

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.