

CHAPTER SIX
TRADE IN SERVICES

ARTICLE 6.1: DEFINITIONS

For the purposes of this Chapter:

A juridical person is:

owned by persons of a Party if more than 50 percent of the equity interest in it is beneficially owned by persons of that Party;

controlled by persons of a Party if such persons have the power to name a majority of its directors or otherwise to legally direct its actions; or

affiliated with another person when it controls, or is controlled by, that other person, or when it and the other person are both controlled by the same person;

A service supplied in the exercise of governmental authority means any service which is supplied neither on a commercial basis nor in competition with one or more service suppliers;

Aircraft repair and maintenance services means such activities when undertaken on an aircraft or a part thereof while it is withdrawn from service and do not include so-called line maintenance;

Commercial presence means any type of business or professional establishment, including through:

- (a) the constitution, acquisition or maintenance of a juridical person; or
- (b) the creation or maintenance of a branch or a representative office, within the territory of a Party for the purpose of supplying a service;

Computer reservation system (CRS) services means services provided by computerised systems that contain information about air carriers' schedules, availability, fares and fare rules, through which reservations can be made or tickets may be issued;

Direct taxes comprise all taxes on total income, on total capital or on elements of income or of capital, including taxes on gains from the alienation of property, taxes on estates, inheritances and gifts, and taxes on the total amounts of wages or salaries paid by enterprises, as well as taxes on capital appreciation;

Financial services means “financial service” as defined in Annex 6-C;

Juridical person means any legal entity duly constituted or otherwise organised under applicable law, whether for profit or otherwise, and whether privately-owned or governmentally-owned, including any corporation, trust, partnership, joint venture, sole proprietorship or association, cooperative or society¹;

Juridical person of the other Party means a juridical person which is either:

- (a) constituted or otherwise organised under the law of the other Party, and is engaged in substantive business operations in the territory of the other Party, or a non-Party; or
- (b) in the case of the supply of a service through commercial presence, owned or controlled by natural or juridical person of the other Party;

Measures by Parties affecting trade in services include measures in respect of:

- (a) the purchase, payment or use of a service;
- (b) the access to and use of, in connection with the supply of a service, services which are required by the Parties to be offered to the public generally; or
- (c) the presence, including commercial presence, of persons of a Party for the supply of a service in the territory of the other Party;

Monopoly supplier of a service means any person, public or private, which in the relevant market of the territory of a Party is authorised or established formally or in effect by that Party as the sole supplier of that service;

Natural person of a Party means a natural person who resides in the territory of the Party or elsewhere and who under its laws:

- (a) is a national of that Party; or
- (b) has the right of permanent residence in that Party;

Person means either a natural person or a juridical person;

Selling and marketing of air transport services mean opportunities for the air carrier concerned to sell and market freely its air transport services including all aspects of marketing such as market research, advertising and distribution. These activities do not include the pricing of air transport services nor the applicable conditions;

Services means all services except services supplied in the exercise of governmental authority;

¹ A cooperative or a society are legal entities constituted under the relevant applicable laws in India

Service consumer means any person that receives or uses a service;

Service of the other Party means a service which is supplied:

(a) from or in the territory of the other Party, or in the case of maritime transport, by a vessel registered under the laws of the other Party, or by a person of the other Party which supplies the service through the operation of a vessel or its use in whole or in part; or

(b) in the case of the supply of a service through commercial presence or through the presence of natural persons, by a service supplier of the other Party;

Service supplier means any person that supplies or seeks to supply a service²;

Supply of a service includes the production, distribution, marketing, sale and delivery of a service; and

Trade in services is defined as the supply of a service:

(a) from the territory of a Party into the territory of the other Party (cross-border);

(b) in the territory of a Party by a person of that Party to a person of the other Party (consumption abroad);

(c) by a service supplier of a Party, through commercial presence in the territory of the other Party (commercial presence); or

(d) by a service supplier of a Party, through presence of natural persons of a Party in the territory of the other Party (presence of natural persons).

ARTICLE 6.2: SCOPE AND COVERAGE

1. This Chapter applies to measures by a Party affecting trade in services.

2. For the purposes of this Chapter, measures adopted or maintained by a Party mean measures adopted or maintained by central, regional or local governments and authorities, or by non-governmental bodies in the exercise of any regulatory, administrative or other governmental authority delegated by central, regional or local governments and authorities.

² Where the service is not supplied directly by a juridical person but through other forms of commercial presence such as a branch or a representative office, the service supplier (i.e. the juridical person) shall, nonetheless, through such presence be accorded the treatment provided for service suppliers under this Chapter. Such treatment shall be extended to the presence through which the service is supplied and need not be extended to any other parts of the supplier located outside the territory where the service is supplied. The Parties understand that 'seeks to provide' or 'provides a service' has the same meaning as 'supplies a service' as used in Article XXVIII(g) of GATS.

3. This Chapter does not apply to:

(a) government procurement;

(b) subsidies or grants, including government-supported loans, guarantees and insurance; or to any conditions attached to the receipt or continued receipt of such subsidies or grants, whether or not such subsidies or grants are offered exclusively to domestic services, service consumers or service suppliers;

(c) services provided in the exercise of governmental authority, provided that such services are supplied neither on a commercial basis, nor in competition with one or more service providers; and

(d) transportation and non-transportation air services, including domestic and international services, whether scheduled or non-scheduled, and related services in support of air services³ other than:

(i) aircraft repair and maintenance services;

(ii) the selling and marketing of air transport services; and

(iii) computer reservation system services.

4. This Chapter shall not apply to measures affecting natural persons seeking access to the employment market of a Party, nor shall it apply to measures regarding citizenship, residence or employment on a permanent basis.

5. Nothing in this Chapter shall prevent a Party from applying measures to regulate the entry of natural persons of the other Party into, or their temporary stay in, its territory, including those measures necessary to protect the integrity of, and to ensure the orderly movement of natural persons across its borders, provided that such measures are not applied in such a manner as to nullify or impair the benefits accruing to the other Party under the terms of this Chapter as well as the terms of specific commitments undertaken.

6. New services, including new financial services, shall be considered for possible incorporation into this Chapter at future reviews held in accordance with Article 6.19, or at the request of either Party immediately. The supply of services which are not technically or technologically feasible when this Agreement comes into force shall, when they become feasible, also be considered for possible incorporation at future reviews or at the request of either Party immediately.

³ The Parties understand that ground handling services are part of related services in support of air services.

ARTICLE 6.3: REVIEW OF MOST FAVOURED NATION COMMITMENTS

If, after the date of entry into force of this Agreement, a Party enters into any agreement on trade in services with a non-Party, it shall give consideration to a request by the other Party for the incorporation herein of treatment no less favourable than that provided under the aforesaid agreement. Any such incorporation should maintain the overall balance of commitments undertaken by each Party under this Agreement.

ARTICLE 6.4: MARKET ACCESS

1. With respect to market access through the modes of supply defined in Article 6.1, each Party shall accord services and service suppliers of the other Party treatment no less favourable than that provided for under the terms, limitations and conditions agreed and specified in its Schedule of specific commitments⁴.

2. In sectors where market access commitments are undertaken, the measures which a Party shall not maintain or adopt either on the basis of a regional subdivision or on the basis of its entire territory, unless otherwise specified in its Schedule of specific commitments, are defined as:

- (a) limitations on the number of service suppliers whether in the form of numerical quotas, monopolies, exclusive service suppliers or the requirement of an economic needs test;
- (b) limitations on the total value of service transactions or assets in the form of numerical quotas or the requirement of an economic needs test;
- (c) limitations on the total number of service operations or the total quantity of services output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test⁵;
- (d) limitations on the total number of natural persons that may be employed in a particular service sector or that a service supplier may employ and who are necessary for, and directly related to, the supply of a specific service in the form of numerical quotas or the requirement of an economic needs test;

⁴ If a Party undertakes a market access commitment in relation to the supply of a service through the mode of supply referred to in Article 6.1 and if the cross-border movement of capital is an essential part of the service itself, that Party is thereby committed to allow such movement of capital. If a Party undertakes a market-access commitment in relation to the supply of a service through the mode of supply referred to in Article 6.1, it is thereby committed to allow related transfers of capital into its territory.

⁵ Subparagraph (c) does not cover measures of a Party which limits inputs for the supply of services.

- (e) measures which restrict or require specific types of legal entity or joint venture through which a service supplier may supply a service; and
- (f) limitations on the participation of foreign capital in terms of maximum percentage limit on foreign shareholding or the total value of individual or aggregate foreign investment.

ARTICLE 6.5: NATIONAL TREATMENT

1. In the sectors inscribed in its Schedule of specific commitments, and subject to any conditions and qualifications set out therein, each Party shall accord to services and service suppliers of the other Party treatment no less favourable than that it accords, in like circumstances, to its own services and service suppliers⁶.

2. Any subsequent establishment, acquisition and expansion of investments by a service supplier that is incorporated, constituted, set up or otherwise duly organised under the law of a Party, and which is owned by a service supplier of the other Party, shall be regarded as an investment of the other Party, for the purpose of determining the applicable treatment to be accorded under this Article⁷.

3. The treatment to be accorded by a Party under paragraph 1 means, with respect to a regional or local level government, treatment no less favourable than the most favourable treatment accorded by that regional or local level government to like service suppliers of the Party of which it forms a part.

4. A Party may meet the requirement of paragraph 1 by according to services and service suppliers of the other Party, either formally identical treatment or formally different treatment to that it accords to its own like services and service suppliers.

5. Formally identical or formally different treatment shall be considered to be less favourable if it modifies the conditions of competition in favour of services or service suppliers of a Party compared to like services or service suppliers of the other Party.

⁶ Specific commitments assumed under this Article shall not be construed to require any Party to compensate for any inherent competitive disadvantages which result from the foreign character of the relevant services or service suppliers.

⁷ The Parties understand that although such service suppliers may be accorded any better treatment which is available under the regime of that Party, at the time of such subsequent establishment, acquisition and expansion of investments, any such better treatment accorded shall not be construed as an automatic modification to the Parties' respective Schedules in Annex I (Non-Conformity Measures for Investment(Existing Measures)) or II (Non-Conformity Measures for Investment(Future Measures)) in Chapter Ten (Investment).

ARTICLE 6.6: ADDITIONAL COMMITMENTS

The Parties may negotiate commitments with respect to measures affecting trade in services not subject to scheduling under Article 6.4 or 6.5, including those regarding qualifications, standards or licencing matters. Such commitments shall be inscribed in a Party's Schedule of specific commitments.

ARTICLE 6.7: DOMESTIC REGULATION

1. In sectors where specific commitments are undertaken, each Party shall ensure that all measures of general application affecting trade in services are administered in a reasonable, objective and impartial manner.

2. Each Party shall maintain or institute as soon as practicable judicial, arbitral or administrative tribunals or procedures which provide, at the request of an affected service supplier of the other Party, for the prompt review of, and where justified, appropriate remedies for, administrative decisions affecting trade in services. Where such procedures are not independent of the agency entrusted with the administrative decision concerned, the Party shall ensure that the procedures in fact provide for an objective and impartial review.

3. Paragraph 2 shall not be construed to require a Party to institute such tribunals or procedures where this would be inconsistent with its constitutional structure or the nature of its legal system.

4. Where authorisation is required for the supply of a service on which a specific commitment has been made, the competent authorities of a Party shall, within a reasonable period of time after the submission of an application considered complete under its laws and regulations, inform the applicant of the decision concerning the application. At the request of the applicant, the competent authorities of the Party shall provide, without undue delay, information concerning the status of the application.

5. With the objective of ensuring that domestic regulations, including measures relating to qualification requirements and procedures, technical standards and licencing requirements, do not constitute unnecessary barriers to trade in services, the Parties shall jointly review the results of the negotiations on disciplines on these measures, pursuant to Article VI:4 of GATS, with a view to their incorporation into this Chapter. The Parties note that such disciplines aim to ensure that such requirements are *inter alia*:

- (a) based on objective and transparent criteria, such as competence and the ability to supply the service;
- (b) not more burdensome than necessary to ensure the quality of the service; and

- (c) in the case of licencing procedures, not in themselves a restriction on the supply of the service.
6. Pending the incorporation of disciplines pursuant to paragraph 5 for sectors where a Party has undertaken specific commitments and subject to any terms, limitations, conditions or qualifications set out therein, a Party shall not apply licencing and qualification requirements and technical standards that nullify or impair such specific commitments in a manner which:
- (a) does not comply with the criteria outlined in paragraph 5(a), (b) or (c); and
 - (b) could not reasonably have been expected of that Party at the time the specific commitments in those sectors were made.
7. In determining whether a Party is in conformity with the obligations under paragraph 6, account shall be taken of international standards of relevant international organisations⁸ applied by that Party.
8. In sectors where specific commitments regarding professional services are undertaken, each Party shall provide for adequate procedures to verify the competence of professionals of the other Party.

ARTICLE 6.8: RECOGNITION

1. For the purposes of the fulfillment of its standards or criteria for the authorisation, licencing or certification of services suppliers, a Party may recognise the education or experience obtained, requirements met, or licences or certifications granted in the other Party.
2. After the date of entry into force of this Agreement, upon request being made in writing by a Party to the other Party in any regulated service sector, the Parties shall encourage that their respective professional bodies negotiate and conclude, within 12 months of the date of entry into force of this Agreement, in that service sector for mutual recognition of education, or experience obtained, requirements met, or licences or certifications granted in that service sector, with a view to the achievement of early outcomes. Any delay or failure by these professional bodies to reach and conclude agreement on the details of such agreement or arrangements shall not be regarded as a breach of a Party's obligations under this paragraph and shall not be subject to Chapter Fourteen (Dispute Settlement). Progress in this regard will be continually reviewed by the Parties in the course of the review pursuant to Article 15.2 (Joint Committee and Review).

⁸ The term "relevant international organisations" refers to international bodies whose membership is open to relevant bodies of both Parties.

3. Where a Party recognises, by agreement or arrangement, the education or experience obtained, requirements met or licences or certifications granted in the territory of a country that is not a Party to this Agreement, that Party shall accord the other Party, upon request, adequate opportunity to negotiate its accession to such an agreement or arrangement or to negotiate comparable ones with it. Where a Party accords recognition autonomously, it shall afford adequate opportunity for the other Party to demonstrate that the education or experience obtained, requirements met or licences or certifications granted in the territory of that other Party should also be recognised.

4. The Parties agree that they shall not be responsible in any way for the settlement of disputes arising out of or under these agreements or arrangements for mutual recognition concluded by their respective professional, standard-setting or self-regulatory bodies under this Article and that the provisions of Chapter Fourteen (Dispute Settlement) shall not apply to disputes arising out of, or under the provisions of such agreements or arrangements.

ARTICLE 6.9: MONOPOLY AND EXCLUSIVE SERVICE SUPPLIERS

1. Each Party shall ensure that any monopoly supplier of a service in its territory does not, in the supply of the monopoly service in the relevant market, act in a manner inconsistent with that Party's Schedule of specific commitments.

2. Where a Party's monopoly supplier competes, either directly or through an affiliated company, in the supply of a service outside the scope of its monopoly rights and which is subject to that Party's Schedule of specific commitments, the Party shall ensure that such a supplier does not abuse its monopoly position to act in its territory in a manner inconsistent with such commitments.

3. If a Party has reason to believe that a monopoly supplier of a service of the other Party is acting in a manner inconsistent with paragraph 1 or 2, it may request the other Party establishing, maintaining or authorising such supplier to provide specific information concerning the relevant operations in its territory.

4. The provisions of this Article shall also apply to cases of exclusive service suppliers, where a Party, formally or in effect:

- (a) authorises or establishes a small number of service suppliers; and
- (b) substantially prevents competition among those suppliers in its territory.

ARTICLE 6.10: BUSINESS PRACTICES

1. The Parties recognise that certain business practices of service suppliers, other than those falling under Article 6.9, may restrain competition and thereby restrict trade in services.

2. A Party shall, at the request of the other Party, enter into consultations with a view to eliminating practices referred to in paragraph 1. The Party addressed shall accord full and sympathetic consideration to such a request and shall cooperate through the supply of publicly available non-confidential information of relevance to the matter in question. The Party addressed shall also provide other information available to the requesting Party, subject to its law and to the conclusion of satisfactory agreement concerning the safeguarding of its confidentiality by the requesting Party.

ARTICLE 6.11: SAFEGUARD MEASURES

1. Neither Party shall take safeguard action against services and service suppliers of the other Party from the date of entry into force of this Agreement. Neither Party shall initiate or continue any safeguard investigations in respect of services and service suppliers of the other Party.

2. The Parties shall review the issue of safeguard measures in the context of developments in international fora of which both Parties are party.

ARTICLE 6.12: PAYMENTS AND TRANSFERS

1. Except under the circumstances envisaged in Article 6.13, a Party shall not apply restrictions on international transfers and payments for current transactions relating to its specific commitments.

2. Nothing in this Chapter shall affect the rights and obligations of the Parties as members of the International Monetary Fund under the *Articles of Agreement of the International Monetary Fund*, including the use of exchange actions which are in conformity with them, provided that a Party shall not impose restrictions on any capital transactions inconsistently with its specific commitments regarding such transactions, except under Article 6.13 or at the request of the Fund.

ARTICLE 6.13: RESTRICTIONS TO SAFEGUARD THE BALANCE OF PAYMENTS

1. In the event of serious balance of payments and external financial difficulties or a threat thereof, a Party may, in accordance with Articles XI and XII of GATS adopt or maintain restrictions on trade in services on which it has undertaken specific commitments, including on payments or transfers for transactions relating to such obligations. It is recognised that particular pressures on the balance of payments of a Party in the process of economic development may necessitate the use of restrictions to ensure, *inter alia*, the maintenance of a level of financial reserves adequate for the implementation of its programme of economic development.

2. The restrictions referred to in paragraph 1 shall:

- (a) be consistent with the *Articles of Agreement of the International Monetary Fund*;
- (b) avoid unnecessary damage to the commercial, economic and financial interests of the other Party;
- (c) not exceed those necessary to deal with the circumstances described in paragraph 1;
- (d) be temporary and be phased out progressively as the situation specified in paragraph 1 improves; and
- (e) be applied on a national treatment basis and such that the other Party is treated no less favourably than any country that is not a Party to this Agreement.

3. Any restrictions adopted or maintained under paragraph 1, or any changes therein, shall be promptly notified to the other Party.

4. The Party adopting any restrictions under paragraph 1 shall commence consultations with the other Party in order to review the restrictions adopted by it.

ARTICLE 6.14: GENERAL EXCEPTIONS

1. Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination against the other Party, or a disguised restriction on trade in services, nothing in this Chapter shall be construed to prevent the adoption or enforcement by either Party of measures:

- (a) necessary to protect public morals or to maintain public order⁹;
- (b) necessary to protect human, animal or plant life or health;
- (c) necessary to secure compliance with laws or regulations which are not inconsistent with the provisions of this Chapter including those relating to:
 - (i) the prevention of deceptive and fraudulent practices or to deal with the effects of a default on services contracts;

⁹ The public order exception may be invoked by a Party only where a genuine and sufficiently serious threat is posed to one of the fundamental interests of society.

(ii) the protection of the privacy of individuals in relation to the processing and dissemination of personal data and the protection of confidentiality of individual records and accounts; or

(iii) safety; or

(d) inconsistent with Article 6.5, provided that the difference in treatment is aimed at ensuring the equitable or effective¹⁰ imposition or collection of direct taxes in respect of services or service suppliers of the other Party.

2. Nothing in this Agreement shall prevent a Party from adopting or maintaining measures under which it accords more favourable treatment to persons of a non-Party than that accorded to persons of the other Party to this Agreement as a result of a bilateral double taxation avoidance agreement between the Party and such non-Party.

ARTICLE 6.15: SECURITY EXCEPTIONS

1. Nothing in this Chapter shall be construed:

(a) to require a Party to furnish any information, the disclosure of which it considers contrary to its essential security interests;

(b) to prevent a Party from taking any action which it considers necessary for the protection of its essential security interests:

(i) relating to the supply of services as carried out directly or indirectly for the purposes of provisioning a military establishment;

¹⁰ Measures that are aimed at ensuring the equitable or effective imposition or collection of direct taxes include measures taken by a Party under its taxation system which:

(i) apply to non-resident service suppliers in recognition of the fact that the tax obligation of nonresidents is determined with respect to taxable items sourced or located in the Party's territory; or

(ii) apply to non-residents in order to ensure the imposition or collection of taxes in the Party's territory; or

(iii) apply to non-residents or residents in order to prevent the avoidance or evasion of taxes, including compliance measures; or

(iv) apply to consumers of services supplied in or from the territory of the other Party in order to ensure the imposition or collection of taxes on such consumers derived from sources in the Party's territory; or

(v) distinguish service suppliers subject to tax on world-wide taxable items from other service suppliers, in recognition of the difference in the nature of the tax base between them; or

(vi) determine, allocate or apportion income, profit, gain, loss, deduction or credit of resident persons or branches, or between related persons or branches of the same person, in order to safeguard the Party's tax base. Tax terms or concepts in paragraph 1(d) and in this footnote are determined according to tax definitions and concepts, or equivalent or similar definitions and concepts, under the domestic law of the Party taking the measure.

(ii) relating to fissionable and fusionable materials or the materials from which they are derived;

(iii) taken in time of war or other emergency in international relations; or

(iv) relating to protection of critical public infrastructure for communications, power and water supply from deliberate attempts intended to disable or degrade such infrastructures¹¹; or

(c) to prevent a Party from taking any action in pursuance of its obligations under the United Nations Charter for the maintenance of international peace and security.

2. Each Party shall inform the other Party to the fullest extent possible of measures taken under paragraphs 1(b) and (c) and of their termination.

3. Nothing in this Chapter shall be construed to require a Party to accord the benefits of this Chapter to a service supplier of the other Party where a Party adopts or maintains measures in any laws and regulations which it considers necessary for the protection of its essential security interests with respect to a non-Party or a service supplier of a non-Party that would be violated or circumvented if the benefits of this Chapter were accorded to such a service supplier.

ARTICLE 6.16: SUBSIDIES

1. The Parties shall review the treatment of subsidies in the context of developments in multilateral fora of which both Parties are party.

2. In the event that either Party considers that its interests have been adversely affected by a subsidy or grant provided by the other Party, upon request, the other Party shall enter into consultations with a view to resolving the matter.

3. During the consultations referred to in paragraph 2, the subsidising Party may, as it deems fit, consider a request of the other Party for information relating to the subsidy scheme or programme such as:

(a) its laws and regulations under which the measure is introduced;

(b) form of the measure, including grant, loan or tax measure;

(c) policy objective and/or purpose of the measure;

¹¹ Paragraph 1(b)(iv) is subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination against the other Party, or a disguised restriction on trade in services.

(d) dates and duration of the programme or subsidy and any other time limits attached to it; and

(e) eligibility requirements of the measure, including criteria applied with respect to the potential population of beneficiaries.

4. Chapter Fourteen (Dispute Settlement) shall not apply to any requests made or consultations held under this Article or to any disputes that may arise between the Parties under this Article.

ARTICLE 6.17: SCHEDULE OF SPECIFIC COMMITMENTS

1. Each Party shall set out in its Schedule the specific commitments it undertakes under Articles 6.4 through 6.6. With respect to sectors where such commitments are undertaken, each Schedule of specific commitments shall specify:

(a) terms, limitations and conditions on market access;

(b) conditions and qualifications on national treatment;

(c) undertakings relating to additional commitments;

(d) where appropriate the time frame for implementation of such commitments; and

(e) the date of entry into force of such commitments.

2. Measures inconsistent with Articles 6.4 and 6.5 shall be inscribed in the column relating to Article 6.4. In this case the inscription will be considered to provide a condition or qualification to Article 6.5 as well.

3. Schedules of specific commitments shall be annexed to this Chapter as Annexes 6-A and 6-B and shall form an integral part of this Agreement.

4. Regarding commitments on Articles 6.4 and 6.5 for trade in services, only the Schedule of specific commitments in Annex 6-A or 6-B applies.

ARTICLE 6.18: MODIFICATION OF SCHEDULES

1. A Party may modify or withdraw any commitment in its Schedule, at any time after three years have elapsed from the date on which that commitment entered into force, in accordance with this Article. The modifying Party shall notify the other Party of its intent to so modify or withdraw a commitment no later than three months before the intended date of implementation of the modification or withdrawal.

2. At the request of the other Party, the modifying Party shall enter into negotiations with a view to reaching agreement on any necessary compensatory adjustment. In such negotiations and agreement, the Party shall endeavour to maintain a general level of mutually advantageous commitments not less favourable to trade than that provided for in the Schedule of specific commitments prior to such negotiations. The Parties shall endeavour to conclude negotiations on such compensatory adjustment to mutual satisfaction within six months, failing which recourse may be had to Chapter Fourteen (Dispute Settlement).

ARTICLE 6.19: PROGRESSIVE LIBERALISATION

The Parties shall endeavour to review their Schedules of specific commitments at least once every three years, or earlier, at the request of either Party, with a view to facilitating the elimination of substantially all remaining discrimination between the Parties with regard to trade in services covered in this Chapter over a period of time. In this process, there shall be due respect for the national policy objectives and the level of development of the Parties, in both overall and individual sectors.

ARTICLE 6.20: TRANSPARENCY

1. Each Party shall publish promptly and, except in emergency situations, at the latest by the time of their entry into force, all relevant measures of general application which pertain to or affect the operation of this Chapter. International agreements pertaining to or affecting trade in services to which a Party is a signatory shall also be published.

2. Where publication as referred to in paragraph 1 is not practicable, such information shall be made otherwise publicly available.

3. Each Party shall respond promptly to all requests by the other Party for specific information on any of its measures of general application or international agreements within the meaning of paragraph 1. Each Party shall also establish one or more enquiry points to provide specific information to the other Party, upon request, on all such matters.

ARTICLE 6.21: DISCLOSURE OF CONFIDENTIAL INFORMATION

Nothing in this Agreement shall require each Party to provide confidential information, the disclosure of which would impede law enforcement, or otherwise be contrary to the public interest, or which would prejudice legitimate commercial interests of particular enterprises, public or private.

ARTICLE 6.22: DENIAL OF BENEFITS

Subject to prior notification and consultation, a Party may deny the benefits of this Chapter:

(a) to the supply of a service, if it establishes that the service is supplied from or in

the territory of a country that is not a Party to this Agreement;

(b) in the case of the supply of a maritime transport service, if it establishes that the service is supplied by

(i) a vessel registered under the laws of a non-Party, and

(ii) a person which operates or uses the vessel in whole or in part but which is of a non-Party;

(c) to a service provider of the other Party where the Party establishes that the service is being provided by a juridical person that is owned or controlled by persons of a non-Party or of the denying Party and that has no real and continuous business activities or no substantive business operations in the territory of the other Party; or

(d) to a service supplier of the other Party if the service supplier is a juridical person owned or controlled by persons of a non-Party, and the denying Party adopts or maintains measures which include notification or an order, with respect to the non-Party or a person of the non-Party that prohibit transactions with the juridical person or that would be violated or circumvented if the benefits of this Chapter were accorded to the juridical person.

ARTICLE 6.23: SERVICES-INVESTMENT LINKAGE

1. For the avoidance of doubt, the Parties confirm, in respect of this Chapter, that:

(a) subject to paragraph 2, the following articles of Chapter Ten (Investment) apply, *mutatis mutandis*, to measures affecting the supply of service by a service supplier of a Party through commercial presence in the territory of the other Party, only to the extent that they relate to an investment, regardless of whether or not such a service sector is scheduled in a Party's Schedule of specific commitments in Annex 6-A or 6-B:

(i) Article 10.4 (Minimum Standard of Treatment);

(ii) Article 10.10 (Transfers);

(iii) Article 10.12 (Expropriation and Compensation);

(iv) Article 10.13 (Losses and Compensation);

(v) Article 10.14 (Subrogation);

(vi) Article 10.15 (Special Formalities and Information Requirements);

(vii) Article 10.19 (Access to the Judicial and Administrative

Procedures); and

(viii) Article 10.21 (Settlement of Disputes between a Party and an Investor of the other Party); and

(b) Article 10.22 (Entry into Force, Duration and Termination) shall be applicable to paragraph (a).

2. Notwithstanding Article 10.2 (Scope and Coverage), the following articles of Chapter Ten (Investment) apply, *mutatis mutandis*, to measures affecting the supply of financial services by a service supplier of a Party through commercial presence in the territory of the other Party, only to the extent that they relate to an investment, regardless of whether or not such a service sector is scheduled in a Party's Schedule of specific commitments in Annex 6-A or 6-B:

(a) Article 10.12 (Expropriation and Compensation); and

(b) Article 10.21 (Settlement of Disputes between a Party and an Investor of the other Party) solely for claims that a Party has breached Article 10.12 (Expropriation and Compensation).

ANNEX 6-A
SCHEDULE OF SPECIFIC COMMITMENTS OF INDIA

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
I. HORIZONTAL COMMITMENTS			
ALL SECTORS INCLUDED IN THIS SCHEDULE	3) FIPB approval will be required in sectors where the provision of Press Note 1 (2005 Series) issued by the Government of India are attracted.¹ 3) A foreign company can set up operations in India under the following routes: a) As a incorporated entity by incorporating a company under the Companies Act, 1956 through a Joint Ventures or Wholly Owned Subsidiaries. These entities can undertake activities permitted as per FEMA (Transfer or issue of securities by a person resident outside India) Regulation, 2000 (FDI Scheme) b) As an office of a foreign entity through liaison office / representative office, project office and branch office. Such offices can undertake activities permitted under the Foreign Exchange Management Act (Establishment in India of Branch Office or other place of business) regulations, 2000	3) In case of collaboration with public sector enterprises or government undertakings as joint venture partners, preference in access will be given to Korean service suppliers/entities which offer the best terms for transfer of technology. 3) Taxation laws for domestic and Korean service suppliers, as per the provisions of the Income tax Act, 1961, shall apply. 3) Subsidies, where granted, shall be available only to domestic service suppliers.	

¹ These are not ENT requirements

Modes of supply: 1) Cross-border supply 3) Commercial presence 2) Consumption abroad 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	4) Unbound except as per commitments in Chapter 8 on Movement of Natural Persons.	4) None, except for requirement of requisite visa and the conditions attached to entry and temporary stay under such a visa for each of the categories specified in the Market Access column including: For all categories: fulfillment of specific requirements regarding information in support of the application and required documentation For categories (c) and (d): • Proof of Contract • Possession of requisite educational and professional qualifications relevant to the service to be provided including work experience	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
II. SECTOR – SPECIFIC COMMITMENTS			
1. BUSINESS SERVICES			
A. Professional Services			
(b) Accounting and Book Keeping Services (CPC 862) (excluding Auditing Services)	1) None 2) None 3) Unbound 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) Unbound 4) Unbound except as indicated in the horizontal section and further subject to the requirement of obtaining professional indemnity insurance from home country of service provider.	
(d) Architectural services(CPC 8671)	1) None 2) None 3) None except that the establishment would be only through incorporation as partnership firm constituted by Architects. 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(e) Engineering Services (CPC 8672)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(f) Integrated engineering services (CPC 8673)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(g) Urban planning and landscape architectural services (CPC 8674)	1) None 2) None 3) None except that the establishment would be only through incorporation as partnership firm constituted by Architects. 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(h) Medical and Dental Services (CPC 9312)	1) None for provision of services on provider to provider basis such that the transaction is between established medical institutions covering areas of second opinion to help in diagnosis of cases or in the field of research. 2) None 3) Only through incorporation with a foreign equity ceiling of 74 per cent subject to the condition that the latest technology for treatment will be brought in. 4) Unbound except as indicated in the horizontal section. None for charitable purposes	1) None 2) None 3) Publicly funded services may be available only to Indian citizens or may be supplied at differential prices to persons other than Indian citizens. 4) Unbound except as indicated in the horizontal section	
(i) Veterinary services (CPC 932)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal Section	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(j) Services provided by Midwives, Nurses, Physiotherapists and para-medical personnel (CPC 93191)	1) None for provision of services on provider to provider basis such that the transaction is between established medical institutions covering areas of second opinion to help in diagnosis of cases or in the field of research. 2) None 3) None except that foreign equity ceiling of 74 per cent subject to the condition that the latest technology for treatment will be brought in. 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) Publicly funded services may be available only to Indian citizens or may be supplied at differential prices to persons other than Indian citizens. 4) Unbound except as indicated in the horizontal section	
B. Computer and Related Services (CPC 84)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
C. Research and Development Services			
(a) R&D services on the following natural sciences only: Heat, light, electromagnetism, astronomy, but excluding atomic energy and related matters (CPC 85101)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Engineering and technology, including applied science and technology for casting, metal, machinery, electricity, communications, vessels, aircrafts, civil engineering, construction, information, etc. (CPC 85103)			
R&D services in Agricultural Sciences (CPC 85104)	1) None 2) Unbound 3) Unbound 4) Unbound except as indicated in the horizontal section	1) None 2) Unbound 3) Unbound 4) Unbound except as indicated in the horizontal section	
(b) R&D services on social sciences and humanities (CPC 852)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
R&D Services on Biotechnology excluding medical biotechnology	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
D. Real Estate Services			
(b) on a fee or contract basis (CPC 822)	1) None 2) None 3) None for Consultancy Services. 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section.	
E. Rental/Leasing Services (without operators)			

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(a) Rental/ leasing services without operators relating to ships (CPC 83103) (excluding the services of actual international transport of Cargo)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None, except that prescribed minimum capitalization norms must be adhered to. 4) Unbound except as indicated in the horizontal section	
(b) Rental/ leasing services without operators relating to aircraft (CPC 83104)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None, except that prescribed minimum capitalization norms must be adhered to. 4) Unbound except as indicated in the horizontal section	
(c) Rental/ leasing services without operators relating to other transport equipment (CPC 83101 + 83102 + 83105) (excluding Railroad Transport & Multimodal Transport)	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in the horizontal section	1) Unbound 2) Unbound 3) None, except that prescribed minimum capitalization norms must be adhered to. 4) Unbound except as indicated in the horizontal section	
(d) Rental/ leasing services without operators relating to other machinery and equipment (CPC 83106 – 83109)	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in the horizontal section	1) Unbound 2) Unbound 3) None, except that prescribed minimum capitalization norms must be adhered to 4) Unbound except as indicated in the horizontal section	
(e) Rental/ leasing services concerning personal and household goods (CPC832)	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in the horizontal section	1) Unbound 2) Unbound 3) None, except that prescribed minimum capitalization norms must be adhered to 4) Unbound except as indicated in the horizontal section	
F. Other Business Services			

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(a) Advertising Services Sale of leasing services of advertising space of time (CPC 87110) Planning, creating and placement of services of advertising (CPC 87120)	1) None, subject to the requirement that foreign channels must seek advertising for the down link beam through domestic entities and foreign print media must seek advertisement through domestic entities. 2) None 3) None subject to incorporation and foreign equity ceiling of 49%. Management control must be located in India 4) Unbound except as indicated in the horizontal section	1) None, subject to the requirement that majority of content would be created locally by Indian nationals 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(c) Management consulting services excluding all services relating to legal consultancy (CPC 86501**, 86502**, 86503**, 86505**, 86506**, 86509**)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(d) Services related to management consulting (CPC 86601)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(e) Technical testing and analysis services (CPC 8676)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(g) Services incidental to fishing (CPC 882)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(h) Services incidental to mining (CPC 883 + 5115)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(j) Services incidental to energy distribution (CPC 887 ** excluding energy trading and load dispatch functions)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(k) Placement and supply services of Personnel (CPC 872)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(n) Maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment) (CPC 633)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(o) Building-cleaning services (CPC 874)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(p) Photographic Services excluding aerial photography, satellite pictures and satellite enabled photography (CPC 875**)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(q) Packaging Services (CPC 876)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(s) Convention services (CPC 87909*)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
Other: (t) Specialty design services (CPC 87907*)	1) None 2) None 3) None except that the establishment would be only through incorporation as partnership firm constituted by Architects 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
2.COMMUNICATION SERVICES			
C. Telecommunication Services			
(a) Voice telephone service (CPC 7521**)	1) Unbound. 2) None 3) The service will be permitted to be provided only after the private operator gets a licence from the Designated Authority. In the case of foreign investors having prior collaboration in that specific service sector in India, FIPB approval would be required. Number of licenses, may, however, be limited due to scarce resources such as right of way and spectrum availability, subject to a minimum of two licences in each service area. The private operator should be a company registered in India in which total foreign equity must not exceed 49 per cent.	1) Unbound. 2) None 3) Unbound	The definition and principles on the regulatory framework for the basic telecommunication services subscribed to by India are contained in the annex titled "Explanatory Paper on Additional Commitments by India"
	Service operator will be permitted to provide long distance service within the licensed service area only. Resale of voice telephone services is not permitted. However, licensees can grant franchises on commission basis for providing public call offices (PCOs) service. The detailed terms and conditions for providing the service will be as per licence conditions.		
	4) Unbound except as indicated in the horizontal commitments	4) Unbound except as indicated in the horizontal commitments	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(b) Packet Switched Data Transmission Services (CPC 7523**)	1) Unbound. 2) None. 3) The service will be permitted to be provided only after the private operator gets a licence from the Designated Authority. In the case of foreign investors having prior collaboration in that specific service sector in India, FIPB approval would be required. Number of licenses, may, however, be limited due to scarce resources such as right of way and spectrum availability, subject to a minimum of two licences in each service area. The private operator should be a company registered in India in which total foreign equity must not exceed 49 per cent. Service operator will be permitted to provide long distance service within the licensed service area only. Resale of voice telephone services is not permitted. However, licensees can grant franchises on commission basis for providing public call offices (PCOs) service. The detailed terms and conditions for providing the service will be as per licence conditions. 4) Unbound except as indicated in the horizontal commitments	1) Unbound. 2) None 3) Unbound 4) Unbound except as indicated in the horizontal commitments	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Radio Paging Services (CPC 7523**)	1) Unbound. 2) None. 3) The service will be permitted to be provided only after the private operator gets a licence from the Designated Authority. In the case of foreign investors having prior collaboration in that specific service sector in India, FIPB approval would be required. Number of licenses, may, however, be limited due to scarce resources such as right of way and spectrum availability, subject to a minimum of two licences in each service area. The private operator should be a company registered in India in which total foreign equity must not exceed 49 per cent. Service operator will be permitted to provide long distance service within the licensed service area only. Resale of voice telephone services is not permitted. However, licensees can grant franchises on commission basis for providing public call offices (PCOs) service. The detailed terms and conditions for providing the service will be as per licence conditions. 4) Unbound except as indicated in the horizontal commitments	1) Unbound. 2) None 3) Unbound 4) Unbound except as indicated in the horizontal commitments	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Data and message transmission services, the following: (h) Electronic mail (CPC 7523**) (i) Voice mail (CPC 7523**) (j) On-line information and database retrieval (CPC 7523**) (l) Enhanced / value added facsimile services, including store and forward, store and retrieve (CPC 7523**) (n) On-line information and/or data processing (CPC 843**)	1) None 2) None 3) Total foreign equity must not exceed 74% in a company registered in India under the Companies Act 1956 and such investment will be governed by the Foreign Exchange Management Act (FEMA). In the case of foreign investors having prior collaboration in that specific service sector in India or Foreign equity of more than 49%, FIPB approval would be required. 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(ii) Cellular mobile telephone	1) Unbound 2) None 3) The service will be permitted to be provided only after the private operator gets a licence from the Designated Authority, The private operator should be a company registered in India in which foreign direct investment must not exceed 49 %. Number of licenses, may, however, be limited due to scarce resources such as right of way and spectrum availability, subject to a minimum of two licences in each service area. In the case of foreign investors having prior collaboration in that specific service sector in India, FIPB approval would be required. The detailed terms and conditions for providing the service will be as per licence conditions. 4) Unbound except as indicated in the horizontal commitments	1) Unbound 2) None 3) Unbound 4) Unbound except as indicated in the horizontal section	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Infrastructure Services Infrastructure Providers (<u>Category I</u>)	1) Unbound 2) None 3) None except, a) The detailed terms and conditions for providing the services will be as per license conditions b) Total foreign equity must not exceed 74% in a company registered in India under the Companies Act 1956 and such investment will be governed by Foreign Exchange Management Act (FEMA) 4) Unbound except as indicated in the horizontal commitments	1) Unbound 2) None 3) None except the followings: i) The Chief Officer in charge of Technical Network Operations, Chief Security Officer and officer/officials of the licensee companies dealing with the lawful inception of messages should be resident Indian citizens. ii) The Majority Directors on the Board of the licensee shall be Indian Citizens. iii) The positions of the Chairman, managing Director, Chief Executive Officer and/or Chief Financial Officer, if held by foreign nationals, would require to be security vetted by Ministry of Home Affairs in India annually. 4) Unbound except as indicated in the horizontal section.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Internet Services	1) Unbound. 2) None 3) The service will be permitted to be provided only after the private operator gets a licence from the Designated Authority. In the case of foreign investors having prior collaboration in that specific service sector in India, FIPB approval would be required. Number of licenses may be limited to a minimum of two licences in each service area. The private operator should be a company registered in India under the Companies Act 1956 in which total foreign equity must not exceed 74 per cent and such investment will be governed by the Foreign Exchange Management Act (FEMA). In the case of foreign investors having prior collaboration in that specific service sector in India or Foreign equity of more than 49%, FIPB approval would be required. Resale of telephone services is not permitted. However, licensees can grant franchises on commission basis. The detailed terms and conditions for providing the service will be as per licence conditions. 4) Unbound except as indicated in the horizontal commitments	1) Unbound. 2) None 3) None except the followings: (i) The Chief Officer in charge of Technical Network Operations, Chief Security Officer and officer/officials of the licensee companies dealing with the lawful inception of messages should be resident Indian Citizens. (ii) The Majority Directors on the Board of the licensee shall be Indian Citizens. (iii) The positions of the Chairman, managing Director, Chief Executive Officer and/or Chief Financial Officer, if held by foreign nationals, would require to be security vetted by Ministry of Home Affairs in India annually. (iv) Government Public Sector Undertakings 4) Unbound except as indicated in the horizontal commitments	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
3. CONSTRUCTION AND RELATED ENGINEERING SERVICES			
A. General construction work for buildings (CPC 512) B. General Construction work for civil engineering (CPC 513)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
C. Installation and assembly work (CPC 514+516) D. Building completion and finishing work (CPC 517) E. Other (CPC 511+515+518)			

Modes of supply: 1)Cross-border supply 2) Consumption abroad 3) Commercial presence 4)Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
4. DISTRIBUTION SERVICES (EXCLUDING LIVE ANIMALS)			
A. Commission agents' services covering sales on a fee or contract basis of: Agricultural raw materials (CPC 62111**) Food products excluding beverages and tobacco (CPC 62112**) Machinery, industrial equipment and vehicles other than motor vehicles, bicycles and motorcycles (CPC 62114) Furniture, household goods, hardware and iron mongery (CPC 62115) Textiles, clothing and footwear (CPC 62116)	1) None 2) None 3) None, subject to approval of RBI/FIPB and conformity with FEMA regulations, as applicable. 4) Unbound, except as in the horizontal section	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	

Modes of supply: 1)Cross-border supply 2) Consumption abroad 3) Commercial presence 4)Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
B. Wholesale trade services Agricultural raw materials (CPC 6221**) Food excluding beverages and tobacco (CPC 6222**) Textiles, clothing and footwear (CPC 6223) Household appliances, articles and equipment (6224) Miscellaneous consumer goods (6226) Machinery, equipment and supplies (CPC 6228)	1) None 2) None 3) None, subject to approval of RBI/FIPB and conformity with Foreign Exchange Management Act(FEMA) regulations, as applicable. 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	

Modes of supply: 1)Cross-border supply 2) Consumption abroad 3) Commercial presence 4)Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
5. EDUCATION SERVICES			
Higher Education Services (CPC 923)	1) None subject to the condition that service providers would be subject to regulations, as applicable to domestic providers in the country of origin. 2) None 3) None subject to the condition that fees to be charged can be fixed by an appropriate authority and that such fees do not lead to charging capitation fees or to profiteering. Subject further to such regulations, already in place or to be prescribed by the appropriate regulatory authority. 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
6. ENVIRONMENTAL SERVICES			
B. Refuse Disposal Services (CPC 9402) C. Sanitation and Similar Services (CPC 9403)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	

Modes of supply: 1)Cross-border supply 2) Consumption abroad 3) Commercial presence 4)Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
7. FINANCIAL SERVICES The commitments in financial services are made in accordance with the General Agreement on Trade in Services and the Annex on Financial Services. All the commitments are subject to entry requirements, domestic laws, rules and regulations, guidelines and the terms and conditions of the Reserve Bank of India, Securities and Exchange Board of India, and any other competent authority in India. The sectors/sub-sectors listed below are in accordance with the listing in the Annex on Financial Services.			
A. Insurance and Insurance Related Services			
Life Insurance [5(a) (i) (A)]	1) Unbound 2) Unbound 3) None, except establishment would be through incorporation with foreign equity not exceeding 26 per cent 4) Unbound except as indicated in the horizontal section	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in the horizontal section	
Non-life insurance [5(a) (i) (B)]	1) Unbound except in the case of insurance of freight, where there is no requirement that goods in transit to and from India should be insured with Indian insurance companies only. Insurance is taken by the buyer or seller in accordance with the terms of the contract. This position will be maintained. Once under a contract the Indian importer or exporter agrees to assume the responsibility for insurance such as in the case of f.o.b. contracts for imports into India or c.i.f. contracts for exports from India, insurance has to be taken only with an Indian insurance company. 2) Unbound 3) None except establishment would be through incorporation with foreign equity not exceeding 26 per cent 4) Unbound except as indicated in the horizontal section	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in the horizontal section	

Modes of supply: 1)Cross-border supply 2) Consumption abroad 3) Commercial presence 4)Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Reinsurance and retrocession 5(a)(ii)	1),2) Reinsurance can be taken with foreign reinsurers to the extent of the residual uncovered risk after obligatory or statutory placements domestically with Indian insurance companies 3) None except establishment would be through incorporation and subject to the condition that foreign equity not exceeding 26% 4) Unbound except as indicated in the horizontal section	1) Unbound 2) Unbound 3) Unbound 4) Unbound except as indicated in the horizontal section	
Insurance intermediation, limited to reinsurance Ex. 5(a)(iii)	1),2) Reinsurance of domestic risks can be placed with foreign reinsurers through overseas brokers, to the extent mentioned under reinsurance and retrocession. 3) (i) Overseas brokers are allowed to have resident representatives and representative offices who can procure reinsurance business from Indian insurance companies to the extent mentioned above. They can also place reinsurance business from abroad with Indian insurance companies. (ii) Except for the business indicated above, the resident representatives and representative offices cannot undertake any other activity in India. (iii) All expenses of the resident representatives and representative offices have to be met by remittances from abroad and no income can be received in India from Indian residents. 4) Unbound except as indicated in the horizontal section	1) Unbound 2) Unbound 3) Unbound 4) Unbound except as indicated in the horizontal section	

Modes of supply: 1)Cross-border supply 2) Consumption abroad 3) Commercial presence 4)Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Services auxiliary to insurance, such as consultancy, actuarial, risk assessment Ex.[5 (a) (iv)]	1) None 2) Unbound 3) None subject to the conditions that foreign companies can be established through incorporation with foreign equity not exceeding 51 per cent In the case of Actuarial and Advisory Services, formal certification by Actuarial Society of India would be required. 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) Unbound 4) Unbound except as indicated in the horizontal section	

Modes of supply: 1)Cross-border supply 2) Consumption abroad 3) Commercial presence 4)Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Banking and other financial services (excluding insurance) Acceptance of deposits and other repayable funds from the public 5(a)(v) Lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transactions Ex. 5(a)(vi)	1) Unbound 2) Unbound 3) In each of the services given below in which commitments are being undertaken for banking and non-banking financial services companies, access is subject to fulfillment of minimum capitalization norms. For all activities listed in this section of the Schedule excluding factoring and venture capital (i) Through branch operations and as a wholly owned subsidiary of a foreign bank licensed and supervised as a bank in its home country and subject to regulations of the Reserve Bank of India.	1) Unbound 2) Unbound 3) For all activities listed in this section of the Schedule excluding factoring and venture capital (i) Public sector enterprises can invest surplus funds in term deposits only with scheduled commercial banks (including Wholly Owned Subsidiaries) incorporated in India; their investment of surplus funds in term deposits with Wholly Owned Subsidiaries would be subject to guidelines by Reserve Bank of India. (ii) Unbound except for entities established in accordance with the limitations specified in the market access column	

Modes of supply: 1)Cross-border supply 2) Consumption abroad 3) Commercial presence 4)Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
All payment and money transmission services including credit, charge and debit cards, travellers cheques and bankers' drafts 5(a)(viii)	(ii) India shall give favorable consideration⁴ to the application for establishment of branches by Korean banks, provided that they meet India's requirement relating to the establishment of bank branches. The favorable consideration shall be given up to ten applications over four years. (iii) Banks are allowed to install ATMs at branches and at other places identified by them. Installation of ATM at a place other than in licensed branches is treated as a new place of business and requires a licence. Licences issued for ATMs installed by foreign banks will not be included in the ceiling of ten licences referred to in item (ii) above.		
Guarantees and commitments 5(a)(ix) Trading for own account of the following: Money market instruments (including cheques, bills certificates of deposits) foreign exchange transferable securities Ex. 5(a)(x)(A) (B) (E)	(iv) Investments in other financial services companies by branches of foreign banks licensed to do banking business in India individually not to exceed 10 per cent of owned funds or 30 per cent of the invested company's capital whichever is lower. (v) Licences for new foreign banks may be denied when the maximum share of assets in India both on and off balance sheet of foreign banks to total assets both on and off balance sheet of the banking system exceeds 15 per cent.		

⁴ For greater certainty, "favorable consideration" does not impose a legal obligation to grant a permission

Modes of supply: 1)Cross-border supply 2) Consumption abroad 3) Commercial presence 4)Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Clearing services for other banks for cheques, drafts and other instruments Ex. 5(a)(xiv) For transferable securities [5 (a) (x) (E)]	(vi) Foreign banks are subject to non-discriminatory resource allocation requirements. (vii) In addition, foreign banks are permitted to invest in private sector banks through the FDI route subject to foreign equity ceiling of 49% per cent (viii)In addition to the above, through establishment of locally incorporated joint venture company with foreign equity not exceeding 74 per cent. The foreign equity participation will be limited to recognized foreign stock broking companies. 4) Unbound except as indicated in the horizontal section	4) Unbound except as indicated in the horizontal section	
3. Factoring Ex 5(a) (vi)	1) Unbound 2) Unbound 3) Allowed for foreign financial services companies (including banks) through incorporation. 4) Unbound except as indicated in the horizontal section	1) Unbound 2) Unbound 3) Unbound except for entities established in accordance with the limitations specified in the market access column. 4) Unbound except as indicated in the horizontal section	
4. Venture Capital	1) Unbound 2) Unbound 3) (i) Allowed for foreign financial services companies (including banks) through incorporation. (ii) Funding has to be entirely out of equity. 4) Unbound except as indicated in the horizontal section	1) Unbound 2) Unbound 3) Unbound except for entities established in accordance with the limitations specified in the market access column 4) Unbound except as indicated in the horizontal section	

Modes of supply: 1)Cross-border supply 2) Consumption abroad 3) Commercial presence 4)Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Financial leasing 5(a)(vii)	1) Unbound 2) Unbound 3) Allowed for foreign financial services companies (including banks) through incorporation. 4) Unbound except as indicated in the horizontal section	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in the horizontal section	
Asset Management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial, depository and trust services 5(a)(xiii)	1) Unbound 2) Unbound 3) None except establishment would be through incorporation with foreign equity not exceeding 26 per cent. 4) Unbound except as indicated in the horizontal section	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in the horizontal section	
Participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues 5(a)(xi)	1) Unbound 2) Unbound 3) (i) Allowed for foreign bank branches licensed to do banking business in India. (ii) Allowed for foreign financial services companies (excluding banks) through incorporation with foreign equity not exceeding 74 per cent. Allowed for banks through incorporation with foreign equity not exceeding 51 per cent 4) Unbound except as indicated in the horizontal section	1) Unbound 2) Unbound 3) Unbound except for entities established in accordance with the limitations specified in the market access column. 4) Unbound except as indicated in the horizontal section	
Money Broking 5(a) (xii)	1) 2) and 3) Unbound 4) Unbound except as indicated in the horizontal section	1) 2) and 3) Unbound 4) Unbound except as indicated in the horizontal section	

Modes of supply: 1)Cross-border supply 2) Consumption abroad 3) Commercial presence 4)Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services 5 (a) (xv)	1) and 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) and 2) None 3) None 4) Unbound except as indicated in the horizontal section	
Financial consultancy services, i.e. financial advisory services provided by financial advisers, etc. to customers on financial matters, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy Ex. 5(a)(xvi)	1) Unbound 2) Unbound 3) (i) Allowed for foreign bank branches licensed to do banking business in India. (ii) Allowed for foreign financial services companies (including banks)through incorporation. 4) Unbound except as indicated in the horizontal section	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in the horizontal section	

Modes of supply: 1)Cross-border supply 2) Consumption abroad 3) Commercial presence 4)Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
8. HEALTH RELATED AND SOCIAL SERVICES A. Hospital Services (CPC 9311)	1) None for provision of services on provider to provider basis such that the transaction is between two established medical institutions, covering the areas of second opinion to help in diagnosis of cases or in the field of research. 2) None 3) None except that foreign equity ceiling of 74 per cent and subject to the condition that the latest technology for treatment will be brought in. Publicly funded services may be available only to Indian citizens or may be supplied at differential prices to persons other than Indian citizens. 4) Unbound except as indicated in the horizontal section. None for charitable purposes.	1) None. 2) None 3) None 4) Unbound except as indicated in the horizontal section	
9. TOURISM AND TRAVEL RELATED SERVICES			
A. Hotels and other lodging services (CPC Ex. 641)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
B. Travel Agency and Tour Operator Services (CPC 7471)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	

Modes of supply: 1)Cross-border supply 2) Consumption abroad 3) Commercial presence 4)Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
C. Tourist Guides Services (CPC 7472)	1) Unbound* 2) None 3) Numerical ceiling in relation to the number of tourist guides for the India-Korea CEPA will be in accordance with the India's Revised Offer number TN/S/O/IND Rev.1* dated 24 August 2005 under the WTO General Agreement on Trade in Services ⁵ . The current limit is 500 guides. 4) Numerical ceiling in relation to the number of tourist guides for the India-Korea CEPA will be in accordance with the India's Revised Offer number TN/S/O/IND Rev.1* dated 24 August 2005 under the WTO General Agreement on Trade in Services ⁶ . The current limit is 500 guides. For others: Unbound except as indicated in horizontal Commitments.	1) Unbound* 2) None 3) None 4) Unbound except as indicated in the horizontal section	

⁵ India's commitment will be as per its schedule to the GATS with no special dispensation to the Republic of Korea.

⁶ India's commitment will be as per its schedule to the GATS with no special dispensation to the Republic of Korea.

Modes of supply: 1)Cross-border supply 2) Consumption abroad 3) Commercial presence 4)Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
10. Recreational, Cultural and Sporting services (other than Audio-visual services)			
A. Entertainment Services (including Theatre, Live bands and circus services (CPC 9619)	1) Unbound 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) Unbound 2) None 3) None 4) Unbound except as indicated in the horizontal section	
D. Sporting and other recreational services (CPC 964**) (excluding lottery, gambling and betting services)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section and subject to reciprocity	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	

Modes of supply: 1)Cross-border supply 2) Consumption abroad 3) Commercial presence 4)Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
11. TRANSPORT SERVICES A Transport Services			
The commitments in Maritime Transport are made in accordance with the General Agreement on Trade in Services. All commitments are subject to domestic laws, entry requirements, rules and regulations and the terms and conditions of the Directorate General of Shipping, Reserve Bank of India and any other competent authority in India. For supply of Maritime Auxiliary Services through commercial presence under Mode 3, it will be only by through establishing Indian a company registered company under any Central Act or State Act in India and having its principal place of business in India and subject to the condition that in the case of foreign investors having prior collaboration in that specific service sector in India, FIPB approval would be required.			
International Transport (Freight and Passengers excluding cabotage and offshore transport as defined in Annex 'A')	1)(a) Liner Shipping: None, except - At least 40 per cent of cargo carried by liner shipping companies must be reserved for Indian Flag ships. - Preference will be given to Indian Flag vessels for government cargoes; and Government owned/ controlled cargo - Government policy on FOB/ FAS imports and export will hold good. - Indian flag vessels will have the first right of refusal for carrying such cargo and only thereafter can foreign flag ships be allowed to be in-chartered/ taken on international rental basis.	1)(a) Liner Shipping: None, except that in liner trade (Not restricted to liner conference trade) between India and such countries which are contracting parties to the UN Convention on code of conduct for liner conferences, the provisions of the said convention will apply.	Access to and use of Port Facilities No measures shall be applied to the following services which deny reasonable and non-discriminatory access to international maritime suppliers: 1. Pilotage 2. Towing, Tug assistance & pushing, 3. Provisioning, fuelling & watering, 4. Garbage collecting & ballast waste disposal

Modes of supply: 1)Cross-border supply 2) Consumption abroad 3) Commercial presence 4)Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
			5. Port Captain services, 6. Navigation aids, 7. Shore based operational services essential to ship operations, including communications, water and electrical supplies, 8. Emergency repair facilities, 9. Anchorage, berth and berthing services
	1)(b)Bulk Shipping: None, Except (i) Dry, Liquid and Gas other than LNG: - Preference will be given to Indian Flag vessels for government cargoes; and Government. Owned/ controlled cargo. - Government policy on FOB/ FAS imports and export will hold good. - Indian flag vessels will have the first right of refusal for carrying such cargo and only thereafter can foreign flag ships be allowed to be in-chartered/ taken on international rental basis.	1)(b)Bulk Shipping: None, Except (i) Preference will be given to Indian Flag Vessels. - Preference will be given to Indian Flag vessels for government cargoes; and Government owned/ controlled cargo. - Government policy on FOB/ FAS imports and export will hold good. - Indian flag vessels will have the first right of refusal for carrying such cargo and only thereafter can foreign flag ships be allowed to be in-chartered/ taken on international rental basis.	

Modes of supply: 1)Cross-border supply 2) Consumption abroad 3) Commercial presence 4)Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	(ii) LNG: Unbound 1)(c) Passenger: None	(ii) LNG: Unbound 1)(c) Passenger: None	
	2) None 3)(a) None, but condition that for operating a ship under the Indian flag, a registered company, or a cooperative society under any Central Act or State Act having its principal place of business in India, must be established. 3)(b) Other forms of commercial presence for the supply of International Maritime Transport Services (as per definitions): Unbound 4)(a) Ships crews: Unbound 4)(b) key shore personnel: Unbound	2) None 3)(a) None 3)(b) Unbound 4)(a) Ships crews: Unbound 4)(b) key shore personnel: Unbound	

Modes of supply: 1)Cross-border supply 2) Consumption abroad 3) Commercial presence 4)Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
MARITIME AUXILIARY SERVICES			
Maritime Cargo Handling services	1) Unbound* 2) None 3) None, except as indicated in Horizontal commitment/ head Note to this Schedule. 4) None	1) Unbound* 2) None 3) None, except as indicated in Horizontal commitment/ head Note to this Schedule 4) None	
Storage and Warehousing services in Ports	1) Unbound* 2) None 3) None, except as indicated in Horizontal commitment/ head Note to this Schedule. 4) None	1) Unbound* 2) None 3) None, except as indicated in Horizontal commitment/ head Note to this Schedule 4) None	
Customs Clearance Services	1) Unbound* 2) None 3) Unbound 4) Unbound	1) Unbound* 2) None 3) Unbound 4) Unbound	
Container Station and Depot Services	1) Unbound* 2) None 3) None, except as indicated in Horizontal commitment/ head Note to this Schedule. 4) None	1) Unbound* 2) None 3) None, except as indicated in Horizontal commitment/ head Note to this Schedule 4) None	
Maritime Agency Services	1) None 2) None 3) None, except as indicated in Horizontal commitment/ head Note to this Schedule. 4) None	1) None 2) None 3) None, except as indicated in Horizontal commitment/ head Note to this Schedule 4) None	
Maritime Freight Forwarding Services	1) None 2) None 3) None, except as indicated in Horizontal commitment/ head Note to this Schedule. 4) None	1) None 2) None 3) None, except as indicated in Horizontal commitment/ head Note to this Schedule 4) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
International rental/ charter of vessels with crew or on bareboat basis (excluding cabotage and offshore transport)	1) Unbound 2) None except obtaining permission from Director General (Shipping) for chartering a foreign flag vessel in the absence of availability of a suitable Indian vessel. 3) Unbound 4) Unbound	1) Unbound 2) None, except vessels rented by Indian nationals are considered as foreign vessels. 3) Unbound 4) Unbound	
Maintenance and repairs of sea going vessels	1) None 2) None 3) None, except as indicated in Horizontal commitment/ head Note to this Schedule. 4) None	1) None 2) None 3) None, except as indicated in Horizontal commitment/ head Note to this Schedule 4) None	
Ship Broking Service (CPC 748**)	1) Unbound 2) None 3) None, except as indicated in the head Note. 4) Unbound except as indicated in the horizontal section	1) Unbound 2) None 3) None, except as indicated in the Horizontal commitment / head Note to this Schedule. 4) Unbound except as indicated in horizontal commitments	
11 C. Air Transport Services (d) Maintenance and repair of aircraft (CPC 8868**)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	

(*) Unbound due to lack of technical feasibility

Definitions Related to Section 11.A. – Maritime Transport Services

1. “International Transport (Freight and Passenger)”, for the purpose of this schedule, is to mean transportation of international Maritime Freight and Passengers by sea going vessels from the port of loading in one country to the port of discharge in another country.
2. Cabotage: This Schedule does not include any commitments on “Cabotage” or “Maritime Transport Services” which are described as transportation of passengers or goods between any port located in India and any other port also located in India and traffic originating and terminating in the same port located in the country and further includes transportation of passengers or goods between a port located in India and installation and structures situated on the continental shelf of India.
3. Offshore Transport: for the purposes of the schedule only, “Offshore Transport” refers to shipping services involving the transportation of passengers or goods between a port located in India and any location installation or structure associated with or incidental to the exploration or exploitation of natural resources of the continental shelf of India, the seabed of the Indian coastal seas and the subsoil of the seabed, or situated on the continental shelf of India.
4. “Other forms of Commercial Presence for the supply of International Transport Services” means ability for International Maritime Transport Service suppliers to undertake local activities which are necessary for the supply to their customers of a partially or fully integrated transport service, within which maritime transport constitutes a substantial element.

These activities include, but are not limited to:

- a. marketing and sales of maritime transport and related services through direct contact with customers, from quotation to invoicing, these services being those operated or offered by the service supplier itself or by service suppliers with which the service seller has established standing business arrangements;
- b. acquisition on their own about or on behalf of their customers (and the resale to their customers) for any transport and related services, including anchorage, berth and berth services, and onward transport services by any mode, particularly road and rail, inland waterways, necessary for the supply of the integrated services;
- c. the preparation of transport documents, customs documents, or other documents related to the origin and character of goods transported;
- d. the provision of business information, including computerized information systems and electronic data interchange;
- e. setting up of business arrangements with any locally established shipping agency and the appointment of personnel recruited locally (or, in the case of

- foreign personnel, subject to horizontal commitments on movement of personnel);
- f. organizing any aspect of the call of the vessel or taking control over cargoes;
- g. the provision of Ships Managers' Services.

NOTE: {In order to enforce certain standards and conditions which need to be fulfilled by shipping service suppliers, particularly those providing ship personnel and crew and also those engaged in providing ships management services, and to ensure that the owner, operator, agent or manager has:

- the capability of implementing international standards as well as IMO stipulations and recommendations;
- the necessary financial structure so that he is responsible and accountable;
- the capability of implementing, the safety; and marine pollution controls;
- fulfilled requirements of quality management and his operations are transparent;

a system of registration/ licensing of shipping service supplier is under consideration in India}

5. "Ship Managers" means persons entering India as the agents or representatives of a ship's owner or operator for the purposes of assessing requirements, negotiating and authorizing expenditures necessary to the maintenance and operations of a vessel as well as the Handling of Cargo.

6. "Maritime Cargo Handling Services" means activities exercised by stevedore companies, including terminal operators, but not including the direct activities of dock workers, when this workforce is organized independently of the stevedoring or terminal operator companies. The activities covered, include the organization and supervision of:

- the loading/ discharging of cargo to/ from a ship;
- the lashing/unlashing of cargo;
- the reception/delivery and safekeeping of cargoes before shipment or after discharge.

The organization and supervision includes the arrangements for (1) engaging skilled workers (dockworkers), (2) using all necessary equipment for on board or shore use and appropriate storage space, whether by ownership, rental or otherwise, (3) the checking of parcels and markings, the weighing and measuring of cargo, and (4) the administrative duties and responsibilities related to the services.

7. "Maritime Freight Forwarding Services" means the activity of organizing and monitoring shipments on behalf of shippers through providing such services as the arrangement of actual transport and related services, consolidation, aggregation, packing of cargo, preparation of documentation and provision of business information.

8. “Maritime Agency Services” means activities in representing, within a given geographic area, the business interests of one or more shipping lines or shipping companies for the following purposes:

- marketing and sales of maritime transport and related activities from quotation to invoicing (cargo booking and canvassing)
- issuance of bills of lading on behalf of the companies;
- acquisition and resale of other necessary related services (settlement of disbursements and claims) preparation of documentation, and provision of business information;
- acting on behalf of the companies in organizing the call of the ship or taking control of cargoes;
- to make arrangement in order to get all necessary port services required by the foreign vessel during its stay in Indian Ports;
- to appoint a stevedoring company for cargo loading and unloading on behalf of its principal;
- to collect freight on behalf of the principal.

9. “Custom Clearance Services” (alternatively Customs House Agents/Brokers) means activities consisting of carrying out on behalf of another party customs formalities concerning import export or through transport for cargoes irrespective of whether this is the main or secondary activity of the services provider.

10. “Government Cargo” means cargo originating from other countries (import cargoes including crude oil), petroleum by products, coal, natural gas, raw materials for fertilizers, food-grains etc.) purchased by Indian Government Agencies/ Departments or based on loan/ credit agreements with other countries, as well as exports by Indian Government Agencies/ Departments including Government aid.

11. “Container Station and Depot Services” means activities consisting of storing containers, whether in port areas or inland, with a view to their stuffing/ stripping, repairs and making them available for shipments.

12. “Maintenance and Repairs of Vessels” means services such as repairs and management of vessels, mending, fixing or overhauling of a vessel, management of crew and marine insurance, provided on behalf of a maritime passenger or cargo transport business, or vessel leasing business.

13. “International rental of vessels with crew or on bare-boat charter basis” means rental and/ or leasing services of all types of sea-going vessels with crew or on bare-boat basis (where after the ship will be manned by Indian nationals only during the period of rental/ lease) for the purposes of international trade (like tankers, dry bulk cargo vessels, cargo and freight vessels etc).

ANNEX 6-B
SCHEDULE OF SPECIFIC COMMITMENTS OF KOREA

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
HORIZONTAL COMMITMENTS			
* : An asterisk on the CPC(UN 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) Code number indicates that the corresponding service sub-sector in this schedule only covers a part or parts of the service sub-sector classified under the given CPC code number.			
ALL SECTORS INCLUDED IN THIS SCHEDULE	3) The acquisition of outstanding stocks of existing domestic companies in such areas as energy and aviation by natural person or juridical persons of another Member may be restricted. The foreign investment in newly privatized companies may be restricted.	3) The acquisition of land is unbound except: (i) that the acquisition of land by companies which are not deemed as foreign under the Alien Land Law is permitted, and (ii) that the acquisition of land by companies which are deemed as foreign under the Alien Land Law and branches of foreign company is permitted, subject to approval or notification in accordance with the Alien Land Law, for the following legitimate business purposes: • land used for supplying services during the course of normal business activities; • land used for housing senior company personnel under pertinent laws; and • land used for fulfilling land-holding requirements stipulated by pertinent laws. Eligibility for subsidies, including tax benefits, may be limited to companies which are established in Korea according to the pertinent laws. Unbound for research and development subsidies.	3) Residents who have been treated as foreigners in the Securities Exchange Act are accorded national treatment in portfolio investment in Korean stocks.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	4) Unbound except as per the commitments in the Chapter on Movement of Natural Persons.	4) The acquisition of land is unbound except that the lease hold right of land is permitted Eligibility for subsidies, including tax benefits, may be limited to residents according to the pertinent laws.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
II. SECTOR-SPECIFIC COMMITMENTS			
1. <u>BUSINESS SERVICES</u>			
A. <u>Professional Services</u>			
a. Legal services; (CPC 861*)			(i)Representation in international commercial arbitration is permitted, provided that the applicable procedural and substantive laws in the arbitration are the laws which the foreign legal consultant is qualified to practice in Korea.
Advisory Services on law of the jurisdiction where service supplier is qualified as a lawyer and on public international law, excluding the following : (i) representation for juridical or statutory procedures in courts and other government agencies as well as preparation of legal documents for such procedures ; (ii) legal representation for the entrustment of the preparation of notarial deeds ;	1) None 2) None 3) Only in the form of representative office. Association with or employment of local lawyers with Korean qualification or equivalent is not permitted. 4) Unbound except as indicated in the Horizontal Commitments section. Commercial presence is required.	1) None 2) None 3) Foreign legal consultants are required to stay in Korea not less than 180 days per year. 4) Unbound except as indicated in the Horizontal Commitments section.	(ii) Use of firm name is permitted, provided that it is used with reference to "Foreign legal consultants office" in Korean

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
iii) those activities concerning a legal case whose objective is the acquisition or loss or change of rights concerning real property in Korea, intellectual property rights, mining rights or other rights arising upon registration thereof with government agencies in Korea ; and iv) legal cases concerning family relations or inheritance, in which a Korean national is involved as a party or the property concerned is located in Korea.			
☐ Notes The following information is provided for transparency purposes only : i) A foreign lawyer who wishes to practice law as a foreign legal consultant in Korea must be approved by the Minister of Justice, must register with the Korean Bar Association, must have practiced law for at least 3 years in the jurisdiction where he/she is qualified as a lawyer, and must be in good standing of the legal profession in the jurisdiction. ii) Permission of the Minister of Justice is required for the establishment of a representative office in Korea. The representative office consists of a FLC or FLCs approved by the Minister of Justice. It must have credibility and expertise, and sufficient capability to compensate for damages caused to the client, if any. The chief of the representative office must have practiced law for at least 7 years, including 3 years in the jurisdiction of his/her qualification. iii) A representative office can conduct profit-making activities provided that such presence in Korea maintains proper business plans and financial bases. iv) For the purpose of the commitment to this sector, only the law firm which is organized under India's relevant law and headquartered in India can establish its representative office in Korea.			

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
b. Accounting, auditing and book-keeping services (CPC 862)	1) Unbound for auditing services. 2) Unbound for auditing services. 3) Only sole proprietorships, auditing task forces, and accounting corporations (limited liability companies) by CPAs licensed under the Certified Public Accountant Law are permitted. Only CPAs in auditing task forces and accounting corporations (limited liability companies) are allowed to supply auditing services.	1) None 2) None 3) None	1)2)3) A Korean accounting firm or office may, by paying an annual membership fee, acquire membership to international accounting organizations which have world-wide business networks. The following services may be supplied to a Korean accounting firm or office through a membership contract: Consultancy for foreign accounting standards and auditing, training of CPAs, transfer of auditing technology and exchange of information.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	4) Unbound except as indicated in the Horizontal Commitments section.	4) Unbound except as indicated in the Horizontal Commitments section. In order to practice as a CPA, a candidate must have field experience of two years in Korea after passing the CPA examination.	4) Temporary movement of natural persons who are qualified as CPAs under their home country's laws and are employed by international accounting firms for the purpose of supplying the services mentioned above is allowed. Entry and stay of these persons is limited to a one-year period that may be extended if extension is deemed to be necessary.
c. Taxation services (CPC 863)	1) Unbound for tax reconciliation services and tax representative services. 2) Unbound for tax reconciliation services and tax representative services. 3) Only sole proprietorships, tax reconciliation task forces, and tax agency corporations (limited liability companies) by CTAs licensed under the Certified Tax Accountant Law are permitted. Only CTAs in tax reconciliation task forces, tax agency corporations (limited liability companies) are allowed to supply tax reconciliation services.	1) None 2) None 3) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
e. Engineering services (CPC 8672)	1) None (Local presence is required). 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
f. Integrated engineering services (CPC 8673)	1) None (Local presence is required). 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
g. Urban planning and landscape architectural services (CPC 8674)	1) None (Local presence is required). 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
i. Veterinary Services (CPC 932)	1) Unbound (Local presence is required). 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) Unbound 2) None 3) None 4) Unbound	
B. <u>Computer and Related Services</u>			
a. Consultancy services related to the installation of computer hardware (CPC 841)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
b. Software implementation services (CPC 842)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
c. Relating to other transport equipment (CPC 83101, 83105*) ¹	1) None (Local presence is required). 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
d. Relating to other machinery and equipment (CPC 83106 - 83109)	1) None (Local presence is required). 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
e. Other Leasing or rental services concerning personal or household goods (CPC 832)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
<u>Other Business Services</u>			
a. Advertising services (CPC 871)	1) None (Local presence is required for outdoor advertising services). 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
b. Market research and public opinion polling services (CPC 864)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	

¹ 83105*: Only passenger vehicles for less than 15 passengers under CPC 83105.

Modes of supply:			
		1) Cross-border supply	2) Consumption abroad
		3) Commercial presence	4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
c. Management consulting services (CPC 865)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
d. Project management services (CPC 86601)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
e. Composition and purity testing and analysis services (CPC 86761*) ²	1) None 2) None 3) Establishment of a commercial presence is subject to the economic needs test. Main Criteria: The number of and impact on existing domestic suppliers, protection of public health, safety, and environment. 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
e. Testing and analysis services of physical properties (CPC86762)	1) Unbound 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) Unbound 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
e. Technical inspection services (CPC 86764)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
e. Testing and analysis services of integrated mechanical and electrical systems (CPC 86763**, 86769**) ³	1) Unbound 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) Unbound 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	

² 86761: Only inspection, testing and analysis services of air, water, noise level and vibration level under CPC 86761.

³ 86763, 86769: Only testing and analysis services of electrical products under CPC 86763, 86769.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
f. Consulting services related to agriculture and animal husbandry (CPC 8811*, 8812*)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
f. Services incidental to forestry excluding aerial fire fighting and disinfection (CPC 8814*)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
g. Consulting services related to fishing (CPC 882*)	1) None 2) Unbound 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
h. Services incidental to mining (CPC 883)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
i. Services incidental to manufacturing: Only consulting services related to manufacturing technologies of new products (CPC 884* and 885* excluding 88411, 88450, 88442, and 88493)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
k. Placement services of personnel (CPC 87201, 87202) Excluding placement services for seafarers under the Seamen Act	1) None (Local presence is required.) 2) None 3) Foreign service suppliers may supply services only in the form of a corporation under the Commercial Act 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	

Modes of supply:		1) Cross-border supply 3) Commercial presence	2) Consumption abroad 4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
☐ Notes for transparency purposes: 1. The corporations shall follow the rules for service fees determined and announced by the Minister of Labour. 2. The corporations shall be established with a paid-in capital of 50 million won or more. If suppliers wish to install additional branch offices, the total paid-in capital shall increase by 20 million won for each branch office additionally installed.			

Modes of supply:			
		1) Cross-border supply 3) Commercial presence	2) Consumption abroad 4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
m. Related scientific and technical consulting services Geological, geophysical and other scientific prospecting services (CPC 86751) Subsurface surveying services (CPC 86752)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
Surface surveying services (CPC 86753*) Excluding services related to cadastral survey	1) Local presence is required. 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
Map-making services (CPC 86754*) Excluding services related to cadastral maps and sea maps	1) Local presence is required. 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
n. Maintenance and repair of equipment (CPC 633, 8861, 8862, 8863, 8864, 8865, 8866)	1) None (Local presence is required). 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
o. Building Cleaning Services (CPC 874**, excluding 87409)	1) Unbound* 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) Unbound* 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
p. Photographic services (CPC 875*) Excluding aerial photography, satellite pictures and satellite-enabled photography	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
q. Packaging services (CPC 876)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
r. Printing (CPC 88442*) ⁴	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
r. Publishing (CPC 88442*) Excluding publishing services of newspapers and periodicals	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) Unbound 4) Unbound except as indicated in the Horizontal Commitments section.	
s. Convention agency services (CPC 87909*)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
s. Stenography services (CPC 87909*)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
t. Translation and interpretation services (CPC 87905)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	

⁴ 88442: Screen painting, gravure printing and services related to printing under CPC 88442.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
t. Specialty design services (CPC 87907)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
2. COMMUNICATION SERVICES B. <u>Courier Services</u> International courier services (CPC 75121**) Excluding the services currently reserved to the Korean Postal Authority by law.⁵ The commitment shall not be construed to include the right to operate transport services under one's own responsibility for hire. The commitment shall not include under any circumstances, the grant of air traffic rights for courier operators with own Air Operator's Certificate (AOC) and aircraft fleet.	1) Provision of services is limited to air and sea transport modes. (Local presence is required.) 2) None 3) Limited to land based operations in support of international courier services 4) Unbound except as indicated in the Horizontal Commitments section.	1) Provision of services is limited to air and sea transport modes. 2) None 3) Limited to land based operations in support of international courier services 4) Unbound except as indicated in the Horizontal Commitments section.	

⁵ According to the Postal Service Act, the Korean Postal Authority reserves exclusive rights for collecting, processing and delivering letters. However, the Act allows private couriers to operate commercial document services, which include a) unsealed freight-attached documents or dispatch notes, b) trade-related documents, c) foreign capital or technology related documents, or d) foreign exchange or its related documents.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
C. <u>Telecommunication Services</u>			
a. Voice telephone services	1) The provision of all services is subject to commercial arrangements with licensed Korean service suppliers.	1) None	
b. Packet-switched data transmission services	2) None	2) None	
c. Circuit-switched data transmission services			
d. Telex services			
e. Telegraph services			
f. Facsimile services			
g. Private leased circuit services			
o. Other			
Digital cellular services			
Paging services			
PCS (personal communications services)			
TRS (trunked radio system) services			
Mobile data services			

Modes of supply:			
1) Cross-border supply 3) Commercial presence			
2) Consumption abroad 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	3) Ownership of a licence for the provision of facilities-based services, including radio station licence: <u>Direct</u>: May not be granted to or held by (a) Foreign government (b) Foreign natural person (c) Foreign juridical person or (d) Korean juridical person of which more than 49 percent of the voting shares are owned by foreign governments, foreign natural persons or foreign juridical <u>Indirect</u>: Foreign ownership may not be equal to or more than 80 percent of the voting shares (15 percent, if the largest shareholder is a foreign government, a foreign natural person or a foreign juridical person). The largest shareholder of KT may not be permitted to be: (a) Foreign government (b) Foreign natural person (c) Foreign juridical person or (d) Korean juridical person of which 80 percent (15 percent, if the largest shareholder is a foreign government, a foreign natural person or a foreign juridical person) or more of the voting shares are owned by foreign governments, foreign natural persons or foreign juridical persons. 4) Unbound except as indicated in the Horizontal Commitments section.	3) None 4) Unbound except as indicated in the Horizontal Commitments section.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Value-added Services ⁶ : h. Electronic mail i. Voice mail j. On-line information and data base retrieval k. Electronic data interchange l. Enhanced/value-added facsimile services including store and forward, store and retrieve m. Code and protocol conversion n. On-line information and/or data processing (including transaction processing) o. Other On-line data base and remote computing services ⁷	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	Value-added service providers are allowed to supply data transmission services ⁸ .
D. <u>Audiovisual Services</u> a. Motion picture and video tape production and distribution services (CPC 96112*, 96113*)	1) None (Local presence is required.) 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
e. Record production and distribution services (Sound recording)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	

⁶ Value-added services mean telecommunication services, which are provided through telecommunications network facilities leased from facilities-based basic telecommunication service providers, and which store and forward, or process and forward, the customer's information.

⁷ On-line data base and remote computing services do not cover telecommunication services which mediate third party communications.

⁸ Telecommunication services which transmit and/or exchange the customer's data without change in the form or content (voice telephony, telex, facsimile services and simple resale of leased circuits are excluded).

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
3. CONSTRUCTION SERVICES (CPC 511-518)	1) Unbound* except for CPC 5111 (Local presence is required.) 2) None 3) A compulsory subcontract system is applied for contractors registered as general contractors. 4) Unbound except as indicated in the Horizontal Commitments section.	1) Unbound* except for CPC 5111 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
4. DISTRIBUTION SERVICES ⁹			
A. <u>Commission Agents' Services</u> (CPC 621, excluding 62111, 62112 and commission agents' services of future contracts)	1) Unbound for pharmaceuticals and medical goods. 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
B. <u>Wholesale Trade Services</u> (CPC 622, excluding grain in 62211, 62223, red ginseng , and farinaceous products in 62229 and fertilizers in 62276)	1) Unbound for pharmaceuticals, medical goods, functional foods, and items subject to limitations under Mode 3. (Local presence is required for tobacco and liquor.) 2) None 3) Following services are subject to the economic needs test: - wholesale trade of used cars - wholesale trade of gaseous fuels and related products Main criteria: Formation of reasonable prices, the number of and impact on existing suppliers for balance of demand and supply, healthy development of the industry, and establishment of orderly trade. In addition, population density, traffic, environmental pollution, local conditions, and other local characteristics as well as public interests. 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	

⁹ Excluding trade in firearms, explosives and swords; works of art and antiques, and the establishment and operation of, and distribution services at, the public wholesale markets for agricultural, fishery and livestock products, which are officially designated by the local authorities as public wholesale markets.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
5. EDUCATIONAL SERVICES ¹¹			
C. <u>Higher Education Services</u> (CPC 923**) Higher education services provided by private higher education institutions, which obtained recognition from the government or public accreditation bodies, for the purpose of conferring degrees. Excluding health and medicine related higher education; higher education for prospective pre-primary, primary and secondary teachers; and professional graduate education in law.	1) Unbound 2) None 3) - Only non-profit school juridical persons* approved by the Minister of Education, Science and Technology may establish higher education institutions under the authorization of the Minister of Education, Science and Technology. (Intra-company Universities do not need to establish a school juridical person). - Only the types of education institutions listed in Attachment 1 are allowed. - Any new establishment, extension, or transfer of a higher education institution other than Intra company Universities may be restricted in the Seoul Metropolitan Area**.	1) Unbound 2) None 3) Unbound	

¹¹ Specific commitments on market access and national treatment through any mode of supply shall not be construed to apply to the recognition of university degrees for the purpose of admission, registration and qualification for professional practice in Korea.

*School juridical persons are non-profit juridical persons established solely for the purpose of establishing regular educational institutions in accordance with pertinent education related laws.

** The Seoul Metropolitan Area means the Seoul Metropolitan City, Incheon Metropolitan City, and Gyeonggi Province.

Modes of supply: 1) Cross-border supply 3) Commercial presence 2) Consumption abroad 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	- Local higher education institutions may jointly operate curricula only with higher education institutions organized under Korean Law, or with foreign higher education institutions that have obtained accreditation from foreign governments or authorized accreditation bodies. - The Minister of Education, Science and Technology may restrict the number of students for each education institution. 4) Unbound except as indicated in the Horizontal Commitments section.	4) Unbound except as indicated in the Horizontal Commitments section.	

Attachment 1

1. Only the following types of education institutions are included: (Excluding Universities via Broadcasting and Communications; Cyber Universities; and etc.)

a) Junior Colleges (Excluding Polytechnic Colleges) : higher education institutions which train technical experts for a 2-3 year curriculum and confer an associate degree, in accordance with the Higher Education Act.

b) Universities: higher education institutions which conduct research and educate professionals for 4-6 years and confer a bachelor's degree, in accordance with the Higher Education Act.

c) Industry Universities: higher education institutions which educate those who want to continue theoretical or technical research and training for 4 years, conferring a bachelor's degree, in accordance with the Higher Education Act.

d) Technology Universities: higher education institutions, located within workplaces, which educate workers to provide expert knowledge and skills and confer associate degrees and bachelor's degrees, in accordance with the Higher Education Act.

e) Intra-company Universities: higher education institutions which are established and operated by employers, and educate employees, in order to confer equivalent degrees or diplomas to those in Junior Colleges or Universities, in accordance with the Life-long Education Act.

Modes of supply:			
		1) Cross-border supply 3) Commercial presence	2) Consumption abroad 4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<u>D. Adult Education Services</u> (CPC 924**). Adult education services provided by private adult education institutions. Excluding education services which confer or lead to local or foreign degree or diploma, vocational training services financially supported by the government in accordance with the Employment Insurance Act and the Worker's Vocational competency Development Act and Seafarers Act, and educational services via broadcasting Also excluded are vocational training services provided by institutions under authority delegated by the government.	1) Unbound for health and medicine related adult education services. 2) None 3) - Only the types of education institutions listed in Attachment 2 are allowed. - Any new establishment, extension, or transfer of education institutions in the Seoul Metropolitan area may be restricted. 4) Unbound except as indicated in the Horizontal Commitments section.	1) Unbound for health and medicine related adult education services 2) None 3) Unbound 4) Unbound except as indicated in the Horizontal Commitments section.	

Modes of supply:		1) Cross-border supply 3) Commercial presence	2) Consumption abroad 4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Attachment 2 1. The following types of private teaching institutes (Hag-won) and lifelong education facilities are included : a) Hag-won are facilities that provide tutoring services on the following subjects to more than 10 persons for a period of longer than 30 days in accordance with the “Establishment and Operation of Private Teaching institutes and Extracurricular Lessons Act”. Excluded are schools, libraries, museums, workplace facilities to provide education services to the employees, lifelong education facilities in accordance with the “Lifelong Education Act”, and driving schools. 1) Infrastructure industrial technology: machinery, automobile, metal, chemical and ceramic, electrics, telecommunication, electronics, shipbuilding, aviation, civil engineering, textile and apparels, mining resources, land development, agriculture and forestry, oceanic industry, energy, crafts, transportation, safety management 2) Applied industrial technology: design, hair and cosmetology, food and beverage, packaging, printing, photography, musical tuning 3) Industrial services: stenography, computable accounting, e-commerce, job consulting, social survey, convention planning, consumer consulting, telemarketing 4) General services : pet grooming, funeral service, hospice, flight crew, hospital coordinators 5) Computer : computers, games, robots, data processing, telecommunications equipment, the Internet, software 6) Culture and tourism: publishing, imaging and recording, movies, broadcasting, character products, tourism 7) Nursing assistant: nursing assistants 8) Management and office work : finance, insurance, distribution, real state, secretary service, pen writing, bookkeeping, abacus, calculation and reading			

Modes of supply:		1) Cross-border supply 3) Commercial presence	2) Consumption abroad 4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
9) International : foreign languages for adults, interpretation, translation 10) Humanities : public management, business management, accounting, statistics, public service examination 11) Arts : traditional Korean music, traditional Korean dance, calligraphy, flower arrangement, floral art&crafts, cartoon, theatre arts, modelling, conversation skills, magic, applied music, vocal music, modern dance, baduk, speech b) Lifelong education facilities are those facilities which have been approved, registered or notified in accordance with the “Lifelong Education Act”. Among the Lifelong education facilities, only lifelong education facilities annexed to workplaces, NGOs, schools, mass-media, and those related to the development of knowledge and human resources are included.			

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
D. <u>Other</u> Cleaning services of exhaust gases and noise abatement services (CPC 9404, 9405)	1) None (Local presence is required). 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
Environment testing and assessment services (CPC 9406*, 9409*) ¹⁴	1) None (Local presence is required). 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	

¹⁴ 9406*, 9409*: Only environmental impact assessment services under CPC 9406 and 9409.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<u>Explanation on the Initial Offer on Financial Services</u> 1. Financial sectors are basically re-classified according to the category of the Annex on Financial Services. Therefore the order of sub-sectors is different from that of the commitment in GATS/SC/48/Suppl.3/Rev.1. 2. Specific statements in the sub-sectors apply only to existing domestic financial services.			
7. FINANCIAL SERVICES All financial services are subject to the following provisions. (1) For prudential reasons within the context of paragraph 2(a) of the Annex on Financial Services, Korea shall not be prevented from taking measures including requirements related to parent companies, the minimum capital requirement, minimum operating funds requirement, business worker's license and approval for business activities. (2) A financial institution must be established for only one business defined in related law and thus cannot engage in other business activities regulated by other relevant laws. (3) Cross-border supply of financial services and supply through consumer movement may not be settled in Korean currency. After the establishment of a commercial presence, financial institutions may handle only transactions, denominated and settled in Korean currency, with residents. Approval is required for transactions denominated or settled in foreign currency or transactions with non-residents (4) Assets owned by branches must be kept within the territory of Korea. Capital of the head office is not recognized as the basis for determining the extent of funding and lending activities of domestic branches. (5) Demand deposit interest rates are regulated (6) The management and operation of assets of a financial institution are restricted. (7) A financial institution may not own non-business real estate. (8) Introduction of new financial products including derivatives is subject to approval.			

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
A. <u>Insurance and Insurance-related Services</u> (i) Direct Insurance a) Life Insurance Services Including accident and health insurance services	1) Unbound 2) Unbound 3) Commercial presence is permitted only to foreign life insurance companies. Recruitment and employment of insurance professionals, including sales personnel, are restricted. Top executive personnel of each establishment must reside in Korea. 4) Unbound except as indicated in the Horizontal Commitments section.	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
b) Non-life Insurance services	1) Unbound except for marine export/import cargo and aviation insurance. 2) Unbound 3) Commercial presence is permitted only to foreign non-life insurance companies. Recruitment and employment of insurance professionals, including sales personnel, are restricted. Top executive personnel of each establishment must reside in Korea. 4) Unbound except as indicated in the Horizontal Commitments section.	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(ii) Reinsurance and retrocession services	1) None 2) None 3) Commercial presence is permitted only to foreign reinsurance and retrocession insurance companies. Recruitment and employment of insurance professionals, including sales personnel, are restricted. Top executive personnel of each establishment must reside in Korea. 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
(iii) Insurance broking and agency services a) Brokerage	1) Unbound 2) Unbound 3) Commercial Presence is permitted only to foreign insurance brokerage companies. Top executive personnel of each establishment must reside in Korea. 4) Unbound except as indicated in the Horizontal Commitments section.	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
b) Agency	1) Unbound 2) Unbound 3) None, except that top executive personnel of each establishment must reside in Korea. 4) Unbound except as indicated in the Horizontal Commitments section.	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(iv) Services auxiliary to insurance: applicable only to sub-sector a) and b) a) Claim settlement and adjustment services ¹⁵ b) Actuarial services	1) Unbound 2) Unbound 3) Commercial Presence is permitted only to foreign claim settlement and adjustment companies and actuarial companies. Top executive personnel of each establishment must reside in Korea. 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
B. <u>Banking and Other Financial Services</u> :applicable only to the sub-sectors listed below (i) Deposit ¹⁶ (ii) Lending ¹⁷ (iii) Financial leasing (iv) Payment and Money transmission	1) Unbound 2) Unbound 3) Commercial presence is permitted only to foreign financial institutions (except for financial leasing) which deal with the same services in their country of origin. A person may own up to 10 per cent of the stocks of a bank (up to 4% in case of non-financial service business entity) and 15 per cent of the stocks of a provincial bank without the special authorization of the relevant authorities ¹⁸ . A person can own up to 100 per cent of a bank and a provincial bank with the special authorization of the relevant authorities. Foreign exchange position is regulated. The oversold position of spot foreign exchange is US\$ 5 million, or 3 per cent of capital (whichever is greatest)	1) Unbound 2) Unbound 3) None	

¹⁵ Activities which assess and adjust the loss and compensation.

¹⁶ Activities in which banks obtain funds from the public by receiving deposits or issuing transferable instruments or other securities.

¹⁷ Activities in which banks provide funds to the public in order to receive interest via loans or bill discounts.

¹⁸ The definitions of "a person" and "non-financial service business entity" are in accordance with the relevant provision of the Presidential Decree of the Bank Act.

Modes of supply: 1) Cross-border supply 3) Commercial presence 2) Consumption abroad 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(v) Guarantees and commitments (vi) Foreign exchange services ¹⁹ (vii) Settlement and clearing ²⁰	Deposit for specific purpose, such as housing subscription deposit, may be handled only by designated institutions. Securities savings and credit granting are subject to restriction of ceiling and operation. Lending to credit card members through such means as card loans is subject to limitation. For credit card services, maximum limits are applied to various rates such as fees and interest rates. The maturity of CDs shall be more than 30 days Underlying transaction and documentation requirements apply to foreign exchange transactions. Underlying documentation requirements are exempt in the case of forward transactions. Mandatory lending to small-and-medium sized companies is required. Foreign currency loans are restricted with respect to ceiling and uses. Top executive personnel of financial leasing, credit granting and security savings companies must reside in Korea. Korea shall give favourable consideration ²¹ to the application for establishment of branches by Indian banks, provided that they meet Korea's requirements relating to the establishment of bank branches. 4) Unbound except as indicated in the Horizontal Commitments section.	4) Unbound except as indicated in the Horizontal Commitments section..	

¹⁹ Activities which issue, remit and collect foreign exchange.

²⁰ Activities which settle and clear notes, bills and cheques by banks according to the Article of KFTCI (Korea Financial Telecommunications and Clearings Institute).

²¹ For greater certainty, "favourable consideration" does not impose a legal obligation to grant a permission.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(viii) Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise :applicable only to the instruments as listed below a) Money market instruments (including cheques, bills, certificates of deposit) b) Foreign exchange c) Financial Derivative products (including futures and options) d) Exchange rate and interest Rate instruments (including swaps and forward rate agreements) e) Transferable securities f) Other negotiable instruments and financial assets (including bullion)	1) Unbound 2) Unbound 3) Commercial Presence is permitted only to foreign financial institutions which deal with the same instruments in their country of origin. Representative offices may be established by pre-notification. Top executive personnel of each establishment must reside in Korea. 4) Unbound except as indicated in the Horizontal Commitments section.	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	

Modes of supply: 1) Cross-border supply 3) Commercial presence 2) Consumption abroad 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(ix) Participation in issues of all kinds of securities a) Security issue b) Underwriting c) Placement d) Other services related to securities	1) Unbound 2) Unbound 3) Commercial presence is permitted only to foreign financial institutions which deal with the issuing of all kinds of securities. Representative offices may be established by pre-notification Top executive personnel of each establishment must reside in Korea. 4) Unbound except as indicated in the Horizontal Commitments section.	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
(x) Asset management :applicable only to services listed below a) Cash or portfolio management b) All forms of collective investment management c) Custody d) Trust ²² (including investment discretionary advisory service)	1) Unbound 2) Unbound 3) Commercial presence is permitted only to foreign asset management companies. Representative offices may be established by Pre-notification To handle a trust business, approval (two types) is required from the Ministry of Finance and Economy both for engaging in businesses other than the main banking businesses and for engaging in the trust business. Unbound for real estate trust businesses. Top executive personnel of each establishment must reside in Korea. 4) Unbound except as indicated in the Horizontal Commitments section.	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
(xi) Credit information services	1) Unbound 2) Unbound 3) Unbound except for equity participation of less than 50 percent in existing financial information companies. 4) Unbound except as indicated in the Horizontal Commitments section.	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	

²² Activities where a trustee is commissioned to manage the financial assets for beneficiary's benefit.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(xii) Advisory, intermediation and other auxiliary financial services :applicable only to services listed below a) Investment advice b) Credit rating and analysis	1) Unbound 2) Unbound 3) Commercial presence is permitted only to foreign investment advisory companies. Representative offices may be established by pre-notification Top executive personnel of each establishment must reside in Korea. 4) Unbound except as indicated in the Horizontal Commitments section. 1) Unbound 2) Unbound 3) Credit rating companies should be designated by the relevant authorities to assess the credit rating of companies which may wish to issue non-guaranteed corporate bonds and commercial papers. 4) Unbound except as indicated in the Horizontal Commitments section.	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in the Horizontal Commitments section. 1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
9. TOURISM AND TRAVEL RELATED SERVICES			
A. <u>Hotels and Restaurants</u> (CPC 641, 642, 6431*) Excluding rail and air transport related facilities in CPC 6431 ²³	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
B. <u>Travel Agencies and Tour Operators Services</u> Travel agency services and tour operator services (CPC 7471)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
C. <u>Tourist Guides Services</u> (CPC 7472)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
10. RECREATIONAL, CULTURAL AND SPORTING SERVICES			

²³ This exclusion does not affect the commitment on catering under CPC 642.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
A. <u>Entertainment Services</u> (CPC 96191, 96192) Entertainment services provided by individual artists or groups such as musical, theatre, live band, opera, etc.	1) Unbound 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) Unbound 2) None 3) Unbound 4) Unbound except as indicated in the Horizontal Commitments section.	
D. <u>Sporting and other Recreational Services</u> (CPC 964*) Excluding lottery, gambling and betting services Excluding tourism in rural, fishery, and agricultural sites	1) Unbound 2) Unbound 3) Unbound 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
11. TRANSPORT SERVICES A. <u>Maritime Transport Services</u>²⁴			

²⁴ Refer to ATTACHMENT CONCERNING MARITIME TRANSPORT SERVICES.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
International transport (CPC 7211*, 7212*) Excluding cabotage	1) a) Liner shipping: None b) Bulk, tramp, and other international shipping: None 2) None	1) None 2) None	The following services at the port are made publicly available to international maritime transport suppliers on reasonable and non-discriminatory terms and conditions.
	3) a) Establishment of a registered company for the purpose of operating a fleet under the national flag of Korea: i) International maritime passenger transport: Unbound ii) International maritime cargo transport: Only Chusik Hoesa(stock companies) as stipulated under the Commercial Act are permitted. b) Other forms of commercial presence: None 4) a) Ship's crew: Unbound b) Shore personnel: Unbound except as indicated in the Horizontal Commitments section.	3) a) None b) None 4) a) Unbound b) Unbound except as indicated in the Horizontal Commitments section.	1. Pilotage 2. Towing and tug assistance 3. Provisioning, fuelling and watering 4. Garbage collecting and ballast waste disposal 5. Port Captain's services 6. Navigation aids 7. Shore-based operational services essential to ship operations, including communications, water and electrical supplies 8. Emergency repair facilities 9. Anchorage, berth and berthing services
Notes Without prejudice to the scope of activities which may be considered as cabotage under the relevant national legislation, this schedule does not include maritime cabotage services, which are assumed to cover transportation of passengers or goods between a port or point located within the territory of the Republic of Korea, and traffic originating and terminating in the same port or point located within the territory of the Republic of Korea, provided that this traffic remains within the Republic of Korea's territorial waters.			

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<u>Maritime</u> <u>Auxiliary</u> <u>Services</u> Maritime cargo handling services (CPC 741*)	1) Unbound* 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) Unbound* 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
Storage and warehouse services in ports (CPC 742*)	1) Unbound* 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) Unbound* 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
Customs Clearance service	1) Unbound* (Local presence is required.) 2) None 3) None 4) Unbound	1) Unbound* 2) None 3) None 4) Unbound	
Maritime agency services (CPC 748*) ²⁵	1) None 2) None 3) All the companies as stipulated under the Commercial Act are permitted. 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
Container station services (CPC 741*) ²⁶	1) Unbound* 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) Unbound* 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	

²⁵ Agency services on behalf of maritime passenger transport businesses or maritime cargo transport businesses (including foreign transport businesses) under CPC 748

²⁶ Container station services provided in port areas under CPC 741

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Maritime freight forwarding services (CPC 748*) ²⁷	1) None 2) None 3) Only Chusik Hoesa(stock companies) as stipulated under the Commercial Act are permitted. 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
Shipping brokerage services (CPC 748*, 749*) ²⁸	1) None 2) None 3) Only Chusik Hoesa(stock companies) as stipulated under the Commercial Act are permitted. 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
Maintenance and repair of vessels ²⁹	1) None 2) None 3) Only Chusik Hoesa(stock companies) as stipulated under the Commercial Act are permitted. 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	

²⁷ Freight forwarding services by vessels in the name of the forwarder (including any foreign forwarders under contract) under CPC 748.

²⁸ 748*, 749*: Brokerage services for maritime cargo transport or for the chartering, leasing, purchasing or selling of vessels under CPC 748 and 749.

²⁹ Services, such as repair and management of vessels, management of crew, and marine insurance, provided on behalf of a maritime passenger transport business, maritime cargo transport business or vessel leasing business.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Rental of vessels with crew (CPC 7213)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
Pushing and towing services (CPC 7214)	1) Unbound 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) Unbound 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
Tally, measuring and survey services (CPC 745*)	1) Unbound* 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) Unbound* 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
C. <u>Air Transport Services</u> Computer reservation system (CRS) services ³⁰ Selling and marketing of air transport services ³¹ Maintenance and repair of aircraft	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section. 1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section. 1) Unbound* (Local presence is required.) 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section. 1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section. 1) Unbound* 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
E. <u>Rail Transport Services</u> a. Passenger transportation (CPC 7111) b. Freight transportation (CPC 7112)	1) Unbound* 2) None 3) Unbound for existing operations. Establishment of new operations are subject to the economic needs test. Main criteria: Establishment of order and discipline in the railroad industry. 4) Unbound except as indicated in the Horizontal Commitments section.	1) Unbound* 2) None 3) Unbound 4) Unbound except as indicated in the Horizontal Commitments section.	

³⁰ As defined in the Annex on Air Transport Services.

³¹ Services defined in subparagraph 34 (general air transport agency services) of Article 2 of the Aviation Act. "General air transport agency services" means services which make contracts for international transport of passengers or cargoes by aircraft (excluding the service of acting for other persons in the application procedure for visa or passport) on behalf of air transport services firms for compensation

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
F. <u>Road Transport Services</u> Transportation of Containerized freight excluding cabotage (CPC 71233*)	1) Unbound 2) None 3) Licenses are granted only to international shipping companies. 4) Unbound except as indicated in the Horizontal Commitments section.	1) Unbound 2) None 3) Cargoes are confined to containerized cargoes to be exported or imported. 4) Unbound except as indicated in the Horizontal Commitments section.	
G. <u>Pipeline Transport</u> (CPC 7131*) Only the transportation of oil products, excluding the transportation of LPG	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
H. <u>Services Auxiliary to all Modes of Transport</u> b. Storage and warehouse services other than those in ports (CPC 742*) Excluding services for agricultural, fishery and livestock products.	1) Unbound* 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) Unbound* 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
I. <u>Other Transport Services</u> COMBINED TRANSPORT SERVICES Freight forwarding for rail transport ³²	1) Unbound 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) Unbound 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	

³² “Freight Forwarding for Rail Transport” means such auxiliary services to be carried out at the ends of railway transport; these services include collecting containerized cargoes, contracting with Korea Railroad Corporation for transport of the freight on trains, loading/unloading and delivery of freight.

ATTACHMENT CONCERNING MARITIME TRANSPORT SERVICES

1. International Shipping, 3.b):

"Other forms of commercial presence for the supply of international maritime transport services" means the ability for international maritime transport service suppliers of other Members to establish branches and to undertake activities concerned for the supply to their customers of maritime transport services.

2. Maritime Cargo Handling Services:

Activities exercised by stevedore companies, including terminal operators, but not including the direct activities of dockers, when this workforce is organized independently of the stevedoring or terminal companies. The activities covered include the organization and supervision of:

- the loading/discharging of cargo to/from a ship;
- the lashing/unlashing of cargo;
- the reception/delivery and safekeeping of cargoes before shipment or after discharge.

3. Container Station Services:

Activities consisting in storing containers in port areas with a view to their stuffing/stripping, repairing and making them available for shipments.

4. Maritime Agency Services:

Activities consisting in representing, within a given geographical area, as an agent, the business interests of one or more shipping lines or shipping companies, for the following purposes:

- Marketing and sales of maritime transport and related services, from quotation to invoicing, and issuance of bills of lading on behalf of the companies; acquisition and resale of the necessary related services, preparation of documentation, and provision of business information;
- Acting on behalf of the companies organizing the call of the ship or taking over cargoes when required.

5. Maritime Freight Forwarding Services:

Activities consisting of organizing and monitoring shipment operations on behalf of shippers, through the acquisition of maritime transport and related services, preparation of documentation and provision of business information.

6. Tally, Measuring and Survey Services:

- Tally services : Activities consisting of calculating the number of cargoes or verifying the delivery and the receipt when loading and unloading.
- Measuring services : Activities consisting of calculating or verifying the volume or weight of cargoes when loading and unloading.
- Survey services : Activities consisting of the verification, inspection and survey related with shipped cargoes and vessels (including barges).

ANNEX 6-C
FINANCIAL SERVICES

1. Scope and Definition

- (a) This Annex applies to measures affecting the supply of financial services. Reference to the supply of a financial service in this Annex shall mean the modes of service supply as defined in Article 6.1.
- (b) For the purposes of “services” as defined in Article 6.1, “services supplied in the exercise of governmental authority” means the following:
 - (i) activities conducted by a central bank or monetary authority or by any other public entity in pursuit of monetary or exchange rate policies;
 - (ii) activities forming part of a statutory system of social security or public retirement plans; or
 - (iii) activities conducted by a public entity for the account or with the guarantee or using the financial resources of the Government.
- (c) For the purposes of “services” as defined in Article 6.1, if a Party allows any of the activities referred to in subparagraph (b)(ii) or (iii) to be conducted by its financial service suppliers in competition with a public entity or a financial service supplier, “services” shall include such activities.
- (d) “a service supplied in the exercise of governmental authority” as defined in Article 6.1 shall not apply to services covered by this Annex.
- (e) References to “service supplier of the other Party” and “service supplier” as defined in Article 6.1, shall mean “financial service supplier of the other Party” and “financial services supplier” respectively, as defined in paragraph 8.

2. Domestic Regulation

- (a) Notwithstanding any other provisions of this Agreement, a Party shall not be prevented from adopting or maintaining measures for prudential reasons, including for the protection of investors, depositors, policy holders or persons to whom a fiduciary duty is owed by a financial service supplier, or to ensure the integrity and stability of the financial system. Where such measures do not conform with the provisions of any other relevant Chapters of this Agreement, they shall not be used as a means of avoiding the Party's commitments or obligations under such Chapters.
- (b) Nothing in this Annex shall be construed to require a Party to disclose information relating to the affairs and accounts of individual customers or any confidential or proprietary information in the possession of public entities.

3. Recognition

- (a) A Party may recognise prudential measures of any international standard setting body or non-Party in determining how the Party's measures relating to financial services shall be applied. Such recognition, which may be achieved through harmonisation or otherwise, may be based upon an agreement or arrangement with the international standard setting body or non-Party concerned or may be accorded autonomously.
- (b) A Party that is a party to such an agreement or arrangement referred to in subparagraph (a), whether future or existing, shall afford adequate opportunity for the other Party to negotiate its accession to such agreements or arrangements, or to negotiate comparable ones with it, under circumstances in which there would be equivalent regulation, oversight, implementation of such regulation, and, if appropriate, procedures concerning the sharing of information between the parties to the agreement or arrangement.
- (c) Where a Party accords recognition autonomously, it shall afford adequate opportunity for the other Party to demonstrate that such circumstances as referred to in subparagraph (b) exist.

4. Transparency

- (a) The Parties recognise that transparent regulations and policies governing the activities of financial service suppliers are important in facilitating access of foreign financial service suppliers to, and their operations in each other's markets.
- (b) Each Party shall ensure that all measures of general applications relating to the supply of financial services are administered in a reasonable, objective, and impartial manner in sectors where specific commitments are undertaken.
- (c) In lieu of Article 6.20, each Party shall, to the extent practicable:
 - (i) publish in advance any regulations of general application relating to the supply of financial services that it proposes to adopt; and
 - (ii) provide interested persons and the other Party a reasonable opportunity to comment on such proposed regulations.
- (d) At the time it adopts final regulations of general application relating to the supply of financial services that it proposes to adopt, each Party should, to the extent practicable, address in writing substantive comments received from interested persons with respect to the proposed regulations.
- (e) To the extent practicable, each Party should allow reasonable time between publication of final regulations of general application and their effective date.
- (f) Each Party shall ensure that the rules of general application adopted or maintained by self-regulatory organisations of the Party are promptly

published or otherwise made available in such a manner as to enable interested persons to become acquainted with them.

- (g) Each Party shall maintain or establish appropriate mechanisms for responding to inquiries from interested persons regarding measures of general application relating to the supply of financial services.
- (h) Each Party's regulatory authorities shall make available to interested persons the requirements, including any documentation required, for completing applications relating to the supply of financial services.
- (i) On the request of an applicant, a Party's regulatory authority shall inform the applicant of the status of its application. If the authority requires additional information from the applicant, it shall notify the applicant without undue delay.
- (j) Unless any specified period for an administrative decision is provided for in the applicable laws or regulations, a Party's regulatory authority shall make an administrative decision on a completed application of an applicant relating to the supply of a financial service within 120 days, and shall promptly notify the applicant of the decision. An application shall not be considered complete until all relevant hearings are held and all necessary information is received. Where it is not practicable for a decision to be made within 120 days, or the period specified under the applicable laws or regulations, as the case may be, the regulatory authority shall notify the applicant without undue delay and shall endeavour to make the decision within a reasonable time thereafter.
- (k) On the request of an unsuccessful applicant, a regulatory authority that has denied an application, to the extent practicable, inform the applicant of the reasons for denial of the application.

5. Treatment of Certain Information

Nothing in this Annex requires a Party to furnish or allow access to:

- (a) information related to the financial affairs and accounts of individual customers of financial service suppliers;
- (b) any confidential information the disclosure of which would impede law enforcement or otherwise be contrary to the public interest or prejudice legitimate commercial interests of particular enterprises; or
- (c) any confidential or proprietary information in the possession of public entities.

6. New Financial Services

- (a) A "new financial service" is a financial service that is not supplied by any financial service supplier in the territory of a Party but which is supplied

within the territory of the other Party and includes financial products or the manner in which a financial product or service is delivered.¹²

- (b) Each Party shall permit a financial institution of the other Party¹³ to supply any new financial service that the Party would permit its own financial institutions, in like circumstances, to supply without additional legislative action by the Party. Notwithstanding Article 6.4.2(e), a Party may determine the institutional and juridical form through which the new financial service may be supplied and may require authorisation for the supply of the service. Where a Party requires a financial institution to obtain authorisation to supply a new financial service, the Party shall decide within a reasonable time whether to issue the authorisation and the authorisation may be refused only for prudential reasons.

7. Dispute Settlement

Arbitral tribunals agreed between or appointed by the Parties under Chapter Fourteen (Dispute Settlement) for disputes on prudential issues and other financial matters shall have the necessary expertise relevant to the specific financial service under dispute.

8. Definitions

For the purposes of this Annex:

Financial service is any service of a financial nature offered by a financial service supplier of a Party. Financial services include all insurance and insurance-related services, and all banking and other financial services (excluding insurance). Financial services include the following activities:

Insurance and insurance-related services

- (a) Direct insurance (including co-insurance):
 - (i) life,
 - (ii) non-life;
- (b) Reinsurance and retrocession;
- (c) Insurance intermediation, such as brokerage and agency;
- (d) Services auxiliary to insurance, such as consultancy, actuarial, risk assessment and claim settlement services;

¹² The Parties understand that new financial services include financial services and products that are existing and may be developed in future within the territory of only one Party.

¹³ Financial institution of the other Party means a financial institution, including a branch, located in the territory of a Party that is controlled by persons of the other Party.

Banking and other financial services (excluding insurance)

- (e) Acceptance of deposits and other repayable funds from the public;
- (f) Lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transaction;
- (g) Financial leasing;
- (h) All payment and money transmission services, including credit, charge and debit cards, travellers cheques and bankers drafts;
- (i) Guarantees and commitments;
- (j) Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:
 - (i) money market instruments (including cheques, bills, certificates of deposits);
 - (ii) foreign exchange;
 - (iii) derivative products including, but not limited to, futures and options;
 - (iv) exchange rate and interest rate instruments, including products such as swaps, forward rate agreements;
 - (v) transferable securities; or
 - (vi) other negotiable instruments and financial assets, including bullion;
- (k) Participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues;
- (l) Money broking;
- (m) Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial, depository and trust services;
- (n) Settlement and clearing services for financial assets, including securities, derivative products, and other negotiable instruments;
- (o) Provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services; and
- (p) Advisory, intermediation and other auxiliary financial services on all the activities listed in subparagraphs (e) through (o), including credit reference

and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy;

Financial service supplier means any natural or juridical person of a Party wishing to supply or supplying financial services but the term “financial service supplier” does not include a public entity;

Public entity means:

- (a) a government, a central bank or a monetary authority, of a Party, or an entity owned or controlled by a Party, that is principally engaged in carrying out governmental functions or activities for governmental purposes, not including an entity principally engaged in supplying financial services on commercial terms; or
- (b) a private entity, performing functions normally performed by a central bank or monetary authority, when exercising those functions; and

Self-regulatory organisation means any non-governmental body, including any securities or futures exchange or market, clearing agency, other organisation or association, that exercises regulatory or supervisory authority over financial service suppliers or financial institutions, by statute or delegation from central, regional or local governments or authorities.