

ANNEX 8-B

EXPLANATORY NOTES

1. The Schedule of a Party to this Annex sets out, pursuant to Article 8.8 (Schedule of Specific Commitments):

- (a) introductory notes that limit or clarify the commitments of a Party with respect to the obligations described in subparagraph (b), subparagraph (c) and subparagraph (d);
- (b) in **Section A**, pursuant to Article 8.8.2 (Schedule of Specific Commitments), the specific commitments a Party undertakes pursuant to Article 8.3 (Market Access), and any terms, limitations and conditions with respect to sectors or subsectors where such commitments are undertaken;
- (c) in **Section B – Part I**, pursuant to Article 8.8.5 (Schedule of Specific Commitments), a Party's existing measures with respect to sectors or subsectors that are not subject to the following obligations:
 - (i) Article 8.4 (National Treatment);
 - (ii) Article 8.5 (Most-Favoured-Nation Treatment); or
 - (iii) Article 8.7 (Senior Management and Boards of Directors); and
- (d) in **Section B – Part II**, pursuant to Article 8.8.7 (Schedule of Specific Commitments), the specific sectors, subsectors or activities for which a Party may maintain existing, or adopt new or more restrictive, measures that do not conform with the following obligations:
 - (i) Article 8.4 (National Treatment);
 - (ii) Article 8.5 (Most-Favoured-Nation Treatment); or
 - (iii) Article 8.7 (Senior Management and Boards of Directors).

2. Each Schedule entry in **Section B – Part I** sets out the following elements:

- (a) **Obligations Concerned** specifies the obligations referred to in paragraph 1(c) that, pursuant to Article 8.8.5(a) (Schedule of Specific Commitments), do not apply to the listed measures for the sectors or subsectors pursuant to paragraph 4;

- (b) **Level of Government**, where referenced, indicates the level of government maintaining the listed measures;
- (c) **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 this Agreement; and
 - (ii) includes any subordinate measure adopted or maintained under the authority of and consistent with the measure; and
- (d) **Description** sets out the non-conforming measure for which the entry is made.

3. Each Schedule entry in **Section B – Part II** sets out the following elements:

- (a) **Sector** refers to the sector for which the entry is made;
- (b) **Subsector**, where referenced, refers to the specific subsector for which the entry is made;
- (c) **Obligations Concerned** specifies the obligations referred to in paragraph 1(d) that, pursuant to Article 8.8.7 (Schedule of Specific Commitments), do not apply to the sectors, subsectors or activities covered by the entry pursuant to paragraph 5;
- (d) **Description** sets out the scope or nature of the sectors, subsectors or activities covered by the entry to which the reservation applies; and
- (e) **Existing Measures**, where specified, identifies, for transparency purposes, a non-exhaustive list of existing measures that apply to the sectors, subsectors or activities covered by the entry.

4. For Section B - Part I, in accordance with Article 8.8.5 (Schedule of Specific Commitments), the obligations of this Agreement specified in the **Obligations Concerned** element of an entry do not apply to the non-conforming measures for the sectors or subsectors set out in the **Description** element of that entry.

5. For Section B – Part II, in accordance with Article 8.8.7 (Schedule of Specific Commitments), the obligations of this Agreement specified in the **Obligations Concerned** element of an entry do not apply to the sectors, subsectors or activities set out in the **Description** element of that entry.

6. For Section B – Part I, a measure that is only inconsistent with Article 8.7 (Senior Management and Boards of Directors) need not be reserved against Article 8.4 (National Treatment).

7. For the purposes of this Annex:

- (a) “Mode 1” means the supply of a financial service from the Area of a Party into the Area of the other Party;
- (b) “Mode 2” means the supply of a financial service in the Area of a Party to a person of the other Party;
- (c) “Mode 3” means the supply of a financial service by a financial service supplier of a Party, through commercial presence in the Area of the other Party; and
- (d) “Mode 4” means the supply of a financial service by a natural person of a Party in the Area of the other Party.

8. The sectors or subsectors listed in this Annex refer to the provisional CPC codes as used in the Provisional Central Product Classification (Statistical Papers Series M No. 77, Department of International Economic and Social Affairs, Statistical Office of the United Nations, New York, 1991), to the Services Sectoral Classification List published by the WTO (WTO document MTN.GNS/W/120 of July 10, 1991), or to the activities listed in Annex 8-A.