



8 April 2014

The Hon Andrew Robb AO, MP  
Minister for Trade and Investment  
Parliament House  
CANBERRA ACT 2600

Dear Minister Robb

In connection with the signing on this date of the Korea-Australia Free Trade Agreement (the “Agreement”), I have the honour to confirm the following understanding reached between the delegations of the Republic of Korea and Australia during the course of negotiations regarding Chapters 7 (Cross-Border Trade in Services) and 11 (Investment) of the Agreement:

Notwithstanding Article 7.1 (Scope) or Article 11.1 (Scope), for Korea, the cross-border trade in gambling and betting services<sup>1</sup> is not subject to Chapter 7 (Cross-Border Trade in Services) and investment in gambling and betting services is not subject to Chapter 11 (Investment).

For greater certainty, Korea retains the right to adopt or maintain any measure in relation to gambling and betting services, in accordance with its respective laws or regulations.

I have the honour to propose that this letter and your letter in reply confirming that your Government shares this understanding shall constitute an integral part of the Agreement.

Yours sincerely

Yoon Sang-jick

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<sup>1</sup> For greater certainty, “gambling and betting services” includes such services supplied through electronic transmission and services that use *sa-haeng-seong-ge-im-mul*. “*Sa-haeng-seong-ge-im-mul*”, as defined in Article 2 of Korea’s *Game Industry Promotion Act*, includes, *inter alia*, gaming instruments which result in financial loss or gain through betting or by chance.