

## ANNEX I

### 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), a Party's existing measures that are not subject to some or all of the 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 7.6.1(a) (Non-Conforming Measures – Cross-Border Trade in Services) and 11.12.1(a) (Non-Conforming Measures – Investment), do not apply to the listed measure(s);
- (c) **Level of Government** indicates the level of government maintaining the listed measure(s);
- (d) For Korea, **Measures** identifies the laws, regulations or other measures for which the entry is made. For Australia, **Source of Measure** means the laws, regulations or other measures that are the source of the non-conforming measure for which the entry is made. A measure cited in the **Measures** or **Source of Measure** 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;

(e) **Description**, for Australia, sets out the non-conforming measure for which the entry is made; and **Description**, for Korea, provides commitments, if any, for liberalisation on the date of entry into force of the Agreement, and the remaining non-conforming aspects of the **Measures** for which the entry is made.

3. In accordance with Article 7.6.1(a) (Non-Conforming Measures – Cross-Border Trade in Services) and 11.12.1(a) (Non-Conforming Measures – Investment), the articles of this Agreement specified in the **Obligations Concerned** element of an entry do not apply, in the case of Australia, to the non-conforming measure identified in the **Description** element of that entry or, in the case of Korea, to the law, regulation or other measure identified in the **Measures** element of that entry.

4. Local Presence and National Treatment are separate disciplines and a measure that is only inconsistent with Local Presence (such as residency requirements) need not be reserved against National Treatment.

5. Where a Party maintains a measure that requires that a service supplier be a citizen, permanent resident or resident of its territory as a condition to the supply of a service in its territory, a Schedule entry for that measure taken with respect to Article 7.2 (National Treatment – Cross-Border Trade in Services), 7.3 (Most-Favoured-Nation Treatment – Cross-Border Trade in Services) or 7.5 (Local Presence – Cross-Border Trade in Services) shall operate as a Schedule entry with respect to Article 11.3 (National Treatment – Investment), 11.4 (Most-Favoured-Nation Treatment – Investment) or 11.9 (Performance Requirements – Investment) to the extent of that measure.

6. For Korea, a “foreign person” means a foreign national or an enterprise organised under the laws of another country.