

ANNEX 4-I

RESERVATIONS TO CHAPTER 7 (CROSS-BORDER TRADE IN SERVICES) AND CHAPTER 8 (INVESTMENT)

EXPLANATORY NOTES

1. The Schedule of a Party to this Annex sets out, pursuant to Article 7 (Reservations) of Chapter 7 (Cross-Border Trade in Services) and Article 11 (Reservations) of Chapter 8 (Investment), a Party's existing measures that are not subject to some or all of the obligations imposed by:

- (a) Article 3 (Market Access) of Chapter 7 (Cross-Border Trade in Services);
- (b) Article 4 (National Treatment) of Chapter 7 (Cross-Border Trade in Services) or Article 4 (National Treatment) of Chapter 8 (Investment);
- (c) Article 5 (Most-Favoured-Nation Treatment) of Chapter 7 (Cross-Border Trade in Services) or Article 5 (Most-Favoured-Nation Treatment) of Chapter 8 (Investment);
- (d) Article 6 (Local Presence) of Chapter 7 (Cross-Border Trade in Services);
- (e) Article 7 (Prohibition of Performance Requirements) of Chapter 8 (Investment); or
- (f) Article 8 (Senior Management and Boards of Directors) of Chapter 8 (Investment).

2. Each Schedule entry sets out the following elements:

- (a) **Sector** refers to the sector for which the entry is made;
- (b) **Sub-Sector**, where referenced, refers to the specific sector in which the reservation is made;
- (c) **Industry Classification**, where referenced, refers to the activity covered by the non-conforming measure according 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);
- (d) **Obligations Concerned** specifies the obligations referred to in paragraph 1 that, pursuant to Article 7.1 (Reservations) of Chapter 7 (Cross-Border Trade in Services) and Article 11.1 (Reservations) of

Chapter 8 (Investment), do not apply to the listed measure(s) as indicated in the Description element of that entry;

- (e) **Level of Government** indicates the level of government maintaining the listed measures;
- (f) **Source of Measure** 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
- (g) **Description** sets out the non-conforming aspects of the measure to which the entry applies. However, in the interpretation of an entry, all elements of the entry shall be considered.

3. Articles 4 (National Treatment) and 6 (Local Presence) of Chapter 7 (Cross-Border Trade in Services) are separate disciplines and a measure that is only inconsistent with Article 6 (Local Presence) of Chapter 7 (Cross-Border Trade in Services) need not be reserved against Article 4 (National Treatment) of Chapter 7 (Cross-Border Trade in Services). For greater certainty, requirements that must be met in order to establish a particular form of enterprise, such as a corporation, trust, partnership, sole proprietorship, joint venture, association or similar organisation are not breaches of the local presence obligation unless they are imposed as a condition for the cross-border supply of a service.

4. Article 1 (Definitions) of Chapter 7 (Cross-Border Trade in Services) and Article 1 (Definitions) of Chapter 8 (Investment) shall apply to this Annex.