

ANNEX 4-II

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), the specific sectors, subsectors 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 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 in which the entry is taken;
- (b) **Sub-Sector**, where referenced, refers to the specific subsector for which the entry 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 7.2 (Reservations) of Chapter 7

(Cross-Border Trade in Services) and Article 11.2 (Reservations) of Chapter 8 (Investment), do not apply to the sectors, subsectors or activities listed in the entry;

- (e) **Description** sets out the scope or nature of the sectors, sub-sectors or activities covered by the entry to which the reservation applies; and
- (f) **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.

3. In accordance with Article 7.2 (Reservations) of Chapter 7 (Cross-Border Trade in Services) and Article 11.2 (Reservations) of Chapter 8 (Investment), the articles of this Agreement specified in the **Obligations concerned** element of an entry do not apply to the sectors, subsectors and activities identified in the **Description** element of that entry.

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.