

ANNEX II
EXPLANATORY NOTES

1. The Schedule of a Party to this Annex sets out, pursuant to Articles 8.13 (Non-Conforming Measures) and 9.6 (Non-Conforming Measures), 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 8.3 (National Treatment) or 9.2 (National Treatment);
 - (b) Article 8.4 (Most-Favored-Nation Treatment) or 9.3 (Most-Favored-Nation Treatment);
 - (c) Article 9.5 (Local Presence);
 - (d) Article 8.9 (Performance Requirements);
 - (e) Article 8.10 (Senior Management and Boards of Directors); or
 - (f) Article 9.4 (Market Access).
2. Each Schedule entry sets out the following elements:
 - (a) **Sector** refers to the sector for which the entry is made;
 - (b) **Obligations Concerned** specifies the article(s) referred to in paragraph 1 that, pursuant to Articles 8.13.2 (Non-Conforming Measures) and 9.6.2 (Non-Conforming Measures), do not apply to the sectors, subsectors, or activities scheduled in the entry; and
 - (c) **Description** sets out the scope of the sectors, subsectors, or activities covered by the entry.
3. In accordance with Articles 8.13.2 (Non-Conforming Measures) and 9.6.2 (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.
4. In the interpretation of a reservation, all elements of the reservation shall be considered equally.
5. For greater certainty, Local Presence (Article 9.5) and National Treatment (Article 9.2) are separate disciplines and a measure that is only inconsistent with Local Presence (Article 9.5) need not be reserved against National Treatment (Article 9.2).