

Annex II: Explanatory Note – Text of the 2023 Canada – Ukraine Free Trade Agreement

1. The Schedule of a Party to this Annex sets out, pursuant to Articles 17.18 (Non-Conforming Measures) and 18.7 (Reservations), the specific sectors, subsectors, or activities for which that Party may maintain existing, or adopt new or more restrictive, measures that do not conform with obligations imposed by:

- (a) Article 17.6 (National Treatment) or 18.3 (National Treatment);*
- (b) Article 17.7 (Most-Favoured-Nation Treatment) or 18.4 (Most-Favoured-Nation Treatment);*
- (c) Article 17.12 (Performance Requirements);*
- (d) Article 17.13 (Senior Management and Boards of Directors);*
or
- (e) Article 18.5 (Market Access).*

2. Each Schedule entry sets out the following elements:

- (a) **Sector** refers to the sector for which the entry is made;*

- (b) *Sub-Sector*, where referenced, refers to the specific subsector for which the entry is made;
- (c) *Obligations Concerned* specifies the obligation(s) referred to in paragraph 1 that, pursuant to Articles 17.18 (Non-Conforming Measures) and 18.7 (Reservations), do not apply to the sectors, subsectors, or activities listed in the entry;
- (d) *Description* sets out the scope or nature of the sectors, subsectors, or activities covered by the entry to which the reservation applies; and
- (e) *Existing Measures* identifies, for transparency purposes, a non-exhaustive list of existing measures that apply to the sectors, subsectors, or activities covered by the entry.

3. For greater certainty, in the interpretation of an entry, all elements of the entry shall be considered, and the *Description* element prevails over all other elements.

4. In accordance with Articles 17.18 (Non-Conforming Measures) and 18.7 (Non-Conforming Measures), the articles of this Agreement specified in the *Obligations Concerned* element of an entry do not apply to the sectors, subsectors, and activities identified in the *Description* element of that entry.