

# KOREA- AUSTRALIA

## FREE TRADE AGREEMENT



## Factsheet: Trade in Services

The Australia-Korea Free Trade Agreement (KAFTA) provided Australian services exporters with the best treatment Korea had agreed with any trading partner, on par with its agreements with the United States and Europe. This includes new market access for suppliers of legal, accounting, and telecommunications services and guaranteed access across a broad range of other services.

Specific gains for services suppliers include:

### Legal services

- Australian law firms have access to Korea's legal consulting services market by being able to:
  - establish representative offices in Korea;
  - enter into cooperative agreements with Korean law firms and, within five years of entry into force (by 12 December 2019), establish joint venture law firms;
  - hire local lawyers and deploy Australian lawyers more easily in Korea.
- Australian lawyers are permitted to advise on Australian and public international law as foreign legal consultants in Korea.

### Financial services

- Australian financial services providers are able to supply specified financial services on a "cross-border" basis, enabling Australian suppliers to do business without the need to open a full commercial presence. This includes:
  - investment advice and portfolio management services for investment funds;
  - a range of insurance and insurance related services including risk assessment, actuarial and claims settlement services.
- Australian financial services providers benefit from commitments which require Korea to allow Australian institutions to transfer data into and out of its territory, allowing for more efficient data processing in Australia.
- KAFTA provides for enhanced transparency around licensing of financial institutions and regulatory decision-making, as well as streamlined licensing procedures for Australian suppliers in Korea.

### Accountancy services

- Australian accountants (holders of Certified Practising Accountant or Chartered Accountant qualifications) are able to provide accountancy consultancy services relating to Australian or international tax or accounting law through offices in Korea and, within five years of entry into force (by 12 December 2019), be able to work and invest in Korean tax or accounting corporations.

### Telecommunications services

- Australian telecommunications providers are able to own up to 100 per cent of the voting shares of a facilities-based telecommunications service supplier in Korea and be licensed to provide public telecommunications services.



- KAFTA establishes strong disciplines to prevent anti-competitive conduct and ensure that major suppliers provide interconnection, resale of services, leased circuit services and co-location of equipment on reasonable, non-discriminatory terms and conditions.
  - There are strong provisions on transparency and review of regulatory decisions.

#### **Education services**

- Australian education providers benefit from commitments which guarantee market access to Korea's growing adult education sector.

#### **Environmental services**

- Australian environmental service providers benefit from guaranteed access to Korea's environmental services market (including waste management, waste water treatment, air pollution treatment, oil remediation and groundwater purification).

#### **Film and television services**

- The Australian film and television industry, in collaboration with the Korean industry, is supported by an Audiovisual Co-production Annex that enable wider distribution of their work in Korea and international markets.

#### **Engineering services**

- Australian engineers benefit from guaranteed market access in Korea and from closer collaboration under KAFTA between Engineers Australia and the Korean Ministry of Science, ICT and Future Planning via a [Mutual Recognition Arrangement](#) (MRA), signed on 6 May 2015.
  - The MRA enhances professional recognition of Australian engineers in Korea and facilitates closer collaboration by engineers from both countries in international markets.

#### **Other professional services**

- A broad range of Australian professionals, including architects, landscape architects, surveyors, and urban planners can benefit under KAFTA from Korea's commitments to guarantee existing market access.
- Australian professionals will benefit from ongoing work to enhance mutual recognition of professional qualifications. This includes engineering services; accounting services; architectural services; healthcare services provided by pharmacists and radiographers; and veterinary services.
  - Both countries have agreed to improve recognition of health professional qualifications over time, including for pharmacists and radiographers.
- Australian professionals can benefit from guaranteed visa access arrangements, including for their spouse and dependants, to enter and stay in Korea.