- (b) a foreign government or a foreign *gong-gong-dan-che* (organization for public purposes);
- (c) an enterprise organized under foreign law;
- (d) an enterprise in which any of those referred to in subparagraphs (a) through (c) owns 50 percent or more of the equity interest, or has control; or
- (e) an enterprise organized under Korean law whose *dae-pyo-ja* (for example, a chief executive officer, president, or similar principal senior officer) is a foreign national or half or more of whose senior management are foreign nationals.

For purposes of this entry, aircraft-*sa-yong* (use) services are services using an aircraft, and supplied upon request, for hire, other than for passenger or freight transportation, including aerial fire-fighting, forestry fire management, aerial advertising, flight training, aerial mapping, aerial investigation, aerial spraying, aerial photographing and

other aerial agricultural activities, and aerial inspections and observations.

Sector:	Transportation Services - Road Transportation Support Services
Obligations Concerned:	Market Access (Article 12.4) Local Presence (Article 12.5)
Measures:	<p><i>Passenger Transport Service Act</i> (Law No. 8095, December 26, 2006), Articles 37 and 38</p> <p><i>Enforcement Regulations of the Passenger Transport Service Act</i> (Ordinance of the Ministry of Construction and Transportation No. 551, March 19, 2007), Article 66</p> <p><i>Parking Lot Service Act</i> (Law No. 7596, July 13, 2005), Article 12</p> <p><i>Road Traffic Act</i> (Law No. 7969, July 19, 2006), Article 36</p>
Description:	<p><u>Cross-Border Trade in Services</u></p> <p>A person that supplies parking lot services, bus terminal operation services, or car towing and storage services must establish a place of business in the relevant geographic area in Korea and obtain an authorization from the Minister of Construction and Transportation, head of local police, or head of <i>shi/gun</i>, as appropriate, which is subject to an economic needs test.</p>

Sector:	Courier Services
Obligations Concerned:	Market Access (Article 12.4) Local Presence (Article 12.5)
Measures:	<i>Aviation Act</i> (Law No. 8128, December 28, 2006), Article 139 <i>Enforcement Regulations of the Aviation Act</i> (Ordinance of the Ministry of Construction and Transportation No. 532, August 18, 2006), Article 306 <i>Trucking Transport Business Act</i> (Law No. 8138, December 30, 2006), Articles 3 and 21
Description:	<u>Cross-Border Trade in Services</u> To supply international courier services that include commercial document delivery services, as specified in Article 3 of the <i>Enforcement Decree of the Postal Services Act</i> , a person must establish an office in Korea. In order to obtain a trucking business license from the Minister of Construction and Transportation, a domestic courier services supplier must establish an office in the relevant geographic area. Such a license is subject to an economic needs test. For greater certainty, a person acquiring a domestic courier services supplier does not need to obtain a new trucking business license provided that the acquirer operates under the same terms and conditions as set out in the acquiree's license.

Sector:	Telecommunications Services
Obligations Concerned:	National Treatment (Articles 11.3 and 12.2) Market Access (Article 12.4) Local Presence (Article 12.5)
Measures:	<i>Telecommunications Business Act</i> (Law No. 8324, March 29, 2007), Articles 5, 5-2, 6, 19, and 59-2 <i>Telecommunications Business Act</i> (Law No. 5385, August 28, 1997), Addenda Article 4 <i>Radio Waves Act</i> (Law No. 7815, December 30, 2005), Articles 13 and 20
Description:	<p><u>Cross-Border Trade in Services and Investment</u></p> <p>A license for facilities-based public telecommunications services or a registration for non-facilities-based public telecommunications services shall be granted only to a juridical person organized under Korean law.</p> <p>A license for facilities-based public telecommunications services shall not be granted to or held by a juridical person organized under Korean law in which a foreign government, foreign person, or deemed foreign person holds in the aggregate more than 49 percent of the juridical person's total voting shares.</p> <p>A foreign government, foreign person, or deemed foreign person may not in the aggregate hold more than 49 percent of the total voting shares of a facilities-based supplier of public telecommunications services. In addition, with respect to KT Corporation (KT), a foreign government, foreign person, or deemed foreign person may not be the largest shareholder of KT, except if it holds less than five percent of the total voting shares of KT.</p> <p>No later than two years after this Agreement enters into force, Korea shall permit:</p> <ul style="list-style-type: none"> (a) a deemed foreign person to hold up to 100 percent of the total voting shares of a facilities-based supplier of public telecommunications services organized under Korean law, other than KT and SK Telecom Co., LTD (SK Telecom); and (b) a facilities-based supplier of public telecommunications services organized under Korean law in which a deemed foreign

person holds up to 100 percent of its total voting shares to obtain or hold a license for facilities-based public telecommunications services.

A foreign government, or its representative, or a foreign person may not obtain or hold a radio station license.

A foreign person may not supply cross-border public telecommunications services into Korea, except through a commercial arrangement with a supplier of public telecommunications services that is licensed in Korea.

For purposes of this entry:

- (a) **deemed foreign person** means a juridical person organized under Korean law in which a foreign government or a foreign person (including a “specially related person” under subparagraph 3 of Article 36 of the *Securities Exchange Act*) is the largest shareholder and holds 15 percent or more of that juridical person’s total voting shares, but does not include a juridical person that holds less than 1 percent of the total voting shares of a facilities-based supplier of public telecommunications services;
- (b) consistent with Article 4.2 of the *Telecommunications Business Act* (Law No. 8324, March 29, 2007), a facilities-based supplier is a supplier that owns transmission facilities;
- (c) consistent with Article 4.3 of the *Telecommunications Business Act* (Law No. 8324, March 29, 2007), a non-facilities-based supplier is a supplier that does not own transmission facilities (but may own a switch, router or multiplexer) and supplies its public telecommunication services through transmission facilities of a licensed facilities-based supplier; and
- (d) consistent with subparagraph 3 of Article 2 of the *Telecommunications Basic Act* (Law No. 7810, December 30, 2005), **transmission facilities** means wireline or wireless transmission facilities (including circuit facilities) that connect transmitting points with receiving points.

Sector:	Real Estate Brokerage and Appraisal Services
Obligations Concerned:	Local Presence (Article 12.5)
Measures:	<p><i>Act on Duties of a Licensed Real Estate Broker and Filing of Real Estate Transactions</i> (Law No. 8120, December 28, 2006), Article 9</p> <p><i>Enforcement Decree of the Act on Duties of a Licensed Real Estate Broker and Filing of Real Estate Transactions</i> (Presidential Decree No. 19507, June 12, 2006), Article 13</p> <p><i>Enforcement Regulations of the Act on Duties of a Licensed Real Estate Broker and Filing of Real Estate Transactions</i> (Ordinance of the Ministry of Construction and Transportation No. 530, August 7, 2006), Article 4</p> <p><i>Public Notice of Values and Appraisal of Real Estate Act</i> (Law No. 7707, December 7, 2005), Article 27</p> <p><i>Enforcement Decree of the Public Notice of Values and Appraisal of Real Estate Act</i> (Presidential Decree No. 19463, April 28, 2006), Articles 65, 66, and 68</p> <p><i>Enforcement Regulations of the Public Notice of Values and Appraisal of Real Estate Act</i> (Ordinance of the Ministry of Construction and Transportation No. 425, February 12, 2005), Articles 25 and 26</p>
Description:	<p><u>Cross-Border Trade in Services</u></p> <p>A person that supplies real estate brokerage services or real estate appraisal services must establish an office in Korea.</p>

Sector:	Retail, Leasing, Rental and Repair Services Related to Medical Devices
Obligations Concerned:	Local Presence (Article 12.5)
Measures:	<i>Medical Devices Act</i> (Law No. 8037, October 4, 2006), Articles 15 and 16 <i>Enforcement Regulations of the Medical Devices Act</i> (Ordinance of the Ministry of Health and Welfare No. 366, July 27, 2006), Articles 22 and 24
Description:	<u>Cross-Border Trade in Services</u> A person that supplies retail, leasing, rental, or repair services related to medical devices must establish an office in Korea.

Sector:	Rental Services - Automobiles
Obligations Concerned:	Local Presence (Article 12.5)
Measures:	<i>Passenger Transport Service Act</i> (Law No. 8095, December 26, 2006), Articles 29 and 30 <i>Enforcement Regulations of the Passenger Transport Service Act</i> (Ordinance of the Ministry of Construction and Transportation No. 530, August 7, 2006), Article 52
Description:	<u>Cross-Border Trade in Services</u> A person that supplies automobile rental services must establish an office in Korea.

Sector: Scientific Research Services and Sea Map Making Services

Obligations Concerned: National Treatment (Articles 11.3 and 12.2)

Measures: *Marine Scientific Research Act* (Law No. 5809, February 5, 1999), Articles 6, 7, and 8

Territorial Sea and Contiguous Zone Act (Law No. 4986, December 6, 1995), Article 5

Description: Cross-Border Trade in Services and Investment

A foreign person, a foreign government, or a Korean enterprise owned or controlled by a foreign person that intends to conduct marine scientific research in the territorial waters or exclusive economic zone of Korea must obtain prior authorization or consent from the Minister of Maritime Affairs and Fisheries whereas a Korean national or a Korean enterprise not owned or controlled by a foreign person need only to provide notification to the Minister of Maritime Affairs and Fisheries.

Sector:	Professional Services - Legal Services
Obligations Concerned:	Market Access (Article 12.4) Local Presence (Article 12.5)
Measures:	<p><i>Attorney-at-law Act</i> (Law No. 8271, January 26, 2007), Articles 4, 7, 21, 34, 45, 58-6, 58-22, and 109</p> <p><i>Certified Judicial Scriveners Act</i> (Law No. 7895, March 24, 2006), Articles 2, 3, and 14</p> <p><i>Notary Public Act</i> (Law No. 7428, March 31, 2005), Articles 10, 16, and 17</p>
Description:	<p><u>Cross-Border Trade in Services</u></p> <p>Only a <i>byeon-ho-sa</i> (Korean-licensed lawyer) registered with the Korean Bar Association may supply legal services.</p> <p>Only a <i>byeon-ho-sa</i> (Korean-licensed lawyer) may establish the following types of legal entity: <i>beop-yool-sa-mu-so</i> (law office), <i>beop-mu-beop-in</i> (law company with the characteristics of partnership), <i>beop-mu-beop-in (yoo-han)</i> (limited liability law company), or <i>beop-mu-jo-hap</i> (limited liability partnership law office). For greater certainty, a person that is not a Korean-licensed lawyer is not permitted to invest in any of these types of legal entity.</p> <p>A <i>byeon-ho-sa</i> (Korean-licensed lawyer) or <i>beop-mu-sa</i> (Korean-certified judicial scrivener) who practices in Korea must establish an office in the jurisdiction of the district court in which he or she practices. A <i>gong-jeung-in</i> (Korean notary public) must establish an office in the jurisdiction of the district office of the public prosecutor in which he or she practices.</p> <p>This entry is subject to the commitments undertaken in the entry for Legal Services – Foreign Legal Consultants in the Schedule to Annex II.</p>

Sector:	Professional Services - Labor Affairs Consulting Services
Obligations Concerned:	Local Presence (Article 12.5)
Measures:	<i>Certified Labor Affairs Consultant Act</i> (Law No. 7796, December 29, 2005), Articles 5, 7-3, and 7-4
Description:	<p><u>Cross-Border Trade in Services</u></p> <p>A person that supplies labor affairs consulting services must establish an office in Korea and be a <i>gong-in-no-mu-sa</i> (Korean-licensed labor affairs consultant).</p> <p>For greater certainty, an enterprise that supplies labor affairs consulting services must consist of at least two <i>gong-in-no-mu-sa</i> (Korean-licensed labor affairs consultant) (including the natural person who is the founder) and must obtain authorization from the Minister of Labor.</p>

Sector: Professional Services - Patent Attorney (*byeon-ri-sa*)

Obligations Concerned: Market Access (Article 12.4)
Local Presence (Article 12.5)

Measures: *Patent Attorney Act* (Law No. 7870, March 3, 2006),
Articles 3, 5, 6-2, and 6-3

Description: Cross-Border Trade in Services

Only a *byeon-ri-sa* (Korean-licensed patent attorney) who is registered with the Korean Intellectual Property Office may supply patent attorney services.

Only a *byeon-ri-sa* (Korean-licensed patent attorney) may establish a *gae-in-sa-mu-so* (sole proprietorship) or a *teuk-heo-beop-in* (patent law firm). For greater certainty, a person that is not a Korean-licensed patent attorney may not invest in either of these types of legal entity.

A *byeon-ri-sa* (Korean-licensed patent attorney) may establish only one office.

Sector: Professional Services - Accounting and Auditing Services

Obligations Concerned: Market Access (Article 12.4)
Local Presence (Article 12.5)

Measures: *Certified Public Accountant Act* (Law No. 7796, December 29, 2005), Articles 2, 7, 12, 18, and 23

External Audit of Stock Companies Act (Law No. 7524, May 31, 2005), Article 3

Description: Cross-Border Trade in Services

Only a *gae-in-sa-mu-so* (sole proprietorships), *gam-sa-ban* (auditing task forces) or *hoe-gye-boep-in* (accounting corporation limited liability company) established in Korea by *gong-in-hoe-gye-sa* (Korean-certified public accountants) registered under the *Certified Public Accountant Act* may supply accounting and auditing services. For greater certainty, a person that is not a Korean-registered certified public accountant may not invest in any of these types of legal entity.

Only *gong-in-hoe-gye-sa* (Korean-certified public accountants) in an auditing task force or an accounting corporation may supply auditing services regulated under the *External Audit of Stock Companies Act*.

This entry is subject to the commitments undertaken in the entry for Professional Services – Foreign Certified Public Accountant in the Schedule of Korea to Annex II.

Sector:	Professional Services - Tax Accountant (<i>se-mu-sa</i>)
Obligations Concerned:	Market Access (Article 12.4) Local Presence (Article 12.5)
Measures:	<i>Certified Tax Accountant Act</i> (Law No. 7878, March 24, 2006), Articles 6, 13, 16-3, and 20 <i>Guidelines Governing the Work of Tax Agents</i> , Articles 20 and 22
Description:	<u>Cross-Border Trade in Services</u> Only a <i>se-mu-sa-mu-so</i> (sole proprietorships), <i>se-mu-jo-jeong-ban</i> (tax reconciliation task forces) or, <i>se-mu-beop-in</i> (tax agency corporation limited liability company) established in Korea by <i>se-mu-sa</i> (Korean-certified tax accountants) registered under the <i>Certified Tax Accountant Act</i> may supply <i>se-mu-sa</i> (Korean-certified tax accountants) services, including tax reconciliation services and tax representative services. For greater certainty, a person that is not a Korean-registered certified tax accountant may not invest in any of these types of legal entity. Only a tax reconciliation task force or a tax agency corporation may supply tax reconciliation services. This entry is subject to the commitments undertaken in the entry for Professional Services – Foreign Certified Tax Accountants in the Schedule of Korea to Annex II.

Sector:	Professional Services - Customs Clearance Services
Obligations Concerned:	Market Access (Article 12.4) Local Presence (Article 12.5)
Measures:	<i>Customs Broker Act</i> (Law No. 7796, December 29, 2005), Articles 3, 7, and 9
Description:	<u>Cross-Border Trade in Services</u> Only a <i>gwan-se-sa</i> (customs broker) licensed under the <i>Customs Brokers Act</i> , a corporation incorporated by such customs brokers, or a corporation licensed to engage in the customs-clearance brokerage business under the <i>Customs Broker Act</i> may supply customs-clearance services. A person that supplies customs-clearance services must establish an office in Korea.

Sector:	Engineering and Other Technical Services - Industrial Safety, Health Institution, and Consulting Services
Obligations Concerned:	Local Presence (Article 12.5)
Measures:	<p><i>Industrial Safety and Health Act</i> (Law No. 7920, March 24, 2006), Articles 15 and 52-4</p> <p><i>Enforcement Decree of the Industrial Safety and Health Act</i> (Presidential Decree No. 19804, December 29, 2006), Article 15-3</p> <p><i>Enforcement Regulations of the Industrial Safety and Health Act</i> (Ordinance of the Ministry of Labor No. 265, January 12, 2007), Articles 18 and 136-8</p>
Description:	<p><u>Cross-Border Trade in Services</u></p> <p>A person that supplies safety and health management or diagnostic services to industrial workplaces must establish an office in Korea.</p> <p>A person that supplies industrial safety or hygiene consulting services, such as evaluation and instruction on safety in a work process and evaluation and instruction on the improvement of work environments, must establish an office in Korea.</p>

Sector:	Engineering and Other Technical Services - Architectural Services, Engineering Services, Integrated Engineering Services, Urban Planning and Landscape Architectural Services
Obligations Concerned:	Local Presence (Article 12.5)
Measures:	<p><i>Certified Architects Act</i> (Law No. 7593, July 13, 2005), Article 23</p> <p><i>Enforcement Decree of the Certified Architects Act</i> (Presidential Decree No. 19513, June 12, 2006), Articles 22 and 23</p> <p><i>Enforcement Regulations of the Certified Architects Act</i> (Ordinance of the Ministry of Construction and Transportation No. 458, July 18, 2005), Article 13</p> <p><i>Engineering Technology Promotion Act</i> (Law No. 7428, March 31, 2005), Article 4</p> <p><i>Professional Engineers Act</i> (Law No. 8268, January 26, 2007), Article 6</p> <p><i>Special Act on the Safety Control of Public Structures</i> (Law No. 7923, March 24, 2006), Article 9</p> <p><i>Enforcement Decree of the Special Act on the Safety Control of Public Structures</i> (Presidential Decree No. 19716, October 26, 2006), Article 11</p> <p><i>Construction Technology Management Act</i> (Law No. 7305, December 31, 2004), Articles 25 and 28</p> <p><i>Enforcement Decree of the Construction Technology Management Act</i> (Presidential Decree No. 19805, December 29, 2006), Articles 49 and 54</p> <p><i>Enforcement Regulations of the Construction Technology Management Act</i> (Ordinance of the Ministry of Construction and Transportation No. 545, December 29, 2006), Article 28</p> <p><i>Act on Assessment of Impacts of Works on the Environment, Traffic, Disasters, Etc.</i> (Law No. 7573, May 31, 2005), Article 8</p> <p><i>Surveying Act</i> (Law No. 8071, December 20, 2006), Article 39</p> <p><i>Enforcement Decree of the Surveying Act</i> (Presidential</p>

Decree No. 19849, January 24, 2007), Articles 15, 16, and 18

Environmental Testing and Inspection Act (Law No. 8038, October 4, 2006), Article 16

Thermal Spring Management Act (Law No. 8343, April 11, 2007), Article 7

Fire Fighting System Installation Business Act (Law No. 7982, September 22, 2006), Article 4

Description:

Cross-Border Trade in Services

A person that supplies architectural services, engineering services, integrated engineering services, or urban planning and landscape architectural services must establish an office in Korea.

For greater certainty, this entry does not apply to the supply of services by a foreign architect through a joint contract with a Korean-licensed architect.

Sector: Business Services - Electronic Billboard Operator Services and Outdoor Advertisement Services

Obligations Concerned: Performance Requirements (Article 11.8)
Senior Management and Boards of Directors (Article 11.9)
Local Presence (Article 12.5)

Measures: *Broadcasting Act* (Law No. 8301, January 26, 2007),
Articles 13 and 73

Outdoor Advertisements, Etc. Management Act (Law No. 7246, December 23, 2004), Article 11

Enforcement Decree of the Outdoor Advertisements, Etc. Management Act (Presidential Decree No. 19639, August 4, 2006), Articles 31 and 41

Description: Cross-Border Trade in Services and Investment

A foreign national or a Korean national who serves as a *dae-pyo-ja* (for example, a chief executive officer, president, or similar principal senior officer) of a foreign enterprise may not serve as the *dae-pyo-ja* (for example, a chief executive officer, president, or similar principal senior officer) or chief programmer of an enterprise that supplies electronic billboard operator services.

At least 30 percent of the electronic billboard programs must be non-commercial public advertisements provided by the central or local government.

A person that supplies outdoor advertising services must establish an office in Korea.

Sector:	Business Services - Job Placement Services, Labor Supply and Worker Dispatch Services, and Education Services for Seafarers
Obligations Concerned:	National Treatment (Articles 11.3 and 12.2) Market Access (Article 12.4) Local Presence (Article 12.5)
Measures:	<p><i>Employment Security Act</i> (Law No. 8249, January 19, 2007), Articles 19 and 33</p> <p><i>Enforcement Decree of the Employment Security Act</i> (Presidential Decree No. 19602, June 30, 2006), Articles 21 and 33</p> <p><i>Enforcement Regulations of the Employment Security Act</i> (Ordinance of the Ministry of Labor No. 252, June 30, 2006), Articles 17 and 36</p> <p><i>Act Relating to Protection for Dispatched Workers</i> (Law No. 8076, December 21, 2006), Article 7</p> <p><i>Enforcement Decree of the Act Relating to Protection for Dispatched Workers</i> (Presidential Decree No. 15828, July 1, 1998), Article 3</p> <p><i>Enforcement Regulations of the Act Relating to Protection for Dispatched Workers</i> (Ordinance of the Ministry of Labor No. 255, July 19, 2006), Article 3</p> <p><i>Act on Designation and Management of Free Economic Zones</i> (Law No. 8283, January 26, 2007), Article 17</p> <p><i>Seafarers Act</i> (Law No. 8381, April 11, 2007), Articles 100, 101, 103, 104, 106, 107, 122-2, and 122-3</p> <p><i>Korea Institute of Maritime and Fisheries Technology Act</i> (Law No. 6457, March 28, 2001), Article 5</p>

Description: Cross-Border Trade in Services and Investment

A person that supplies job placement services for a fee, worker supply services, or worker dispatch (secondment) services must establish an office in Korea.

For transparency purposes, as of March 31, 2007 the types of business to which workers may be seconded are limited to the 26 businesses set forth in the Presidential Decree, but the Minister of Labor can expand the types of business and the secondment period, pursuant to the review and determination by the Committee of the Free Economic

Zone.

Only the Korea Seafarers Welfare and Employment Center and regional offices of the Minister of Maritime Affairs and Fisheries may supply seafaring labor supply services.

To become an agent for seafarer personnel management services, a person must register with the Minister of Maritime Affairs and Fisheries as a stock company under the Korean Commercial Code.

Only the Korea Institute of Maritime and Fisheries Technology may provide education and training for seafarers.

Sector:	Investigation and Security Services
Obligations Concerned:	Market Access (Article 12.4) Local Presence (Article 12.5)
Measures:	<p><i>Certified Private Security Act</i> (Law No. 7671, August 4, 2005), Articles 3 and 4</p> <p><i>Enforcement Decree of the Certified Private Security Act</i> (Presidential Decree No. 18312, March 17, 2004), Articles 3 and 4</p> <p><i>Enforcement Regulations of the Certified Private Security Act</i> (Ordinance of the Ministry of Government Administration and Home Affairs, No. 345, September 7, 2006), Article 3</p>
Description:	<p><u>Cross-Border Trade in Services</u></p> <p>Only a juridical person organized under Korean law may supply security services in Korea.</p> <p>For transparency purposes, only five types of security services are permitted in Korea:</p> <ul style="list-style-type: none"> (a) <i>shi-seol-gyung-bee</i> (facility security); (b) <i>ho-song-gyung-bee</i> (escort security); (c) <i>shin-byun-bo-ho</i> (personal security); (d) <i>gee-gye-gyung-bee</i> (mechanized security); <p>and</p> <ul style="list-style-type: none"> (e) <i>teuk-soo-gyung-bee</i> (special security).

Sector:	Distribution Services Related to Publications
Obligations Concerned:	National Treatment (Article 12.2)
Measures:	<i>Publication and Printing Promotion Act</i> (Law No. 7941, April 28, 2006), Article 12 <i>Enforcement Decree of the Publication and Printing Promotion Act</i> (Presidential Decree No. 19963, March 27, 2007), Article 7 <i>Enforcement Regulations of the Publication and Printing Promotion Act</i> (Ordinance of the Ministry of Culture and Tourism No. 149, October 27, 2006), Article 7
Description:	<u>Cross-Border Trade in Services</u>

A person that imports the following types of foreign publications for the purpose of domestic distribution must obtain a recommendation from the Minister of Culture and Tourism:

- (a) publications issued by anti-government subversive entities or groups; or
- (b) novels, comics, photo albums, pictorial series and magazines.

Distributors of domestic publications are subject to a review process on an *ad hoc* basis after distribution takes place.

Sector:	Transportation Services - Aircraft Maintenance and Repair Services
Obligations Concerned:	Local Presence (Article 12.5)
Measures:	<i>Aviation Act</i> (Law No. 8128, December 28, 2006), Articles 137 and 138 <i>Enforcement Regulations of the Aviation Act</i> (Ordinance of the Ministry of Construction and Transportation No. 532, August 18, 2006), Articles 16, 304, and 305
Description:	<u>Cross-Border Trade in Services</u> A person that supplies aircraft maintenance and repair services must establish an office in Korea.

Sector:	Education Services - Higher Education
Obligations Concerned:	National Treatment (Articles 11.3 and 12.2) Market Access (Article 12.4) Senior Management and Boards of Directors (Article 11.9)
Measures:	<i>Higher Education Act</i> (Law No. 8240, January 19, 2007), Articles 3, 4, 32, 42, and 43 <i>Enforcement Decree of the Higher Education Act</i> (Presidential Decree No. 19842, January 24, 2007), Article 28 <i>Private School Act</i> (Law No. 7802, December 29, 2005), Articles 3, 5, 10, and 21 <i>Enforcement Decree of the Private School Act</i> (Presidential Decree No. 19546, June 23, 2006), Article 9-3 <i>Decree for the Establishment of the Korea Air and Correspondence University</i> (Presidential Decree No. 19360, February 28, 2006), Articles 1 and 2

Description: Cross Border Trade in Services and Investment

At least 50 percent of the members of the board of directors of a private higher education institution must be Korean nationals. If a foreign person contributes at least 50 percent of the basic property of a higher education institution, up to but not including two thirds of the members of the board of directors of such an institution may be foreign nationals.

For purposes of this entry, **basic property** means real estate, property designated as basic property by the articles of association, property incorporated into the basic property according to decisions of the board of directors, and an annual budgetary surplus reserve of the institution.

Only non-profit school juridical persons approved by the Minister of Education and Human Resources Development may establish higher education institutions (other than the types of institutions listed in Annex II) in Korea.

The Minister of Education and Human Resources Development may restrict the total number of students per year in the fields of medicine, pharmacology, veterinary medicine, traditional Asian medicine, medical technicians, and higher education for pre-primary, primary, and secondary teachers, and higher education institutions located in the Seoul Metropolitan Area.

For purposes of this entry, “Seoul Metropolitan Area” includes the Seoul Metropolitan City, Incheon Metropolitan City, and Gyeonggi Province.

Only the central or local governments of Korea may establish higher education institutions for training of primary school teachers. Only the central government may establish higher education institutions that supply higher education services to the public through broadcasting.

Sector:	Education Services - Adult Education
Obligations Concerned:	National Treatment (Articles 11.3 and 12.2) Market Access (Article 12.4)
Measures:	<p><i>Establishment and Operation of Private Teaching Institutes and Extracurricular Lessons Act</i> (Law No. 7974, September 22, 2006), Articles 2, 2-2, and 13</p> <p><i>Enforcement Decree of the Establishment and Operation of Private Teaching Institutes and Extracurricular Lessons Act</i> (Presidential Decree No. 19717, October 27, 2006), Article 12</p> <p><i>Lifelong Education Act</i> (Law No. 6400, January 29, 2001), Articles 22, 23, 24, 25, 26, and 27</p> <p><i>Foreign Investment Promotion Act</i> (Law No. 8380, April 11, 2007), Article 4</p> <p><i>Consolidated Public Notice for Foreign Investment</i> (No. 2007-69, February 28, 2007, Ministry of Commerce, Industry and Energy), Appendix 2</p>

Description: Cross Border Trade in Services and Investment

The types of adult education institutions that a foreign person may establish in Korea are limited to:

- (a) *hag-won* (private teaching institutes for adults) related to lifelong and vocational education; and
- (b) no later than the date this Agreement enters into force, lifelong adult education facilities operated for purposes other than recognizing educational qualifications or conferring diplomas, which include:
 - (i) education facilities annexed to workplaces, non-governmental organizations, schools and media organizations;
 - (ii) educational facilities related to the development of knowledge and human resources; and
 - (iii) on-line lifelong education facilities,

all of which are established for adults.

For purposes of this entry, *hag-won* (private teaching

institutes for adults) are facilities that provide tutoring services on subjects related to lifelong or vocational education to ten people or more for a period of 30 days or longer.

A foreign national hired by a private teaching institute for adults as a lecturer must possess at least a bachelor's degree or the equivalent and reside in Korea.

Sector:	Education Services - Vocational Competency Development Training Services
Obligations Concerned:	Local Presence (Article 12.5)
Measures:	<i>Workers' Vocational Competency Development Act</i> (Law No. 8294, January 26, 2007), Articles 28, 32, and 36 <i>Enforcement Decree of the Workers' Vocational Competency Development Act</i> (Presidential Decree No. 18911, June 30, 2005), Articles 24 and 26 <i>Enforcement Regulations of the Workers' Vocational Competency Development Act</i> (Ordinance of the Ministry of Labor No. 255, July 19, 2006), Articles 12 and 14
Description:	<u>Cross-Border Trade in Services</u> A person that supplies vocational competency development training services must establish an office in Korea.

Sector:	Veterinary Services
Obligations Concerned:	Local Presence (Article 12.5)
Measures:	<i>Veterinary Affairs Act</i> (Law No. 7546, May 31, 2005), Article 17 <i>Fish Culture Promotion Act</i> (Law No. 8377, April 11, 2007), Article 24
Description:	<u>Cross-Border Trade in Services</u> A person that supplies veterinary or aquatic animal disease inspection services must establish an office in Korea.

Sector:	Environmental Services - Waste Water Treatment Services, Waste Management Services, Air Pollution Treatment Services, Environmental Preventive Facilities Business, Environmental Impact Assessment, Soil Remediation and Groundwater Purification Services, and Toxic Chemical Control Services
Obligations Concerned:	Local Presence (Article 12.5)
Measures:	<p><i>Water Quality Conservation Act</i> (Law No. 7459, March 31, 2005), Article 62</p> <p><i>Development of and Support for Environmental Technology Act</i> (Law No. 7820, December 30, 2005), Articles 17 and 18</p> <p><i>Soil Environment Conservation Act</i> (Law No. 7459, March 31, 2005), Article 23-7</p> <p><i>Groundwater Act</i> (Law No. 7924, March 24, 2006), Article 29-2</p> <p><i>Clean Air Conservation Act</i> (Law No. 7459, March 31, 2005), Article 40</p> <p><i>Act on Assessment of Impacts of Works on Environment, Traffic and Disasters</i> (Law No. 7573, May 31, 2005), Article 8</p> <p><i>Toxic Chemicals Control Act</i> (Law No. 7849, February 21, 2006), Article 20</p> <p><i>Wastes Control Act</i> (Law No. 7459, March 31, 2005), Article 26</p> <p><i>Enforcement Decree of the Wastes Control Act</i> (Presidential Decree No. 18471, July 13, 2004), Article 6</p>
Description:	<p><u>Cross-Border Trade in Services</u></p> <p>A person that supplies the environmental services listed in the Sector heading must establish an office in Korea.</p>

Sector:	Performance Services
Obligations Concerned:	National Treatment (Article 12.2)
Measures:	<p><i>Public Performance Act</i> (Law No. 7991, September 27, 2006), Articles 6 and 7</p> <p><i>Enforcement Decree of the Public Performance Act</i> (Presidential Decree No. 19798, December 29, 2006), Articles 4 and 6</p> <p><i>Enforcement Regulations of the Public Performance Act</i> (Ordinance of the Ministry of Culture and Tourism No. 154, December 29, 2006), Article 4</p> <p>Ordinance of the Ministry of Justice No. 609, March 5, 2007, Table 5</p>
Description:	<p><u>Cross-Border Trade in Services</u></p> <p>A foreign person who intends to engage in a public performance in Korea, or a person who intends to invite a foreign person to engage in a public performance in Korea must obtain a recommendation from the Korea Media Rating Board.</p>

Sector:	News Agency (<i>News-tong-sin-sa</i>) Services
Obligations Concerned:	National Treatment (Articles 11.3 and 12.2) Senior Management and Boards of Directors (Article 11.9) Market Access (Article 12.4) Local Presence (Article 12.5)
Measures:	<i>News Agency Promotion Act</i> (Law No. 7655, August 4, 2005), Articles 7, 8, 9, 16, and 28 <i>Enforcement Decree of the News Agency Promotion Act</i> (Presidential Decree No. 19507, June 12, 2006), Article 4 <i>Radio Waves Act</i> (Law No. 7815, December 30, 2005), Article 20

Description: Cross-Border Trade in Services and Investment

A *news-tong-sin-sa* (news agency) organized under foreign law may supply *news-tong-sin* (news communications) in Korea only under a contract with a news agency organized under Korean law which has a radio station license, such as Yonhap News.

The following persons may not supply news agency services in Korea:

- (a) a foreign government;
- (b) a foreign person;
- (c) an enterprise organized under Korean law whose *dae-pyo-ja* (for example, a chief executive officer, president, or similar principal senior officer) is not a Korean national or is a person not domiciled in Korea; or
- (d) an enterprise organized under Korean law in which a foreign person holds 25 percent or more equity interest.

The following persons may not serve as a *dae-pyo-ja* (for example, a chief executive officer, president, or similar principal senior officer) or editor of a news agency, or serve as *im-won* (a member of the board of directors) of Yonhap News or the News Agency Promotion Committee:

- (a) a foreign national; or
- (b) a Korean national not domiciled in Korea.

A foreign news agency may establish a branch or office in Korea for the sole purpose of collecting news. For greater certainty, such branch or office may not distribute *news-tong-sin* (news communications) in Korea.

The following persons may not obtain a radio station license:

- (a) a foreign national;
- (b) a foreign government or its representative; or
- (c) an enterprise organized under foreign law.

Sector:	Manufacturing of Biological Products
Obligations Concerned:	Performance Requirements (Article 11.8)
Measures:	<i>Pharmaceutical Affairs Act</i> (Law No. 8035, October 4, 2006), Article 34 <i>Enforcement Regulations of the Pharmaceutical Affairs Act</i> (Ordinance of the Ministry of Health and Welfare No. 372, October 24, 2006), Article 21
Description:	<u>Investment</u> A person who manufactures blood products must procure raw blood materials from the Korean Red Cross.

Sector:	Publishing of Periodicals (Excluding Newspapers)
Obligations Concerned:	National Treatment (Articles 11.3 and 12.2) Senior Management and Boards of Directors (Article 11.9) Market Access (Article 12.4) Local Presence (Article 12.5)
Measures:	<i>Act on the Guarantee of Freedom and Function of Newspapers, Etc.</i> (Law No. 7655, August 4, 2005), Articles 13 and 26 <i>Enforcement Decree of the Act on the Guarantee of Freedom and Function of Newspapers, Etc.</i> (Presidential Decree No. 19507, June 12, 2006), Articles 17, 18, 19, and 20

Description: Cross-Border Trade in Services and Investment

The publisher or the editor-in-chief of an enterprise that publishes periodicals must be a Korean national.

The following persons may not publish periodicals in Korea:

- (a) a foreign government or a foreign person;
- (b) an enterprise organized under Korean law whose *dae-pyo-ja* (for example, a chief executive officer, president, or similar principal senior officer) is not a Korean national; or
- (c) an enterprise organized under Korean law in which a foreign person holds more than 50 percent of share or equity interest.

A foreign person that publishes periodicals may establish a branch or office in Korea subject to authorization from the Minister of Culture and Tourism. As of the date this Agreement enters into force, such branch or office may print and distribute its periodicals in Korea in the original language, provided that such periodicals are edited in the territory of the other Party.

Sector:	Distribution Services - Agriculture and Livestock
Obligations Concerned:	National Treatment (Articles 11.3 and 12.2) Market Access (Article 12.4)
Measures:	<p><i>Grain Management Act</i> (Law No. 7433, March 31, 2005), Article 12</p> <p><i>Livestock Industry Act</i> (Law No. 6821, December 26, 2002), Articles 24 and 27</p> <p><i>Seed Industry Act</i> (Law No. 7678, August 4, 2005), Article 142</p> <p><i>Feed Management Act</i> (Law No. 7428, March 31, 2005), Article 6</p> <p><i>Ginseng Industry Act</i> (Law No. 7275, December 31, 2004), Article 20</p> <p><i>Foreign Investment Promotion Act</i> (Law No. 8380, April 11, 2007), Article 4</p> <p><i>Enforcement Decree of the Foreign Investment Promotion Act</i> (Presidential Decree No. 19826, January 5, 2007), Article 5</p> <p><i>Consolidated Public Notice for Foreign Investment</i> (No. 2007-69, February 28, 2007, Ministry of Commerce, Industry and Energy), Appendix 1</p> <p><i>Act on Distribution and Price Stabilization of Agricultural and Fishery Products</i> (Law No. 7311, December 31, 2004), Articles 15, 17, and 43</p> <p><i>Notice on TRQ Products</i> (Ministry of Agriculture and Forestry Notice No. 2006-76, December 30, 2006), Articles 14 and 20-2</p>

Description: Cross-Border Trade in Services and Investment

A foreign person may not hold 50 percent or more of the shares or equity interest of an enterprise engaged in *yook-ryu* (meat) wholesaling.

Only the Livestock Cooperatives under the Agriculture Cooperative Act may establish and manage a *ga-chook-sijang* (livestock market) in Korea.

Only a local government may establish a *gong-yeong-domae-sijang* (public wholesale market).

Only producers' organizations or public interest corporations prescribed in the *Enforcement Decree of the Act on Distribution and Price Stabilization of Agricultural and Fishery Products* may establish a *gong-pan-jang* (joint wholesale market).

For greater certainty, Articles 12.2 and 12.4 do not prevent Korea from adopting or maintaining any measure with respect to the administration of the WTO Tariff-Rate-Quota.

Sector:	Communication Services - Broadcasting Services
Obligations Concerned:	National Treatment (Articles 11.3 and 12.2) Performance Requirement (Article 11.8) Senior Management and Boards of Directors (Article 11.9) Market Access (Article 12.4) Local Presence (Article 12.5)
Measures:	<p><i>Broadcasting Act</i> (Law No. 8301, January 26, 2007) Articles 8, 9, 12, 13 through 18, 48, and 69 through 71</p> <p><i>Enforcement Decree of the Broadcasting Act</i> (Presidential Decree No. 19806, December 29, 2006), Article 57</p> <p><i>Korea Educational Broadcasting Corporation Act</i> (Law No. 6970, August 21, 2003), Article 11</p> <p><i>Notice on Programming Ratio</i> (Korea Broadcasting Commission Notice No. 2005-2, January 22, 2005)</p> <p><i>Notice on Programming Ratio for Terrestrial Digital Multimedia Broadcasting and Program Provider Using the Terrestrial Broadcasting Channel</i> (Korea Broadcasting Commission Notice No. 2006-1, March 29, 2006)</p>
Description:	<p><u>Cross-Border Trade in Services and Investment</u></p> <p>Neither a foreign national nor a Korean national who serves as a <i>dae-pyo-ja</i> (e.g., a chief executive officer, president, or similar principal senior officer) of a foreign enterprise may serve as a <i>dae-pyo-ja</i> (e.g., a chief executive officer, president, or similar principal senior officer) or chief programmer of a terrestrial broadcaster, satellite broadcasting operator, cable system operator, program provider, signal transmission network business operator, audio cable operator, or relay-only cable operator.</p> <p>All members of the boards of directors of the Korea Broadcasting System (KBS) and the Korea Educational Broadcasting System (EBS) must be Korean nationals.</p> <p>A license for a terrestrial broadcaster, cable system operator, satellite broadcasting operator, signal transmission network business operator, or a program provider may only be granted to or held by the Government of Korea, a local government, or a juridical person organized under Korean law.</p> <p>A license for a relay-only cable operator or an audio cable operator may only be granted to or held by the Government of Korea, a local government, or a Korean person.</p>

A license for a terrestrial broadcaster, relay-only cable operator, cable system operator, satellite broadcasting operator, or a program provider that is engaged in *jong-hap-pyeon-sung* (multi-genre programming), home shopping, or *bo-do* (news reporting) is granted through *heo-ga* (permission), whereas a license for a signal transmission network business operator, audio cable operator or a program provider that is not engaged in *jong-hap-pyeon-sung* (multi-genre programming), home shopping, or *bo-do* (news reporting) is granted through *deung-rok* (registration).

A foreign government, foreign person, or deemed foreign person may not hold:

- (a) an equity interest in a terrestrial broadcaster, relay-only cable operator, or program provider that is engaged in *jong-hap-pyeon-sung* (multi-genre programming) or *bo-do* (news reporting);
- (b) in the aggregate more than 33 percent of the total issued stocks or equity interest of a satellite broadcasting operator; or
- (c) in the aggregate more than 49 percent of the total issued stocks or equity interest of a cable system operator, a signal transmission network business operator, or a program provider that is not engaged in *jong-hap-pyeon-sung* (multi-genre programming) or *bo-do* (news reporting).

No later than three years after this Agreement enters into force, Korea shall permit a deemed foreign person to hold up to 100 percent of the equity interest in a program provider that is not engaged in *jong-hap-pyeon-sung* (multi-genre programming), *bo-do* (news reporting), or home shopping.

For transparency purposes, no single person (including “specially related person” under Article 3 of the *Enforcement Decree of the Broadcasting Act*) may hold in the aggregate more than 30 percent of the total issued stocks or equity interest of a terrestrial broadcaster or a program provider that is engaged in *jong-hap-pyeon-sung* (multi-genre programming) or *bo-do* (news reporting), unless such broadcaster primarily provides religious or missionary content. Such limitations do not apply to the Government of Korea and a corporation established by a special law (e.g., Mun-hwa Broadcasting Corporation

(MBC), which is established under *the Broadcasting Culture Promotion Act*).

A terrestrial broadcaster, program provider, cable system operator, or satellite broadcasting operator must include the following percentage of Korean content in its quarterly programming:

- (a) 80 percent of the quarterly programming hours of a terrestrial broadcaster or program provider that uses terrestrial broadcasting to provide its programming;
- (b) 50 percent of the quarterly programming hours of a cable system operator or a satellite broadcasting operator; and
- (c) 50 percent of the quarterly programming hours per channel of a program provider that does not use terrestrial broadcasting to provide its programming.

A terrestrial broadcaster providing programming in the following genres must include the following percentage of Korean content in its annual programming:

- (a) Animation: 45 percent of the broadcaster's annual animation programming hours;
- (b) Movies: 25 percent of the broadcaster's annual movie programming hours; and
- (c) Music: 60 percent of the broadcaster's annual music programming hours.

A cable system operator, satellite broadcasting operator or program provider providing at least some music programming must include Korean content in 60 percent of its annual music programming hours, per channel.

No later than the date this Agreement enters into force, Korea shall not require a cable system operator, satellite broadcasting operator, or program provider providing at least some animation or movie programming to provide a percentage of Korean content in its annual programming hours, per channel, that is greater than:

- (a) Animation: 30 percent of the broadcaster's annual animation programming hours; and

- (b) Movies: 20 percent of the broadcaster's annual movie programming hours.

Certain separate content quota requirements apply to a broadcaster specialized in religious programming or education programming, or to a terrestrial digital multimedia broadcasting (DMB) operator. A satellite DMB operator is subject to content quota requirements applied to a satellite broadcasting operator.

No later than the date this Agreement enters into force, Korea shall permit no less than 80 percent of a terrestrial broadcaster's, cable system operator's, satellite broadcasting operator's, or program provider's quarterly programming hours of foreign content per genre to be foreign content of a single country (single-country content ceiling).

For purposes of this entry:

- (a) **program provider engaged in *jong-hap-pyeon-sung* (multi-genre programming)** means a program provider that offers a combination of news, entertainment, drama, movies, music programming, etc.;
- (b) **deemed foreign person** means a juridical person organized under Korean law in which a foreign government or a foreign person holds in the aggregate more than 50 percent of the juridical person's total issued stocks or equity interest, or whose largest shareholder is a foreign government or a foreign person; and
- (c) a "satellite broadcasting operator" includes an operator that uses or leases capacity on a satellite registered in a foreign country.

Sector:	Energy Industry - Electric Power Generation Other Than Nuclear Power Generation; Electric Power Transmission, Distribution and Sales
Obligations Concerned:	National Treatment (Article 11.3) ¹
Measures:	<p><i>Securities and Exchange Act</i> (Law No. 8315, March 29, 2007), Article 203</p> <p><i>Enforcement Decree of the Securities and Exchange Act</i> (Presidential Decree No. 19806, December 29, 2006), Article 87-2</p> <p><i>Foreign Investment Promotion Act</i> (Law No. 8380, April 11, 2007), Articles 4 and 5</p> <p><i>Enforcement Decree of the Foreign Investment Promotion Act</i>, (Presidential Decree No. 19826, January 5, 2007), Article 5</p> <p><i>Consolidated Public Notice for Foreign Investment</i> (No. 2007-69, February 28, 2007, Ministry of Commerce, Industry and Energy), Appendix 1</p> <p><i>Notice of Ministry of Finance and Economy</i> (No. 2000-17, September 28, 2000)</p> <p><i>Regulation on Supervision of Securities Business</i> (Financial Supervisory Commission Notice No. 2007-3, January 19, 2007), Sec. 7-6</p>
Description:	<p><u>Investment</u></p> <p>The aggregate foreign share of KEPCO's issued stocks may not exceed 40 percent. A foreign person may not become the largest shareholder of KEPCO.</p> <p>The aggregate foreign share of power generation facilities, including cogeneration facilities of heat and power (GHP) for the district heating system (DHS), may not exceed 30 percent of the total facilities in the territory of Korea.</p> <p>The aggregate foreign share of electric power transmission, distribution and sales businesses should be less than 50 percent. A foreign person may not be the largest shareholder.</p>

¹ Paragraph (a) of the eighth entry of Korea's Schedule to Annex II does not apply to this entry.

Sector:	Energy Industry - Gas Industry
Obligations Concerned:	National Treatment (Article 11.3) ²
Measures:	<p><i>Act on the Improvement of Managerial Structure and Privatization of Public Enterprises</i> (Law No. 8050, October 4, 2006), Article 19</p> <p><i>Securities and Exchange Act</i> (Law No. 8315, March 29, 2007), Article 203</p> <p><i>Foreign Investment Promotion Act</i> (Law No. 8380, April 11, 2007), Articles 4 and 5</p> <p><i>Articles of Incorporation of the Korea Gas Corporation</i> (March 26, 2007), Article 11</p>
Description:	<p><u>Investment</u></p> <p>Foreign persons, in the aggregate, may not own more than 30 percent of the equity of KOGAS.</p>

² Paragraph (a) of the eighth entry of Korea's Schedule to Annex II does not apply to this entry.

Sector:	Recreational, Cultural, and Sporting Services - Motion Picture Projection Services
Obligations Concerned:	Performance Requirements (Article 11.8) Market Access (Article 12.4)
Measures:	<i>Act on Promotion of Motion Pictures and Video Products</i> (Law No. 8280, January 26, 2007), Articles 2, 27, and 40 <i>Enforcement Decree of the Act on Promotion of Motion Pictures and Video Products</i> (Presidential Decree No. 19714, October 26, 2006), Article 19
Description:	<u>Cross-Border Trade in Services and Investment</u> Cinema operators must project Korean motion pictures for at least 73 days per year at each screen in Korea.