ANNEX II

Explanatory Notes

- 1. The Schedule of a Party to this Annex sets out, pursuant to Articles 7.6 (Non-Conforming Measures Cross-Border Trade in Services) and 11.12 (Non-Conforming Measures Investment), the specific sectors, sub-sectors or activities for which that Party may maintain existing, or adopt new or more restrictive, measures that do not conform with obligations imposed by:
 - (a) Article 7.2 (National Treatment Cross-Border Trade in Services) or 11.3 (National Treatment Investment);
 - (b) Article 7.3 (Most-Favoured-Nation Treatment Cross-Border Trade in Services) or 11.4 (Most-Favoured-Nation Treatment Investment);
 - (c) Article 7.4 (Market Access– Cross-Border Trade in Services);
 - (d) Article 7.5 (Local Presence–Cross-Border Trade in Services);
 - (e) Article 11.9 (Performance Requirements– Investment); or
 - (f) Article 11.10 (Senior Management and Boards of Directors– Investment).
- 2. Each Schedule entry sets out the following elements:
 - (a) **Sector** refers to the sector for which the entry is made;
 - (b) **Obligations Concerned** specifies the obligation(s) referred to in paragraph 1 that, pursuant to Articles 7.6.2 and Article 11.12.2, do not apply to the sectors, sub-sectors or activities listed in the entry;
 - (c) **Description** sets out the scope of the sector, sub-sector or activities covered by the entry; and
 - (d) **Existing Measures** identifies, for transparency purposes, existing measures that apply to the sector, sub-sector or activities covered by the entry.
- 3. In accordance with Articles 7.6.2 and 11.12.2, the articles of this Agreement specified in the **Obligations Concerned** element of an entry do not apply to the sectors, sub-sectors and activities identified in the **Description** element of that entry.

4. For Korea, organised under the	a "foreign person' laws of another cou	' means a ntry.	foreign	national	or an	enterprise