

Annex II

SCHEDULE OF COSTA RICA

EXPLANATORY NOTE

1. The Schedule of Costa Rica to this Annex sets out, pursuant to Articles 9.13 (Non-Conforming Measures) and 10.6 (Non-Conforming Measures), the reservations adopted for specific sectors, sub-sectors, or activities for which Costa Rica may maintain existing, or adopt new or more restrictive, measures that do not conform with obligations imposed by:

- (a) Articles 9.2 (National Treatment) or 10.3 (National Treatment);
- (b) Articles 9.4 (Most-Favored-Nation Treatment) or 10.3 (Most-Favored-Nation Treatment);
- (c) Article 10.5 (Local Presence);
- (d) Article 9.9 (Performance Requirements);
- (e) Article 9.10 (Senior Management and Boards of Directors); or
- (f) Article 10.4 (Market Access).

2. Each entry in the Schedule sets out the following elements:

- (a) **Sector** refers to the sector for which the entry is made;
- (b) **Obligations Concerned** specifies the obligation(s) referred to in paragraph 1 that, pursuant to Articles 9.13 (Non-Conforming Measures) and 10.6 (Non-Conforming Measures), do not apply to the sectors, subsectors, or activities listed 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 9.13 (Non-Conforming Measures) and 10.6 (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 interpreting a reservation in the Schedule, all elements of the entry shall be considered. The **Description** element shall prevail over the other elements.

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| 1. Sector: | All sectors |
| Obligations Concerned: | Most-Favored-Nation Treatment (Articles 9.4 and 10.3) |
| Description: | <p><u>Investment and Cross-Border Trade in Services</u></p> <p>Costa Rica reserves, vis-á-vis Korea, the right to adopt or maintain any measure that accords differential treatment to countries in accordance with:</p> <ul style="list-style-type: none"> (a) any bilateral or multilateral international agreement in force or signed prior to the date of entry into force of this Agreement; or (b) any bilateral or multilateral international agreement in force or signed after the date of entry into force of this Agreement involving: <ul style="list-style-type: none"> (i) aviation; (ii) fisheries; or (iii) maritime matters, including salvage. |

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| 2. Sector: | Cultural Industries |
| Obligations Concerned: | Most-Favored-Nation Treatment (Articles 9.4 and 10.3) Performance Requirements (Article 9.9) |
| Description: | <p><u>Investment and Cross-Border Trade in Services</u></p> <p>Costa Rica reserves the right to adopt or maintain any measure that accords differential treatment to countries under any existing or future bilateral or multilateral international agreement with respect to cultural industries, such as audiovisual cooperation agreements.</p> <p>For greater certainty, government supported subsidy programs for the promotion of cultural activities are not subject to the limitations or obligations of this Agreement.</p> <p>Cultural industries means persons engaged in any of the following activities:</p> <ul style="list-style-type: none"> (a) publication, distribution, or sale of books, magazines, periodical publications, or printed or electronic newspapers, excluding the printing and typesetting of any of the foregoing; (b) production, distribution, sale, or display of recordings of movies or videos; (c) production, distribution, sale, or display of music recordings in audio or video format; (d) production, distribution, or sale of printed music scores or scores readable by machines; or (e) radiobroadcasts aimed at the public in general, as well as all radio, television, and cable television-related activities, satellite programming services, and broadcasting networks. |

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| 3. Sector: | Social Services |
| Obligations Concerned: | National Treatment (Articles 9.3 and 10.2) Performance Requirements (Article 9.9) Senior Management and Boards of Directors (Article 9.10) Most-Favored-Nation Treatment (Articles 9.4 and 10.3) Local Presence (Article 10.5) Market Access (Article 10.4) |
| Description: | <u>Investment and Cross-Border Trade in Services</u> Costa Rica 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 welfare, public education, public training, health, child care, public sewage services, and water supply services. |

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| 4. Sector: | Public Services ¹ |
| Obligations Concerned: | National Treatment (Articles 9.3 and 10.2) Most-Favored-Nation Treatment (Articles 9.4 and 10.3) Local Presence (Article 10.5) Market Access (Article 10.4) |
| Description: | <u>Investment and Cross-Border Trade in Services</u> Costa Rica reserves the right to adopt or maintain any measure with respect to concessions, permits and authorizations for economic activities or services considered as public services in accordance with the Costa Rican legislation. Costa Rica also reserves the right to adopt or maintain any measure regarding institutions and public enterprises that, as a legal mandate, supply any public service and are not required to obtain a concession, permit or authorization; as well as any measure related to State monopolies created by law or granted in administration. |

¹ Public services include: electric energy supply, including generation, transmission, distribution and commercialization; supply of sewage and water services which includes drinkable water, collection, treatment and evacuation of sewage, residual and pluvial waters, as well as the installation, operation, and maintenance of hydrant services; fuel supply derivatives from hydrocarbons, including petroleum, asphalts, gas and naphthas, destined to supply national demand in distribution stations, as well as the derivatives from petroleum, asphalts, gas and naphthas destined to the final consumer; irrigation and drainage; remunerated public transport of persons, except for air transportation; maritime and air services in national ports; freight transport by railroad; recollection and treatment of solid and industrial wastes; social services of postal communication; and any other services that, given their importance for the sustainable development of the country, are qualified and regulated as such by the Legislative Assembly.

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| 5. Sector: | Education services - pre-primary, primary, secondary, higher and other education |
| Obligations Concerned: | National Treatment (Articles 9.3 and 10.2) Performance Requirements (Article 9.9) Senior Management and Boards of Directors (Article 9.10) Most-Favored-Nation Treatment (Articles 9.4 and 10.3) Local Presence (Article 10.5) Market Access (Article 10.4) |
| Description: | <u>Investment and Cross-Border Trade in Services</u> Costa Rica reserves the right to adopt or maintain any measure with respect to pre-primary, primary and secondary education; higher education; distance education at all education levels (except adult education services, provided that such services do not confer academic credit, diplomas or degrees); and other education services. |

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| 6. Sector: | Social Services - Human Health Services |
| Obligations Concerned: | National Treatment (Articles 9.3 and 10.2) Most-Favored-Nation Treatment (Articles 9.4 and 10.3) Performance Requirements (Article 9.9) Senior Management and Boards of Directors (Article 9.10) Market Access (Article 10.4) Local Presence (Article 10.5) |
| Description: | <u>Investment and Cross-Border Trade in Services</u> Costa Rica reserves the right to adopt or maintain any measure with respect to human health services. |

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| 7. Sector: | Minority Affairs and Native Groups |
| Obligations Concerned: | National Treatment (Articles 9.3 and 10.2) Most-Favored-Nation Treatment (Articles 9.4 and 10.3) Performance Requirements (Article 9.9) Senior Management and Boards of Directors (Article 9.10) Market Access (Article 10.4) Local Presence (Article 10.5) |
| Description: | <u>Investment and Cross-Border Trade in Services</u> Costa Rica reserves the right to adopt or maintain any measure that grants rights or preferences to social or economic groups under disadvantage or to native groups. |

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| 8. Sector: | Lottery, Betting and Gambling |
| Obligations Concerned: | National Treatment (Articles 9.3 and 10.2) Most-Favored-Nation Treatment (Articles 9.4 and 10.3) Performance Requirements (Article 9.9) Senior Management and Boards of Directors (Article 9.10) Market Access (Article 10.4) Local Presence (Article 10.5) |
| Description: | <u>Investment and Cross-Border Trade in Services</u> Costa Rica reserves the right to adopt or maintain any measure with respect to lottery, betting and gambling. |

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| 9. Sector: | Game Services ² |
| Obligations Concerned: | Market Access (Article 10.4) |
| Description: | <u>Cross-Border Trade in Services</u> Costa Rica reserves the right to adopt or maintain any measure with respect to cross-border trade in game services. |

² For greater certainty, this reservation does not apply to Lottery, Betting and Gambling; which are covered by Entry CR- 8 of this Annex (Lottery, Betting and Gambling).

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| 10. Sector: | Electric Energy |
| Obligations Concerned: | National Treatment (Articles 9.3 and 10.2) Most-Favored-Nation Treatment (Articles 9.4 and 10.3) Senior Management and Boards of Directors (Article 9.10) Market Access (Article 10.4) Local Presence (Article 10.5) |
| Description: | <u>Investment and Cross-Border Trade in Services</u> Costa Rica reserves the right to adopt or maintain any measure regarding electric energy, including the generation, transmission, transformation, distribution and commercialization. |

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| 11. Sector: | Railways, Ports and Airports |
| Obligations Concerned: | National Treatment (Articles 9.3 and 10.2) Most-Favored-Nation Treatment (Articles 9.4 and 10.3) Senior Management and Boards of Directors (Article 9.10) Performance Requirements (Article 9.9) Market Access (Article 10.4) Local Presence (Article 10.5) |
| Description: | <u>Investment and Cross-Border Trade in Services</u> Costa Rica reserves the right to adopt or maintain any measure regarding railways, ports and airports. |

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| 12. Sector: | Natural Resources |
| Obligations Concerned: | National Treatment (Articles 9.3 and 10.2) Most-Favored-Nation Treatment(Articles 9.4 and 10.3) Performance Requirements (Article 9.9) Senior Management and Boards of Directors (Article 9.10) Market Access (Article 10.4) Local Presence (Article 10.5) |
| Description: | <u>Investment and Cross-Border Trade in Services</u> Costa Rica reserves the right to adopt or maintain any measure with respect to natural resources, including conservation, management, protection, exploration, extraction and exploitation. |

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| 13. Sector: | Fishing and Services Incidental to Fishing |
| Obligations Concerned: | National Treatment (Articles 9.3 and 10.2) Most-Favored-Nation Treatment (Articles 9.4 and 10.3) Performance Requirements (Article 9.9) Senior Management and Boards of Directors (Article 9.10) Market Access (Article 10.4) Local Presence (Article 10.5) |
| Description: | <u>Investment and Cross-Border Trade in Services</u> Costa Rica reserves the right to adopt or maintain any measure with respect to fishing and services incidental to fishing. |

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| 14. Sector: | Environmental Services |
| Obligations Concerned: | National Treatment (Articles 9.3 and 10.2) Most-Favored-Nation Treatment (Articles 9.4 and 10.3) Performance Requirements (Article 9.9) Senior Management and Boards of Directors (Article 9.10) Market Access (Article 10.4) Local Presence (Article 10.5) |
| Description: | <u>Investment and Cross-Border Trade in Services</u> Costa Rica reserves the right to adopt or maintain any measure with respect to environmental services. |

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| 15. Sector: | Postal Services |
| Obligations Concerned: | National Treatment (Articles 9.3 and 10.2) Most-Favored-Nation Treatment (Articles 9.4 and 10.3) Performance Requirements (Article 9.9) Senior Management and Boards of Directors (Article 9.10) Market Access (Article 10.4) Local Presence (Article 10.5) |
| Description: | <u>Investment and Cross-Border Trade in Services</u> Costa Rica reserves the right to adopt or maintain any measure with respect to postal services that do not constitute express delivery services. ³ |

³ For purposes of this Agreement, **express delivery services** means the collection, transport, and delivery, of documents, printed matter, parcels, goods, or other items on an expedited basis, while tracking and maintaining control of these items throughout the supply of the service. Express delivery services do not include (i) air transport services, (ii) services supplied in the exercise of governmental authority or reserved to the State and its enterprises in accordance with the national legislation, (iii) social services of postal communication, or (iv) maritime transport services.

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| 16. Sector: | Radio and Television Services (Broadcasting) |
| Obligations Concerned: | National Treatment (Articles 9.3 and 10.2) Most-Favored-Nation Treatment (Articles 9.4 and 10.3) Senior Management and Boards of Directors (Article 9.10) Performance Requirements (Article 9.9) Market Access (Article 10.4) Local Presence (Article 10.5) |
| Description: | <u>Investment and Cross-Border Trade in Services</u> Costa Rica reserves the right to adopt or maintain any measure with respect to radio and television services (broadcasting). |

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| 17. Sector: | Investigation and Security Services |
| Obligations Concerned: | National Treatment (Articles 9.3 and 10.2) Most-Favored-Nation Treatment (Articles 9.4 and 10.3) Performance Requirements (Article 9.9) Senior Management and Boards of Directors (Article 9.10) Market Access (Article 10.4) Local Presence (Article 10.5) |
| Description: | <u>Investment and Cross-Border Trade in Services</u> Costa Rica reserves the right to adopt or maintain any measure with respect to investigation and security services. |

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| 18. Sector: | Arms and Explosives |
| Obligations Concerned: | National Treatment (Articles 9.3 and 10.2) Most-Favored-Nation Treatment (Articles 9.4 and 10.3) Performance Requirements (Article 9.9) Senior Management and Boards of Directors (Article 9.10) Market Access (Article 10.4) Local Presence (Article 10.5) |
| Description: | <u>Investment and Cross-Border Trade in Services</u> Costa Rica reserves the right to adopt or maintain any measure with respect to arms and explosives, including the manufacture, use, sale, storage, transport, importation, exportation and possession of arms and explosives. |

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| 19. Sector: | Manufacturing of liquor |
| Obligations Concerned: | Performance Requirements (Article 9.9) |
| Description: | <u>Investment</u> Costa Rica reserves the right to adopt or maintain any measure with respect to manufacturing of liquor. |

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| 20. Sector: | Recreational, Cultural, and Sporting Services - Motion Picture Promotion, Advertising or Post-Production Services |
| Obligations Concerned: | National Treatment (Articles 9.3 and 10.2) Most-Favored-Nation Treatment (Articles 9.4 and 10.3) Performance Requirements (Article 9.9) Local Presence (Article 10.5) |
| Description: | <u>Investment and Cross-Border Trade in Services</u> Costa Rica reserves the right to adopt or maintain any measure with respect to motion picture promotion, advertising, or post-production services. |