

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

1. The Schedule of a Party to this Annex sets out:

- (a) headnotes or introductory notes that limit or clarify the commitments of a Party with respect to the obligations described in paragraphs 1(b) and 1(c);*
- (b) in Section A, pursuant to Article 20.10 (Non-Conforming Measures), a Party's existing measures that are not subject to some or all of the obligations imposed by:*
 - (i) Article 20.3 (National Treatment);*
 - (ii) Article 20.4 (Most-Favoured-Nation Treatment);*
 - (iii) Article 20.5 (Market Access for Financial Institutions);*
 - (iv) Article 20.6 (Cross-Border Trade); or*
 - (v) Article 20.9 (Senior Management and Boards of Directors); and*

- (c) in Section B, pursuant to Article 20.10 (Non-Conforming Measures), the specific sectors, subsectors or activities for which a Party may maintain existing, or adopt new or more restrictive, measures that do not conform with obligations imposed by:

- (i) Article 20.3 (National Treatment);
- (ii) Article 20.4 (Most-Favoured-Nation Treatment);
- (iii) Article 20.5 (Market Access for Financial Institutions);
- (iv) Article 20.6 (Cross-Border Trade); or
- (v) Article 20.9 (Senior Management and Boards of Directors).

2. Each Schedule entry in Section A 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 obligations referred to in paragraph 1(b) that, pursuant to Article 20.10 (Non-Conforming Measures), do not apply to the listed

measures as indicated in the headnote or introductory note for each Party's Schedule;

- (d) Level of Government indicates the level of government maintaining the listed measures;
- (e) Measures identifies the laws, regulations or other measures for which the entry is made. A measure cited in the Measures element:
 - (i) means the measure as amended, continued or renewed as of the date of entry into force of this Agreement; and
 - (ii) includes any subordinate measure adopted or maintained under the authority of and consistent with the measure; and
- (f) Description, as indicated in the headnote or introductory note for each Party's Schedule, either sets out the non-conforming measure or provides a general non-binding description of the measure for which the entry is made.

3. Each Schedule entry in Section B 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 obligations referred to in paragraph 1(c) that, pursuant to Article 20.10 (Non-Conforming Measures), do not apply to the sectors, subsectors or activities listed in the entry;
- (d) *Level of Government* indicates the level of government maintaining the listed measures;
- (e) *Description* sets out the scope or nature of the sectors, subsectors or activities covered by the entry to which the reservation applies; and
- (f) *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.

4. Parties recognise that measures falling under exceptions applicable to this Chapter, such as those in Article 20.11 (Exceptions), need not be scheduled. Nevertheless, some Parties have listed measures that may fall within applicable exceptions. For greater certainty, the listing of a measure in a Party's Schedule to Annex III is without prejudice to whether that measure or any other measure:

- (a) adopted or maintained by the Party; or
- (b) adopted or maintained by any other Party;

is covered by exceptions such as those in Article 20.11 (Exceptions).