

Annex II

SCHEDULE OF NICARAGUA

EXPLANATORY NOTE

1. The Schedule of Nicaragua of this Annex sets out, pursuant to Articles 9.13 (Non-Conforming Measures) and 10.6 (Non-Conforming Measures), the specific sectors, sub-sectors, 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) Articles 9.3 (National Treatment) or 10.2 (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 Schedule entry 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;
- (c) **Description** sets out the scope of the sectors, subsectors, or activities covered by the entry; and
- (d) **Existing Measures** identifies, for transparency purposes, existing measures that apply to the sectors, subsectors, or activities covered by the entry.

3. In accordance with Article 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.

1. Sector:	All Sectors
Subsector:	
Obligations Concerned:	National Treatment (Articles 9.3 and 10.2) Senior Management and Boards of Directors (Article 9.10)
Level of Government:	Central
Measures:	
Description:	<p><u>Investment and Cross-Border Trade in Services</u></p> <p>Nicaragua reserves the right to limit the transfer or disposal of any interest held in an existing state enterprise, so that only Nicaraguan nationals may receive such interest. However, the preceding sentence pertains only to the initial transfer or disposal of such interest. Nicaragua does not reserve this right for subsequent transfers or disposals of such interest.</p> <p>Nicaragua reserves the right to limit control of any new enterprise created by the transfer or disposal of any interest described in the preceding paragraph through means other than limitations on the ownership of the interest. Nicaragua also reserves the right to adopt or maintain any measure related to the nationality of senior managers and members of the board of directors in such new enterprise.</p>

2. Sector:	Minority Affairs and Indigenous Peoples
Subsector:	
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) Local Presence (Article 10.5)
Level of Government:	Central
Measures:	Political Constitution of the Republic of Nicaragua and its reforms (<i>Constitución Política de la República de Nicaragua y sus reformas</i>), published in <i>La Gaceta</i> No. 32 of February 18, 2014.
Description:	<u>Investment and Cross-Border Trade in Services</u> Nicaragua reserves the right to adopt or maintain any measure granting rights or preferences to socially or economically disadvantaged minorities and indigenous population.

3. Sector:	Communications
Subsector:	
Obligations Concerned:	Most-Favored-Nation Treatment (Articles 9.4 and 10.3)
Level of Government:	Central
Measures:	<p>Law No. 200, General Law of Telecommunications and Postal Services (Ley No. 200, <i>Ley General de Telecomunicaciones y Servicios Postales</i>), published in <i>La Gaceta</i> No. 154 of August 18, 1995.</p> <p>Decree No. 19-96, of Regulation of Law No. 200, General Law of Telecommunications and Postal Services (Decreto No. 19-96, <i>Reglamento de la Ley No. 200, Ley General de Telecomunicaciones y Servicios Postales</i>), published in <i>La Gaceta</i> No. 177 of September 19th, 1996.</p>
Description:	<p><u>Investment and Cross-Border Trade in Services</u></p> <p>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 electronic 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.</p>

4. Sector:	All Sectors
Subsector:	
Obligations Concerned:	Most-Favored-Nation Treatment (Articles 9.4 and 10.3)
Level of Government:	Central
Measures:	
Description:	<p><u>Investment and Cross-Border Trade in Services</u></p> <p>Nicaragua reserves 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.</p> <p>Nicaragua reserves 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 after the date of entry into force of this Agreement involving:</p> <p>(a) aviation;</p> <p>(b) fisheries; or</p> <p>(c) maritime matters, including salvage.</p>

5. Sector:	Coastal Lands, Islands, and River Banks
Subsector:	
Obligations Concerned:	National Treatment (Article 9.3)
Level of Government:	Central
Measures:	Political Constitution of the Republic of Nicaragua and its reforms (<i>Constitución Política de la República de Nicaragua y sus reformas</i>), published in <i>La Gaceta</i> No. 32 of February 18, 2014.
Description:	<u>Investment</u> Nicaragua reserves the right to adopt or maintain any measure with respect to coastal lands, islands, and river banks under the possession of Nicaragua.

6. Sector:	Social Services
Subsector:	
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) Local Presence (Article 10.5)
Level of Government:	Central
Measures:	Political Constitution of the Republic of Nicaragua and its reforms (<i>Constitución Política de la República de Nicaragua y sus reformas</i>), published in <i>La Gaceta</i> No. 32 of February 18, 2014.
Description:	<u>Investment and Cross-Border Trade in Services</u> Nicaragua reserves the right to adopt or maintain any measure with respect to the enforcement of law and correctional services, and the following services to the extent they are social services established or maintained for a public purpose: unemployment insurance, social insurance and security social welfare, public education, public training, health, and child care.

7. Sector:	All Sectors
Subsector:	
Obligations Concerned:	Most-Favored-Nation Treatment (Articles 9.4 and 10.3) Performance Requirements (Article 9.9) Senior Management and Boards of Directors (Article 9.10) Local Presence (Article 10.5)
Level of Government:	Central
Measures:	Political Constitution of the Republic of Nicaragua and its reforms (<i>Constitución Política de la República de Nicaragua y sus reformas</i>), published in <i>La Gaceta</i> 32 of February 18, 2014.
Description:	<u>Investment and Cross-Border Trade in Services</u> Nicaragua reserves the right to adopt or maintain any measure regarding the establishment, acquisition, expansion, management, conduct, or operation of Small and Medium Enterprises (SMEs). Nicaragua reserves the right to adopt or maintain any measure that grants rights or preferences to small and medium enterprises.

8. Sector:	Postal Services
Subsector:	
Obligations Concerned:	Market Access (Article 10.4)
Level of Government:	Central
Measures:	Law No. 758, General Law on Nicaraguan Post and Postal Services, (Ley No. 758, <i>Ley de Correos y Servicios Postales de Nicaragua</i>), published in <i>La Gaceta</i> , No. 96 and 97 of May 26 and 27, 2011.
Description:	<p><u>Cross-Border Trade in Services</u></p> <p>Activities related to the provision of postal services, international postal service and the country's representation in international organizations are reserved to Nicaraguan Post Office (Correos de Nicaragua), the operator appointed by the Government.</p>

9. Sector:	Energy
Subsector:	
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)
Level of Government:	Central
Measures:	Political Constitution of the Republic of Nicaragua and its reforms (<i>Constitución Política de la República de Nicaragua y sus reformas</i>), published in <i>La Gaceta</i> No. 32 of February 18, 2014.
Description:	<u>Investment and Cross-Border Trade in Services</u> Nicaragua reserves the right to adopt or maintain any measure related to the establishment, acquisition, expansion, management, conduction or operations of any company in the field of generation, distribution and commercialization of electricity.

10. Sector:	Fossil Fuels
Subsector:	
Obligations Concerned:	National Treatment (Article 10.2) Most-Favored-Nation Treatment (Article 10.3) Local Presence (Article 10.5)
Level of Government:	Central
Measures:	Political Constitution of the Republic of Nicaragua and its reforms (Constitución Política de la República de Nicaragua y sus reformas), published in <i>La Gaceta</i> No. 32 of February 18, 2014.
Description:	<u>Cross-Border Trade in Services</u> Nicaragua reserves the right to adopt or maintain any measure related to the establishment, acquisition, expansion, management, conduction or operations of any company in the field of exploration, and exploitation of fossil fuels and its supply.