

DRAFT
Subject to Legal Review for Accuracy, Clarity, and Consistency
January 28, 2004

ANNEX II: NON-CONFORMING MEASURES

NICARAGUA

Sector: All Sectors

Obligations Concerned: National Treatment (Article 10.2)
Senior Management and Boards of Directors (Article 10.10)

Description: Investment

In the transfer or disposal of any interest in stock or asset held in an existing state enterprise or governmental entity, Nicaragua reserves the right to prohibit or impose limitations on the ownership of said interest or asset. However, the preceding sentence pertains only to the initial transfer or disposal of such stock or asset. There are no restrictions on subsequent transfers or disposals of such stock or asset.

Nicaragua reserves the right to impose limitations on the right of foreign investors or their investments to control any State enterprise created by the transfer or disposal of any stock or asset as described in the preceding paragraph or investments made by such state enterprise. In connection with any such transfer or disposal, Nicaragua may adopt or maintain any measure related to the nationality of senior management and members of the Board of Directors.

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NICARAGUA

Sector:	Minority Issues and Indigenous Peoples
Obligations Concerned:	National Treatment (Article 11.2 and 10.3) Most Favored Nation Treatment (Article 11.3 and 10.5) Local Presence (Article 11.5) Performance Requirements (Article 10.9) Senior Management and Boards of Directors (Article 10.10)
Description:	<u>Investment and Cross-Border Trade in Services</u> Nicaragua reserves the right to adopt or maintain any measure granting rights or privileges to socially or economically disadvantaged minorities and indigenous peoples

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NICARAGUA

Sector: Communications

Obligations concerned: Most Favored Nation Treatment (Article 11.3 and 10.5)

Description: Investment and Cross-border Trade in Services

Nicaragua reserves the right to adopt or maintain any measure that accords differential treatment to persons of other countries due to application of reciprocity measures or through international agreements involving sharing of the radio spectrum, guaranteeing market access, or national treatment with respect to the one-way satellite transmission of direct-to-home (DTH) and direct broadcasting satellite (DBS) television services and digital audio services.

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ANNEX II: NON-CONFORMING MEASURES

NICARAGUA

Sector: All Sectors

Obligations Concerned: Most Favored Nation Treatment (Article 11.3 and 10.4)

Description: Investment and Cross-Border Trade in Services

Nicaragua reserves vis-à-vis the United States the right to adopt or maintain any measure that accords differential treatment to countries under any bilateral or multilateral international agreement in force or signed prior to the date of entry into force of this Agreement.

Nicaragua reserves the right to adopt or maintain any measure that accords differential treatment to countries under any international agreement in force or signed after the date of entry into force of this Agreement involving:

- (a) aviation;
- (b) fishery;
- (c) maritime matters, including salvage; or
- (d) telecommunications

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NICARAGUA

Sector: Coastal lands, Islands and River Banks

Obligations Concerned: National Treatment (Article 10.2 and Article 10.4)

Description: Investment

Nicaragua reserves the right to adopt or maintain any measure with respect to coastal lands, islands and river banks under the possession of Nicaragua.

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ANNEX II: NON-CONFORMING MEASURES

NICARAGUA

Sector: Social Services

Obligations Concerned: National Treatment (Article 11.2 and 10.3)
Most Favored Nation Treatment (Article 11.3 and 10.4)
Local Presence (Article 11.5)
Performance Requirements (Article 10.9)
Senior Management and Boards of Directors (Article 10.10)

Description: Investment and Cross-Border Trade in Services

Nicaragua reserves the right to adopt or maintain any measure with respect to the provision of law enforcement and correctional services, and the following services to the extent they are social services established or maintained for a public purpose: income security or insurance, social security or insurance, social well-fare, public education, public training, health and child care.