

ANNEX I

Reservations for Existing Measures

Schedule of Korea – Explanatory Notes

1. Korea's Schedule to this Annex sets out, pursuant to Articles 8.9.1 and 9.6.1, Korea's existing measures that do not conform with some or all of the obligations imposed by:
 - (a) Article 8.3 (National Treatment) or 9.2 (National Treatment);
 - (b) Article 8.4 (Most-Favoured-Nation Treatment) or 9.3 (Most-Favoured-Nation Treatment);
 - (c) Article 8.7 (Senior Management and Boards of Directors);
 - (d) Article 8.8 (Performance Requirements);
 - (e) Article 9.4 (Market Access); or
 - (f) Article 9.5 (Local Presence).
2. Each entry sets out the following elements:
 - (a) **Sector** refers to the sector for which the entry is made;
 - (b) **Obligations Concerned** specifies the Articles referred to in paragraph 1 that, pursuant to Articles 8.9.1(a) and 9.6.1(a), do not apply to the non-conforming aspects of the law, regulation, or other measure, as set out in paragraph 3;
 - (c) **Measures**¹ 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

¹ For greater certainty, a change in the level of government at which a measure is administered or enforced does not, by itself, decrease the conformity of the measure with the obligations referred to in Articles 8.9.1 and 9.6.1.

(d) **Description** sets out commitments, if any, for liberalisation on the date of entry into force of this Agreement, and the remaining non-conforming aspects of the measure for which the entry is made.

3. In the interpretation of an entry, all elements of the entry shall be considered. An entry shall be interpreted in light of the relevant Articles of the Chapters against which the entry is made. To the extent that:

(a) the **Measures** element is qualified by a liberalisation commitment from the **Description** element, the **Measures** element as so qualified shall prevail over all other elements; and

(b) the **Measures** element is not so qualified, the **Measures** element shall prevail over all other elements, unless any discrepancy between the **Measures** element and the other elements considered in their totality is so substantial and material that it would be unreasonable to conclude that the **Measures** element should prevail, in which case the other elements shall prevail to the extent of that discrepancy.

4. In accordance with Articles 8.9.1(a) and 9.6.1(a), and subject to Articles 8.9.1(c) and 9.6.1(c), the Articles of this Agreement specified in the **Obligations Concerned** element of an entry do not apply to the non-conforming aspects of the law, regulation, or other measure identified in the **Measures** element of that entry.

5. If Korea maintains a measure that requires that a service provider be a citizen, permanent resident, or resident of its territory as a condition to the provision of a service in its territory, a Schedule entry for that measure taken with respect to Article 9.2 (National Treatment), 9.3 (Most-Favoured-Nation Treatment), or 9.5 (Local Presence) shall operate as a Schedule entry with respect to Article 8.3 (National Treatment), 8.4 (Most-Favoured-Nation Treatment), or 8.8 (Performance Requirements) to the extent of that measure.

6. For greater certainty, National Treatment (Article 9.2) and Local Presence (Article 9.5) 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).

ANNEX I

Schedule of Korea

1. Sector:	Construction Services
Obligations Concerned:	Local Presence (Article 9.5)
Measures:	<p><i>Framework Act on the Construction Industry</i> (Law No. 12012, 6 August 2013), Articles 9 and 10</p> <p><i>Enforcement Decree of the Framework Act on the Construction Industry</i> (Presidential Decree No. 24616, 17 June 2013), Article 13</p> <p><i>Enforcement Regulations of the Framework Act on the Construction Industry</i> (Ordinance of the Ministry of Land, Infrastructure and Transport No.10, 17 June 2013), Articles 2 and 3</p> <p><i>Information and Communication Construction Business Act</i> (Law No. 11690, 23 March 2013), Article 14</p> <p><i>Fire Fighting System Installation Business Act</i> (Law No. 11782, 22 May 2013), Articles 4 and 5</p> <p><i>Enforcement Decree of the Fire Fighting System Installation Business Act</i> (Presidential Decree No. 24417, 23 March 2013), Article 2 (Table 1)</p> <p><i>Enforcement Regulations of the Fire Fighting System Installation Business Act</i> (Ordinance of the Ministry of Security and Public Administration No. 3, 23 March 2013), Article 2</p>
Description:	<p>Cross-Border Trade in Services</p> <p>A person that supplies construction services in Korea must, prior to the signing of the first contract related to such services, establish an office in Korea.</p>

2. Sector:	Leasing, Rental, Maintenance, Repair, Sales, and Disposal Services Related to Construction Machinery and Equipment
Obligations Concerned:	Local Presence (Article 9.5)
Measures:	<p><i>Construction Machinery Management Act</i> (Law No. 11919, 16 July 2013), Article 21</p> <p><i>Enforcement Decree of the Construction Machinery Management Act</i> (Presidential Decree No. 24443, 23 March 2013), Articles 13, 14, 15, and 15-2</p> <p><i>Enforcement Regulations of the Construction Machinery Management Act</i> (Ordinance of the Ministry of Land, Infrastructure and Transport No. 1, 23 March 2013), Articles 57 through 63, 65-2, and 65-3</p>
Description:	<p>Cross-Border Trade in Services</p> <p>A person that supplies leasing, rental, maintenance, repair, sales, and disposal services related to construction machinery and equipment must establish an office in Korea.</p>

3. Sector:	Transportation Services – Automobile Maintenance, Repair, Sales, Disposal, and Inspection Services; Automobile License Plate Issuing Services
Obligations Concerned:	Market Access (Article 9.4) Local Presence (Article 9.5)
Measures:	<i>Automobile Management Act</i> (Law No. 11929, July 16, 2013), Articles 20, 44, 44-2, 45, 45-2 and 53 <i>Enforcement Regulations of the Automobile Management Act</i> (Ordinance of the Ministry of Land, Infrastructure and Transport No. 24, 6 September 2013), Articles 7, 8, 83, 87, and 111 <i>Rule on Enforcement of Comprehensive Inspection of Automobiles, Etc.</i> (Ordinance of the Ministry of Land, Infrastructure and Transport No. 1, 23 March 2013), Article 16
Description:	Cross-Border Trade in Services A person that supplies automobile management services (which includes used car sales, maintenance, auto dismantling, and recycling services) must establish an office in Korea and obtain authorisation from the head of the <i>si/gun/gu</i> (municipal authorities), which is subject to an economic needs test, as appropriate. A person that supplies automobile inspection services that is designated as a “designated repair facility” must establish an office in Korea. A person that supplies license plate manufacturing, delivery, and seal services that is designated as a “license plate issuing agency” must establish an office in Korea.

4. Sector: Distribution Services – Wholesale and Retail Distribution of Tobacco and Liquor

Obligations Concerned: Market Access (Article 9.4)

Local Presence (Article 9.5)

Measures: *Tobacco Business Act* (Law No. 11690, 23 March 2013), Articles 12, 13, and 16

Enforcement Decree of the Tobacco Business Act (Presidential Decree No. 24519, 26 April 2013), Articles 4 and 5

Enforcement Regulations of the Tobacco Business Act (Ordinance of the Ministry of Strategy and Finance No. 131, 3 March 2010), Articles 5, 7, and 7-3

Liquors Act (Law No. 11873, 7 June 2013), Articles 8 through 10

Enforcement Decree of the Liquors Act (Presidential Decree No. 24638, 28 June 2013), Article 9

Notice on Sales of Liquor by Telecommunication Means (Notice of the National Tax Service No. 2012-68, 1 October 2012)

Notice on Designation of Zone for Liquor License (Notice of the National Tax Service No. 2013-15, 1 April 2013)

Description: **Cross-Border Trade in Services**

A person that supplies tobacco wholesale (including importation) or retail distribution services must establish an office in Korea.

Only designated tobacco retailers may sell tobacco to retail buyers. The sale of tobacco to retail buyers by mail or in electronic commerce is prohibited.

The distance between places of business of tobacco retailers must be at least 50 meters.

A person that supplies liquor wholesale distribution services must establish an office in Korea and obtain authorisation from the head of the relevant tax office, which is subject to an economic needs test.

The sale of liquor by telephone or in electronic commerce is prohibited.

5. Sector:	Agriculture and Livestock
Obligations Concerned:	National Treatment (Article 8.3)
Measures:	<p><i>Foreign Investment Promotion Act</i> (Law No. 11535, 11 December 2012), Article 4</p> <p><i>Enforcement Decree of the Foreign Investment Promotion Act</i> (Presidential Decree No. 24638, 28 June 2013), Article 5</p> <p><i>Regulations on Foreign Investment and Introduction of Technology</i> (Notice of the Ministry of Trade, Industry and Energy, No. 2013-37, 30 May 2013), Attached table 2</p>
Description:	<p>Investment</p> <p>Foreign persons shall not:</p> <ul style="list-style-type: none"> (i) invest in an enterprise engaged in rice or barley farming; or (ii) hold 50 percent or more of the equity interest in an enterprise engaged in beef cattle farming.

6. Sector: Business Services – *An-gyung-sa* (Optician and Optometry) Services

Obligations Concerned: Market Access (Article 9.4)

Local Presence (Article 9.5)

Measures: *Medical Technicians Act* (Law No. 11860, 4 June 2013), Article 12

Enforcement Regulations of the Medical Technicians Act (Ordinance of the Ministry of Health and Welfare No. 193, 17 April 2013), Article 15

Description: **Cross-Border Trade in Services**

Only a natural person that is a licensed *an-gyung-sa* (optician or optometrist) that has established an office in Korea may engage in optician or optometry services.

An *an-gyung-sa* (optician or optometrist) shall not establish more than one office in Korea.

7. Sector:	Wholesale and Retail Distribution Services
Obligations Concerned:	Market Access (Article 9.4) Local Presence (Article 9.5)
Measures:	<p><i>Pharmaceutical Affairs Act</i> (Law No.12074, 13 August 2013), Articles 42 and 45</p> <p><i>Enforcement Decree on the Pharmaceutical Affairs Acts</i> (Presidential Decree No. 24479, 23 March 2013), Article 31-2</p> <p><i>Enforcement Decree on the Standards of Facilities of Manufacturer and Importers of Medicinal Products, Etc.</i> (Presidential Decree No. 24479, 23 March 2013), Articles 6</p> <p><i>Supply and Demand of Oriental Medicinal Herbs Regulations</i> (Notice of the Ministry of Health and Welfare No. 2013-63, 18 April 2013), Articles 4 and 12</p> <p><i>Medical Devices Act</i> (Law No. 12107, 13 August 2013), Article 15</p> <p><i>Enforcement Regulations of the Medical Devices Act</i> (Ordinance of the Prime Minister No. 1016, 23 March 2013), Article 20</p> <p><i>Health Functional Foods Act</i> (Law No. 11508, 22 October 2012), Article 6</p> <p><i>Enforcement Regulations of the Health Functional Foods Act</i> (Ordinance of the Prime Minister No. 1010, 23 March 2013), Articles 2 and 5</p> <p><i>Food Sanitation Act</i> (Law No. 11819, 22 May 2013), Articles 24, 36 and 37</p> <p><i>Enforcement Decree of the Food Sanitation Act</i> (Presidential Decree No. 24800, 16 October 2013), Articles 23 and 24</p>

Enforcement Regulations of the Food Sanitation Act
(Ordinance of the Prime Minister No. 1041,
25 October 2013), Articles 23 and 36 (attached table 14)

Act on the Control of Narcotics, Etc. (Law No. 11984,
30 July 2013), Articles 6 and 6-2

Description:

Cross-Border Trade in Services

A person that supplies wholesale trade services must establish an office in Korea in order to receive an import business license to supply such services with respect to:

- (a) pharmaceuticals and related items;
- (b) medical devices; or
- (c) health functional foods (including dietary supplements).

To supply the following services a person must establish an office in Korea:

- (a) transportation, sales, and preservation (cold storage) of food and food additives;
- (b) food supply services;
- (c) food inspection services; or
- (d) narcotic drug wholesale and retail distribution services.

The Minister of Health and Welfare controls the supply and demand of the wholesale distribution of imported designated *han-yak-jae* (Asian medicinal herbs).

Certain liquor-selling bars and the wholesale and retail distribution of narcotics require authorisation by the relevant authority.

8. Sector:	Retail Distribution of Pharmaceuticals
Obligations Concerned:	Market Access (Article 9.4) Local Presence (Article 9.5)
Measures:	<i>Pharmaceutical Affairs Act</i> (Law No. 12074, 13 August 2013), Articles 20 and 21 <i>Enforcement Decree on the Pharmaceutical Affairs Act</i> (Presidential Decree No. 24479, 23 March 2013), Article 22-2
Description:	Cross-Border Trade in Services A person that supplies pharmaceutical product retail distribution services (including distribution of <i>han-yak-jae</i> (Asian medicinal herbs)) must establish a pharmacy in Korea. That person shall not establish more than one pharmacy or establish a pharmacy in the form of a corporation.

9. Sector:	Transportation Services – Rail Transportation and Incidental Services
Obligations Concerned:	National Treatment (Article 9.2) Market Access (Article 9.4)
Measures:	<i>Railroad Enterprise Act</i> (Law No. 11690, 23 March 2013), Articles 5, 6, and 12 <i>Korea Railroad Corporation Act</i> (Law No. 12025, 6 August 2013), Article 9 <i>Rail Construction Act</i> (Law No. 12023, 6 August 2013), Article 8 <i>Framework Act on Rail Industry Development</i> (Law No. 11690, 23 March 2013), Articles 3, 20, 21, 26, and 38 <i>Korea Rail Network Authority Act</i> (Law No. 11690, 23 March 2013), Article 7
Description:	Cross-Border Trade in Services The existing regulation broadly states that only juridical persons that have obtained authorisation from the Minister of Land, Infrastructure and Transport may supply railroad transportation services. In practice, however, only juridical persons of Korean nationality (of which shares are 100 percent owned by the shareholders with Korean nationality) established by a Korean national may supply railroad transportation services on railroad routes constructed on or before 30 June 2005. Only juridical persons that have obtained authorisation from the Minister of Land, Infrastructure and Transport may supply railroad transportation services on railroad routes constructed on or after 1 July 2005. Such authorisation is subject to an economic needs test.

Only the national or local level of government or the Korea Rail Network Authority may supply rail construction services and maintain and repair government-owned rail facilities (including high-speed rail). However, juridical persons that meet the criteria in the *Private Investment in Social Infrastructure Act* (Law No. 12345, 28 January 2014) may supply rail construction services.

10. Sector:	Transportation Services – Passenger Road Transportation Services (not including Taxis and Scheduled Passenger Road Transportation Services)
Obligations Concerned:	Local Presence (Article 9.5)
Measures:	<p><i>Passenger Transport Service Act</i> (Law No. 12020, 6 August 2013), Articles 4 and 5</p> <p><i>Enforcement Decree of the Passenger Transport Service Act</i> (Presidential Decree No. 24443, 23 March, 2013), Article 3</p> <p><i>Enforcement Regulations of the Passenger Transport Service Act</i> (Ordinance of the Ministry of Land, Infrastructure and Transport No. 35, 7 November 2013), Article 11</p> <p><i>Tramway Transportation Act</i> (Law No. 11647, 22 March 2013), Article 4</p> <p><i>Enforcement Regulations of the Tramway Transportation Act</i> (Ordinance of the Ministry of Land, Infrastructure and Transport No. 1, 23 March 2013), Article 3</p>
Description:	<p>Cross-Border Trade in Services</p> <p>A person that supplies passenger road transportation services, not including taxis and scheduled passenger road transportation services, must establish an office in the <i>dang-hae-ji-yeok</i> (relevant geographic area) in Korea.</p>

11. Sector:	Transportation Services – International Maritime Cargo Transportation and Maritime Auxiliary Services
Obligations Concerned:	National Treatment (Article 9.2) Market Access (Article 9.4) Local Presence (Article 9.5)
Measures:	<i>Maritime Transportation Act</i> (Law No. 12092, 13 August 2013), Articles 24 and 33 <i>Enforcement Regulations of the Maritime Transportation Act</i> (Ordinance of the Ministry of Oceans and Fisheries No. 1, 24 March 2013), Articles 16, 19, 22, and 23 <i>Pilotage Act</i> (Law No. 11690, 23 March 2013), Article 6 <i>Ship Investment Company Act</i> (Law No. 11756, 5 April 2013), Articles 3 and 31
Description:	Cross-Border Trade in Services A person that supplies international maritime cargo transportation must be organised as a <i>chu-sik-hoe-sa</i> (stock company) in Korea and registered according to the <i>Maritime Transportation Act</i> . A ship investment company must also be organised as a <i>chu-sik-hoe-sa</i> (stock company) in Korea and registered according to the <i>Ship Investment Company Act</i> . A person that supplies shipping brokerage service, maritime agency services, and vessel maintenance services must be a company as stipulated under the <i>Korean Commercial Act</i> and registered according to the <i>Maritime Transportation Act</i> . Only a Korean national may supply maritime pilotage services.

12. Sector: Transportation Services – Air Transportation Services

Obligations Concerned: National Treatment (Article 8.3)

Senior Management and Boards of Directors (Article 8.7)

Measures: *Aviation Act* (Law No. 12026, 6 August 2013), Articles 2, 3, 6, 112, 113, 114, 129, 132 and 135

Enforcement Regulations of the Aviation Act (Ordinance of the Ministry of Land, Infrastructure and Transport No. 569, 15 February 2013), Articles 14-2, 15, 278, 278-3, 296-2, 298, and 299

Description: **Investment**

The following persons shall not supply scheduled or non-scheduled domestic air transportation services or supply international air transportation services as Korean air carriers:

- (a) a foreign national;
- (b) a foreign government or a foreign *gong-gong-danche* (organization for public purposes);
- (c) an enterprise organised under foreign law;
- (d) an enterprise in which any of the persons referred to in subparagraphs (a) through (c) owns 50 percent or more of the equity interest, or has control; or
- (e) an enterprise organised under Korean law whose *dae-pyo-ja* (representative: for example, a chief executive officer, president, or similar principal senior officer) is a foreign national or half or more of whose senior management are foreign nationals.

A person that owns an aircraft or is authorised to operate a chartered aircraft must register the aircraft with the Minister of Land, Infrastructure and Transport. The persons listed in subparagraphs (a) through (e) are not allowed to register an aircraft.

For the purposes of this entry, non-scheduled air transportation services include point-to-point transportation services, flight tour services, and charter flight services.

13. Sector:	Transportation Services – Aircraft-Use Services
Obligations Concerned:	National Treatment (Article 8.3) Senior Management and Boards of Directors (Article 8.7)
Measures:	<i>Aviation Act</i> (Law No. 12026, 6 August 2013), Articles 3, 6, and 134 <i>Enforcement Regulations of the Aviation Act</i> (Ordinance of the Ministry of Land, Infrastructure and Transport No. 569, 15 February 2013), Articles 15-2, 298, and 299-2
Description:	<p>Investment</p> <p>A person that supplies aircraft-<i>sa-yong</i> (use) services must register its self-owned or chartered aircraft with the Minister of Land, Infrastructure and Transport.</p> <p>The following persons shall not register an aircraft:</p> <ul style="list-style-type: none"> (a) a foreign national; (b) a foreign government or a foreign <i>gong-gong-danche</i> (organization for public purposes); (c) an enterprise organised under foreign law; (d) an enterprise in which any of those referred to in subparagraphs (a) through (c) owns 50 percent or more of the equity interest, or has control; or (e) an enterprise organised under Korean law whose <i>dae-pyo-ja</i> (representative: for example, a chief executive officer, president, or similar principal senior officer) is a foreign national or half or more of whose senior management are foreign nationals.

For the purposes of this entry, aircraft-*sa-yong* (use) services are services using an aircraft, and supplied upon request, for hire, other than for passenger or freight transportation, including aerial fire-fighting, forestry fire management, aerial advertising, flight training, aerial mapping, aerial investigation, aerial spraying, aerial photographing and other aerial agricultural activities, aerial inspections and observations, glider towing, parachute jumping, aerial construction, and heli-logging.

14. Sector: Transportation Services – Road Transportation Support Services

Obligations Concerned: Market Access (Article 9.4)

Local Presence (Article 9.5)

Measures: *Passenger Transport Service Act* (Law No. 12020, 6 August 2013), Articles 36 and 37

Enforcement Regulations of the Passenger Transport Service Act (Ordinance of the Ministry of Land, Infrastructure and Transport No. 35, 7 November 2013), Article 73

Parking Lot Service Act (Law No. 11690, 23 March 2013), Article 12

Road Traffic Act (Law No. 12045, 13 August 2013), Article 36

Description: **Cross-Border Trade in Services**

A person that supplies parking lot services, bus terminal operation services, or car towing and storage services must establish a place of business in the relevant geographic area in Korea and obtain an authorisation from the Minister of Land, Infrastructure and Transport, head of local police, or head of *si/gun*, as appropriate, which is subject to an economic needs test.

15. Sector:	Courier Services
Obligations Concerned:	Market Access (Article 9.4) Local Presence (Article 9.5)
Measures:	<i>Aviation Act</i> (Law No. 12026, August 6, 2013), Article 139 <i>Enforcement Regulations of the Aviation Act</i> (Ordinance of the Ministry of Land, Infrastructure and Transport No. 569, 15 February 2013), Article 306 <i>Trucking Transport Business Act</i> (Law No. 11933, 16 July 2013), Articles 3, 24, and 29 <i>Enforcement Regulations of Trucking Transport Business Act</i> (Ordinance of the Ministry of Land, Infrastructure and Transport No. 19, 11 July 2013), Articles 6, 34, and 41-2
Description:	Cross-Border Trade in Services To supply international courier services that include commercial document delivery services, pursuant to Article 3 of the <i>Enforcement Decree of the Postal Services Act</i> (Presidential Decree No. 24442, 23 March 2013), a person must establish an office in Korea. In order to obtain a trucking business license from the Minister of Land, Infrastructure and Transport, a domestic courier services supplier must establish an office in the relevant geographic area. Such a license is subject to an economic needs test. For greater certainty, a person who acquired an existing domestic courier business does not need to obtain a new trucking business license provided that the acquirer operates under the same terms and conditions as set out in the acquiree's license.

16. Sector: Telecommunications Services

Obligations Concerned: National Treatment (Articles 8.3 and 9.2)

Market Access (Article 9.4)

Local Presence (Article 9.5)

Measures: *Telecommunications Business Act* (Law No. 12035, 13 August 2013), Articles 6, 7, 8, 21, and 87

Telecommunications Business Act (Law No. 5385, 28 August 1997), Addenda Article 4

Radio Waves Act (Law No. 11712, 23 March 2013), Articles 13 and 20

Description: **Cross-Border Trade in Services and Investment**

A license for facilities-based public telecommunications services or a registration for non-facilities-based public telecommunications services shall be granted only to a juridical person organised under Korean law.

A license for facilities-based public telecommunications services shall not be granted to or held by a juridical person organised under Korean law in which a foreign government, foreign person, or deemed foreign person holds in the aggregate more than 49 percent of the juridical person's total voting shares.

A foreign government, foreign person, or deemed foreign person shall not, in the aggregate, hold more than 49 percent of the total voting shares of a facilities-based supplier of public telecommunications services. In addition, with respect to KT Corporation (KT), a foreign government, foreign person, or deemed foreign person shall not be the largest shareholder of KT, except if it holds less than five percent of the total voting shares of KT.

No later than two years after this Agreement enters into force, Korea shall permit:

- (a) a deemed foreign person to hold up to 100 percent of the total voting shares of a facilities-based supplier of public telecommunications services organised under Korean law, other than KT and SK Telecom Co., LTD (SK Telecom); and
- (b) a facilities-based supplier of public telecommunications services organised under Korean law in which a deemed foreign person holds up to 100 percent of its total voting shares to obtain or hold a license for facilities-based public telecommunications services.

A foreign government, or its representative, or a foreign person shall not obtain or hold a radio station license.

A foreign person shall not supply cross-border public telecommunications services into Korea, except through a commercial arrangement with a supplier of public telecommunications services that is licensed in Korea.

For the purposes of this entry:

- (a) “deemed foreign person” means a juridical person organised under Korean law in which a foreign government or a foreign person (including a “specially related person” under relevant Korean laws or regulations) is the largest shareholder and holds 15 percent or more of that juridical person’s total voting shares, but does not include a juridical person that holds less than one percent of the total voting shares of a facilities-based supplier of public telecommunications services;

- (b) consistent with Article 5.2 of the *Telecommunications Business Act*, a facilities-based supplier is a supplier that owns transmission facilities;
- (c) consistent with Article 5.3 of the *Telecommunications Business Act*, a non-facilities-based supplier is a supplier that does not own transmission facilities (but may own a switch, router, or multiplexer) and supplies its public telecommunication services through transmission facilities of a licensed facilities-based supplier; and
- (d) consistent with subparagraph 3 of Article 2 of the *Telecommunications Basic Act* (Law No. 11690, 23 March 2013), “transmission facilities” means wireline or wireless transmission facilities (including circuit facilities) that connect transmitting points with receiving points.

17. Sector:	Real Estate Brokerage and Appraisal Services
Obligations Concerned:	Local Presence (Article 9.5)
Measures:	<p><i>Act on Duties of a Licensed Real Estate Broker and Filing of Real Estate Transactions</i> (Law No. 11866, 4 June 2013), Article 9</p> <p><i>Enforcement Decree of the Act on Duties of a Licensed Real Estate Broker and Filing of Real Estate Transactions</i> (Presidential Decree No. 24443, 23 March 2013), Article 13</p> <p><i>Enforcement Regulations of the Act on Duties of a Licensed Real Estate Broker and Filing of Real Estate Transactions</i> (Ordinance of the Ministry of Land, Infrastructure and Transport No. 1, 23 March 2013), Article 4</p> <p><i>Public Notice of Values and Appraisal of Real Estate Act</i> (Law No. 11690, 23 March 2013), Article 27</p> <p><i>Enforcement Decree of the Public Notice of Values and Appraisal of Real Estate Act</i> (Presidential Decree No.23919, 29 June 2012), Articles 65, 66, and 68</p> <p><i>Enforcement Regulations of the Public Notice of Values and Appraisal of Real Estate Act</i> (Ordinance of the Ministry of Land, Infrastructure and Transport No. 1, 23 March 2013), Articles 25 and 26</p>
Description:	<p>Cross-Border Trade in Services</p> <p>A person that supplies real estate brokerage services or real estate appraisal services must establish an office in Korea.</p>

18. Sector:	Retail, Leasing, Rental and Repair Services Related to Medical Devices
Obligations Concerned:	Local Presence (Article 9.5)
Measures:	<i>Medical Devices Act</i> (Law No. 12107, 13 August 2013), Articles 16 and 17 <i>Enforcement Regulations of the Medical Devices Act</i> (Ordinance of the Prime Minister No. 1016, 23 March 2013), Articles 22 and 24
Description:	Cross-Border Trade in Services A person that supplies retail, leasing, rental, or repair services related to medical devices must establish an office in Korea.

19. Sector:	Rental Services – Automobiles
Obligations Concerned:	Local Presence (Article 9.5)
Measures:	<i>Passenger Transport Service Act</i> (Law No. 12020, 6 August 2013), Articles 28 and 29 <i>Enforcement Regulations of the Passenger Transport Service Act</i> (Ordinance of the Ministry of Land, Infrastructure and Transport No. 35, 7 November 2013), Article 60, 61, 62, and 64
Description:	Cross-Border Trade in Services A person that supplies automobile rental services must establish an office in Korea.

20. Sector:	Scientific Research Services
Obligations Concerned:	National Treatment (Articles 8.3 and 9.2)
Measures:	<p><i>Marine Scientific Research Act</i> (Law No. 12091, 13 August 2013), Articles 6, 7, and 8</p> <p><i>Territorial Sea and Contiguous Zone Act</i> (Law No. 10524, 4 April 2011), Article 5</p>
Description:	<p>Cross-Border Trade in Services and Investment</p> <p>A foreign person, a foreign government, or a Korean enterprise owned or controlled by a foreign person that intends to conduct marine scientific research in the territorial waters or exclusive economic zone or continental shelf of Korea must obtain prior authorisation or consent from the Minister of Oceans and Fisheries whereas a Korean national or a Korean enterprise not owned or controlled by a foreign person need only to provide notification to the Minister of Oceans and Fisheries.</p>

21. Sector:	Professional Services – Legal Services
Obligations Concerned:	Market Access (Article 9.4) Local Presence (Article 9.5)
Measures:	<i>Attorney-at-law Act</i> (Law No. 11825, 28 May 2013), Articles 4, 7, 21, 34, 45, 58-6, 58-22, and 109 <i>Certified Judicial Scriveners Act</i> (Law No. 8920, 21 March 2008), Articles 2, 3, and 14 <i>Notary Public Act</i> (Law No. 11823, 28 May 2013), Articles 10, 16, and 17
Description:	<p>Cross-Border Trade in Services</p> <p>Only a <i>byeon-ho-sa</i> (Korean-licensed lawyer) registered with the Korean Bar Association may supply legal services.</p> <p>Only a <i>byeon-ho-sa</i> (Korean-licensed lawyer) may establish the following types of legal entity: <i>beop-yool-sa-mu-so</i> (law office), <i>beop-mu-beop-in</i> (law company with the characteristics of partnership), <i>beop-mu-beop-in (yoo-han)</i> (limited liability law company), or <i>beop-mu-jo-hap</i> (limited liability partnership law office). For greater certainty, a person that is not a Korean-licensed lawyer shall not invest in any of such types of legal entity.</p> <p>A <i>byeon-ho-sa</i> (Korean-licensed lawyer) or <i>beop-mu-sa</i> (Korean-certified judicial scrivener) who practices in Korea must establish an office in the jurisdiction of the district court in which he or she practices. A <i>gong-jeung-in</i> (Korean notary public) must establish an office in the jurisdiction of the district office of the public prosecutor in which he or she practices.</p> <p>This entry is subject to the commitments undertaken in the 36th entry in Korea’s Schedule to Annex II.</p>

22. Sector: Professional Services – Labour Affairs Consulting Services

Obligations Concerned: Local Presence (Article 9.5)

Measures: *Certified Labor Affairs Consultant Act* (Law No. 10321, 25 May 2010), Articles 5, 7-2, 7-3, and 7-4

Enforcement Decree of the Certified Labor Affairs Consultant Act (Presidential Decree No. 24447, 23 March 2013), Articles 15 and 19

Enforcement Regulations of the Certified Labor Affairs Consultant Act (Ordinance of the Ministry of Employment and Labor No. 78, 23 March 2013), Articles 6 and 10

Description: **Cross-Border Trade in Services**

A person that supplies labour affairs consulting services must establish an office in Korea and be a *gong-in-no-mu-sa* (Korean-licensed labor affairs consultant) registered under the *Certified Labor Affairs Consultant Act*.

For greater certainty, an enterprise that supplies labour affairs consulting services must consist of at least two *gong-in-no-mu-sa* (Korean-licensed labor affairs consultant) (including the natural person who is the founder) and must obtain authorisation from the Minister of Employment and Labor.

23. Sector: Professional Services – Patent Attorney (*byeon-ri-sa*)

Obligations Concerned: Market Access (Article 9.4)

Local Presence (Article 9.5)

Measures: *Patent Attorney Act* (Law No. 11962, 30 July 2013),
Articles 3, 5, 6-2, and 6-3

Description: **Cross-Border Trade in Services**

Only a *byeon-ri-sa* (Korean-licensed patent attorney) who is registered with the Korean Intellectual Property Office may supply patent attorney services.

Only a *byeon-ri-sa* (Korean-licensed patent attorney) may establish a *gae-in-sa-mu-so* (sole proprietorship) or a *teuk-heo-beop-in* (patent law firm). For greater certainty, a person that is not a Korean-licensed patent attorney shall not invest in either of these types of legal entity.

A *byeon-ri-sa* (Korean-licensed patent attorney) may establish only one office.

24. Sector: Professional Services – Accounting and Auditing Services

Obligations Concerned: Market Access (Article 9.4)

Local Presence (Article 9.5)

Measures: *Certified Public Accountant Act* (Law No. 10866, 21 July 2011), Articles 2, 7, 12, 18, and 23

External Audit of Stock Companies Act (Law No. 11845, 28 May 2013), Article 3

Description: **Cross-Border Trade in Services**

Only a *gae-in-sa-mu-so* (sole proprietorships), *gam-sa-ban* (auditing task forces) or *hoe-gye-boep-in* (limited liability accounting corporation) established in Korea by *gong-in-hoe-gye-sa* (Korean-certified public accountants) registered under the *Certified Public Accountant Act* may supply accounting and auditing services. For greater certainty, a person that is not a Korean-registered certified public accountant shall not invest in any of these types of legal entity.

Only *gong-in-hoe-gye-sa* (Korean-certified public accountants) in an auditing task force or an accounting corporation may supply auditing services regulated under the *External Audit of Stock Companies Act*.

This entry is subject to the commitments undertaken in the 37th entry in Korea's Schedule to Annex II.

25. Sector:	Professional Services – Tax Accountant (<i>se-mu-sa</i>)
Obligations Concerned:	Market Access (Article 9.4) Local Presence (Article 9.5)
Measures:	<p><i>Certified Tax Accountant Act</i> (Law No. 11610, 1 January 2013), Articles 6, 13, 16-3, 16-4, and 20</p> <p><i>Enforcement Decree of the Corporate Tax Act</i> (Presidential Decree No. 24824, 5 November 2013), Article 97</p> <p><i>Enforcement Regulations of the Corporate Tax Act</i> (Ordinance of the Ministry of Strategy and Finance No. 325, 23 March 2013), Article 50-3</p> <p><i>Enforcement Decree of the Income Tax Act</i> (Presidential Decree No. 24574, 11 June 2013), Article 131</p> <p><i>Enforcement Regulations of the Income Tax Act</i> (Ordinance of the Ministry of Strategy and Finance No. 323, 23 February 2013), Article 65-3</p> <p><i>Guidelines Governing the Work of Tax Agents</i> (Order of the National Tax Service No. 1761, 24 August 2009), Articles 20 and 22</p>
Description:	<p>Cross-Border Trade in Services</p> <p>Only a <i>se-mu-sa-mu-so</i> (tax office), <i>se-mu-jo-jeong-ban</i> (tax reconciliation task forces) or, <i>se-mu-beop-in</i> (limited liability tax agency corporation) established in Korea by <i>se-mu-sa</i> (Korean-certified tax accountants) registered under the <i>Certified Tax Accountant Act</i> may supply <i>se-mu-sa</i> (Korean-certified tax accountants) services, including tax reconciliation services and tax representative services. For greater certainty, a person that is not a Korean-registered certified tax accountant shall not invest in any of these types of legal entity.</p>

Only a *se-mu-jo-jeong-ban* (tax reconciliation task forces) or a *se-mu-beop-in* (limited liability tax agency corporation) may supply tax reconciliation services.

This entry is subject to the commitments undertaken in the 38th entry in Korea's Schedule to Annex II.

26. Sector:	Professional Services – Customs Clearance Services
Obligations Concerned:	Market Access (Article 9.4) Local Presence (Article 9.5)
Measures:	<i>Customs Broker Act</i> (Law No. 10570, 8 April 2011), Articles 3, 7, and 9
Description:	<p>Cross-Border Trade in Services</p> <p>Only a <i>gwan-se-sa</i> (customs broker) licensed under the <i>Customs Brokers Act</i>, a corporation incorporated by such customs brokers, or a corporation licensed to engage in the customs-clearance brokerage business under the <i>Customs Broker Act</i> may supply customs-clearance services.</p> <p>A person that supplies customs-clearance services must establish an office in Korea.</p>

27. Sector:	Engineering and Other Technical Services – Industrial Safety, Health Institution, and Consulting Services
Obligations Concerned:	Local Presence (Article 9.5)
Measures:	<p><i>Industrial Safety and Health Act</i> (Law No. 11882, 12 June 2013), Articles 15, 16, and 52-4</p> <p><i>Enforcement Decree of the Industrial Safety and Health Act</i> (Presidential Decree No. 24684, 6 August 2013), Article 15-2, 15-3, 19-2, and 19-3</p> <p><i>Enforcement Regulations of the Industrial Safety and Health Act</i> (Ordinance of the Ministry of Employment and Labor No. 86, 6 August 2013), Articles 17, 18, 20, 21, and 136-8</p>
Description:	<p>Cross-Border Trade in Services</p> <p>A person that supplies safety and health management or diagnostic services to industrial workplaces must establish an office in Korea.</p> <p>A person that supplies industrial safety or hygiene consulting services, such as evaluation and instruction on safety in a work process and evaluation and instruction on the improvement of work environments, must establish an office in Korea.</p>

28. Sector:	Engineering and Other Technical Services – Architectural Services, Engineering Services, Integrated Engineering Services, Urban Planning and Landscape Architectural Services
Obligations Concerned:	Local Presence (Article 9.5)
Measures:	<p><i>Certified Architects Act</i> (Law No. 11690, 23 March 2013), Article 23</p> <p><i>Enforcement Decree of the Certified Architects Act</i> (Presidential Decree No. 24443, 23 March 2013), Articles 22 and 23</p> <p><i>Enforcement Regulations of the Certified Architects Act</i> (Ordinance of the Ministry of Land, Infrastructure and Transport No. 1, 23 March 2013), Article 13</p> <p><i>Engineering Industry Promotion Act</i> (Law No. 12299, 21 January 2014), Article 21</p> <p><i>Professional Engineers Act</i> (Law No. 11690, 23 March 2013), Article 6</p> <p><i>Special Act on the Safety Control of Public Structures</i> (Law No. 11928, 6 July 2013), Article 9</p> <p><i>Enforcement Decree of the Special Act on the Safety Control of Public Structures</i> (Presidential Decree No. 24443, 23 March 2013), Article 11</p> <p><i>Construction Technology Management Act</i> (Law No. 11690, 23 March 2013), Articles 25 and 28</p> <p><i>Enforcement Decree of the Construction Technology Management Act</i> (Presidential Decree No. 24390, 20 February 2013), Articles 91 and 108</p>

Enforcement Regulations of the Construction Technology Management Act (Ordinance of the Ministry of Land, Infrastructure and Transport No. 4, 1 April 2013), Article 48

Act on Land Survey, Hydrographic Survey and Cadastral Records (Law No. 11943, 17 July 2013), Articles 44 and 54

Enforcement Decree of the Act on Land Survey, Hydrographic Survey and Cadastral Records (Presidential Decree No. 24596, 11 June 2013), Articles 34, 35, 36, 45, 46, and 47

Environmental Testing and Inspection Act (Law No. 11690, 23 March 2013), Article 16

Thermal Spring Management Act (Law No. 11896, 16 July 2013), Article 7

Fire Fighting System Installation Business Act (Law No. 11782, 22 May 2013), Article 4

Description:

Cross-Border Trade in Services

A person that supplies architectural services, engineering services, integrated engineering services, urban planning and landscape architectural services, or surveying services must establish an office in Korea.

For greater certainty, this entry does not apply to the supply of services by a foreign architect through a joint contract with a Korean-licensed architect.

29. Sector: Business Services – Electronic Billboard Operator Services and Outdoor Advertisement Services

Obligations Concerned: Senior Management and Boards of Directors (Article 8.7)
Performance Requirements (Article 8.8)
Local Presence (Article 9.5)

Measures: *Broadcasting Act* (Law No. 12093, 13 August 2013), Articles 13 and 73
Outdoor Advertisements, Etc. Management Act (Law No. 11690, 23 March 2013), Article 11
Enforcement Decree of the Outdoor Advertisements, Etc. Management Act (Presidential Decree No. 24632, 21 June 2013), Articles 14 and 44

Description: **Cross-Border Trade in Services and Investment**

A foreign national or a Korean national who serves as a *dae-pyo-ja* (representative: for example, a chief executive officer, president, or similar principal senior officer) of a foreign enterprise shall not serve as the *dae-pyo-ja* (representative: for example, a chief executive officer, president, or similar principal senior officer) or chief programmer of an enterprise that supplies electronic billboard operator services.

At least 20 percent of the electronic billboard programs must be non-commercial public advertisements provided by the national or local government.

A person that supplies outdoor advertising services must establish an office in Korea.

30. Sector:	Business Services – Job Placement Services, Labor Supply and Worker Dispatch Services, and Education Services for Seafarers
Obligations Concerned:	National Treatment (Article 8.3 and 9.2) Market Access (Article 9.4) Local Presence (Article 9.5)
Measures:	<i>Employment Security Act</i> (Law No.11048, 15 September 2011), Articles 19 and 33 <i>Enforcement Decree of the Employment Security Act</i> (Presidential Decree No. 24076, 31 August 2012), Articles 21 and 33 <i>Enforcement Regulations of the Employment Security Act</i> (Ordinance of the Ministry of Employment and Labor No. 72, 27 December 2012), Articles 18 and 36 <i>Act Relating to Protection for Dispatched Workers</i> (Law No. 11668, 22 March 2013), Articles 7, 8, 9, and 10 <i>Enforcement Decree of the Act Relating to Protection for Dispatched Workers</i> (Presidential Decree No. 23853, 12 June 2012), Article 3 <i>Enforcement Regulations of the Act Relating to Protection for Dispatched Workers</i> (Ordinance of the Ministry of Employment and Labor No. 64, 2 August 2012), Articles 3, 4, and 5 <i>Special Act on Designation and Management of Free Economic Zones</i> (Law No. 11690, 23 March 2013), Article 17 <i>Seafarers Act</i> (Law No. 11690, 23 March 2013), Articles 109, 110, 112, 115, 116, 117, 142, and 143 <i>Korea Institute of Maritime and Fisheries Technology Act</i> (Law No. 11690, 23 March 2013), Article 5

Description:

Cross-Border Trade in Services and Investment

A person that supplies job placement services for a fee, worker supply services, or worker dispatch (secondment) services must establish an office in Korea.

For transparency purposes, as of 29 October 2013 the types of business to which workers may be seconded are limited to the 32 businesses set forth in the *Enforcement Decree of the Act Relating to Protection for Dispatched Workers*, but the Minister of Employment and Labor may expand the types of business and the secondment period, pursuant to the review and determination by the Committee of the Free Economic Zone.

Only the Korea Seafarers Welfare and Employment Center and regional offices of the Minister of Oceans and Fisheries may supply seafaring labour supply services.

To become an agent for seafarer personnel management services, a person must register with the Minister of Oceans and Fisheries as a *chu-sik-hoe-sa* (stock company) under the *Korean Commercial Code*.

Only the Korea Institute of Maritime and Fisheries Technology may provide education and training for seafarers.

31. Sector:	Investigation and Security Services
Obligations Concerned:	Market Access (Article 9.4) Local Presence (Article 9.5)
Measures:	<i>Certified Private Security Act</i> (Law No. 11690, 23 March 2013), Articles 3 and 4 <i>Enforcement Decree of the Certified Private Security Act</i> (Presidential Decree No. 24419, 23 March 2013), Articles 3 and 4 <i>Enforcement Regulations of the Certified Private Security Act</i> (Ordinance of the Ministry of Security and Public Administration, No. 20, 22 October 2013), Article 3
Description:	Cross-Border Trade in Services Only a juridical person organised under Korean law may supply security services in Korea. For transparency purposes, only five types of security services are permitted in Korea: (a) <i>shi-seol-gyung-bee</i> (facility security); (b) <i>ho-song-gyung-bee</i> (escort security); (c) <i>shin-byun-bo-ho</i> (personal security); (d) <i>gee-gye-gyung-bee</i> (mechanized security); and (e) <i>teuk-soo-gyung-bee</i> (special security).

32. Sector: Transportation Services – Aircraft Maintenance and Repair Services

Obligations Concerned: Local Presence (Article 9.5)

Measures: *Aviation Act* (Law No. 12026, 6 August 2013),
Articles 137,137-2, and 138

Enforcement Regulations of the Aviation Act (Ordinance of the Ministry of Land, Infrastructure and Transport No. 569, 15 February 2013), Articles 16, 304, and 305

Description: **Cross-Border Trade in Services**

A person that supplies aircraft maintenance and repair services must establish an office in Korea.

33. Sector:	Education Services – Higher Education
Obligations Concerned:	National Treatment (Articles 8.3 and 9.2) Senior Management and Boards of Directors (Article 8.7) Market Access (Article 9.4)
Measures:	<i>Higher Education Act</i> (Law No. 12036, 13 August 2013), Articles 3, 4, 32, 42, and 43 <i>Enforcement Decree of the Higher Education Act</i> (Presidential Decree No. 24847, 20 November 2013), Article 28 <i>Private School Act</i> (Law No. 11622, 23 January 2013), Articles 3, 5, 10, and 21 <i>Enforcement Decree of the Private School Act</i> (Presidential Decree No. 24665, 22 July 2013), Article 9-3 <i>Decree on the Establishment of the Korea National Open University</i> (Presidential Decree No. 24423, 23 March 2013), Articles 1 and 2
Description:	Cross-Border Trade in Services and Investment At least 50 percent of the members of the board of directors of a private higher education institution must be Korean nationals. If a foreign person contributes at least 50 percent of the basic property of a higher education institution, less than two thirds of the members of the board of directors of such an institution may be foreign nationals. For the purposes of this entry, basic property means real estate, property designated as basic property by the articles of association, property incorporated into the basic property according to decisions of the board of directors, and an annual budgetary surplus reserve of the institution.

Only non-profit school juridical persons approved by the Minister of Education may establish higher education institutions (other than the types of institutions listed in Annex II) in Korea.

The Minister of Education may restrict the total number of students per year in the fields of medicine, pharmacology, veterinary medicine, traditional Asian medicine, medical technicians, and higher education for pre-primary, primary, and secondary teachers, and higher education institutions located in the Seoul Metropolitan Area.

For the purposes of this entry, “Seoul Metropolitan Area” includes the Seoul Metropolitan City, Incheon Metropolitan City, and Gyeonggi Province.

Only the national or local governments of Korea may establish higher education institutions for training of primary school teachers. Only the national government may establish higher education institutions that supply higher education services to the public through broadcasting.

34. Sector:	Education Services – Adult Education
Obligations Concerned:	National Treatment (Articles 8.3 and 9.2) Market Access (Article 9.4)
Measures:	<i>Act on the Establishment and Operation of Private Teaching Institutes and Extracurricular Lessons</i> (Law No. 11690, 23 March 2013), Articles 2, 2-2, and 13 <i>Enforcement Decree of the Act on the Establishment and Operation of Private Teaching Institutes and Extracurricular Lessons Act</i> (Presidential Decree No. 24423, 23 March 2013), Article 12 <i>Lifelong Education Act</i> (Law No. 11770, 22 May 2013), Articles 30 and 33 through 38 <i>Foreign Investment Promotion Act</i> (Law No. 11535, 11 December 2012), Article 4 <i>Regulations on Foreign Investment and Introduction of Technology</i> (Notice of the Ministry of Trade, Industry and Energy, No. 2013-37, 30 May 2013), Attached table 1
Description:	Cross Border Trade in Services and Investment The types of adult education institutions that a foreign person may establish in Korea are limited to: (a) <i>hag-won</i> (private teaching institutes for adults) related to lifelong and vocational education; and (b) no later than the date this Agreement enters into force, lifelong adult education facilities operated for the purposes other than recognising educational qualifications or conferring diplomas, which include: (i) education facilities annexed to workplaces, non-governmental organisations, schools, and media organisations;

(ii) educational facilities related to the development of knowledge and human resources; and

(iii) on-line lifelong education facilities,

all of which are established for adults.

For the purposes of this entry, *hag-won* (private teaching institutes for adults) are facilities that provide tutoring services on subjects related to lifelong or vocational education to 10 people or more for a period of 30 days or longer.

A foreign national hired by a private teaching institute for adults as a lecturer must possess at least a bachelor's degree or the equivalent and reside in Korea.

35. Sector:	Education Services – Vocational Competency Development Training Services
Obligations Concerned:	Local Presence (Article 9.5)
Measures:	<p><i>Workers’ Vocational Competency Development Act</i> (Law No. 11690, 23 March 2013), Articles 28, 32, and 36</p> <p><i>Enforcement Decree of the Workers’ Vocational Competency Development Act</i> (Presidential Decree No. 24628, 21 June 2013), Articles 24 and 26</p> <p><i>Enforcement Regulation of the Workers’ Vocational Competency Development Act</i> (Ordinance of the Ministry of Employment and Labor No. 57, 8 June 2012), Articles 12, 14, and 18</p>
Description:	<p>Cross-Border Trade in Services</p> <p>A person that supplies vocational competency development training services must establish an office in Korea.</p>

36. Sector:	Veterinary Services
Obligations Concerned:	Market Access (Article 9.4) Local Presence (Article 9.5)
Measures:	<i>Veterinary Affairs Act</i> (Law No. 11354, 22 February 2012), Articles 17, 22-2, 22-4, and 22-5 <i>Civil Act</i> (Law No. 11728, 5 April 2013), Article 32
Description:	Cross-Border Trade in Services Only a person that is a licensed <i>soo-eui-sa</i> (veterinarian) that has established an office in Korea, <i>dong-mul-jin-ryo-bub-in</i> (animal hospital legal entity) or <i>bee-young-ri-bub-in</i> (non-profit legal entity) may engage in veterinary or aquatic animal disease inspection services.

37. Sector:	Environmental Services – Waste Water Treatment Services, Waste Management Services, Air Pollution Treatment Services, Environmental Preventive Facilities Business, Environmental Impact Assessment, Soil Remediation and Groundwater Purification Services, and Toxic Chemical Control Services
Obligations Concerned:	Local Presence (Article 9.5)
Measures:	<p><i>Water Quality and Ecosystem Conservation Act</i> (Law No. 11915, 16 July 2013), Article 62</p> <p><i>Support for Environmental Technology and Environmental Industry Act</i> (Law No. 11713, 23 March 2013), Article 15</p> <p><i>Soil Environment Conservation Act</i> (Law No. 11464, 1 June 2012), Article 23-7</p> <p><i>Groundwater Act</i> (Law No. 11803, 22 May 2013), Article 29-2</p> <p><i>Clean Air Conservation Act</i> (Law No. 11750, 5 April 2013), Article 68</p> <p><i>Environmental Impact Assessment Act</i> (Law No. 11690, 23 March 2013), Article 54</p> <p><i>Toxic Chemicals Control Act</i> (Law No. 11690, 23 March 2013), Article 20</p> <p><i>Wastes Control Act</i> (Law No. 11965, 30 July 2013), Article 25</p> <p><i>Enforcement Decree of the Wastes Control Act</i> (Presidential Decree No. 24543, 28 May 2013), Article 8</p>
Description:	<p>Cross-Border Trade in Services</p> <p>A person that supplies the environmental services listed in the Sector heading must establish an office in Korea.</p>

38. Sector:	Performance Services
Obligations Concerned:	National Treatment (Article 9.2)
Measures:	<p><i>Public Performance Act</i> (Law No. 11048, 15 September 2011), Articles 6 and 7</p> <p><i>Enforcement Decree of the Public Performance Act</i> (Presidential Decree No. 23759, 1 May 2012), Articles 4 and 6</p> <p><i>Enforcement Regulations of the Public Performance Act</i> (Ordinance of the Ministry of Culture, Sports and Tourism No. 94, 25 November 2011), Article 4</p> <p><i>Enforcement Regulations of the Immigration Control Act</i> (Ordinance of the Ministry of Justice No. 799, 10 October 2013), Table 5</p>
Description:	<p>Cross-Border Trade in Services</p> <p>A foreign person who intends to engage in a public performance in Korea, or a person who intends to invite a foreign person to engage in a public performance in Korea must obtain a recommendation from the Korea Media Rating Board.</p>

39. Sector:	News Agency (<i>News-tong-sin-sa</i>) Services
Obligations Concerned:	National Treatment (Articles 8.3 and 9.2) Senior Management and Boards of Directors (Article 8.7) Market Access (Article 9.4) Local Presence (Article 9.5)
Measures:	<i>Act on Promotion of News Communications</i> (Law No. 11690, 23 March 2013), Articles 7, 8, 9, 9-5, 16, and 28 <i>Enforcement Decree of the Act on Promotion of News Communications</i> (Presidential Decree No. 24183, 20 November 2012), Articles 4 and 10 <i>Radio Waves Act</i> (Law No. 11712, 23 March 2013), Article 20
Description:	Cross-Border Trade in Services and Investment A <i>news-tong-sin-sa</i> (news agency) organised under foreign law may supply <i>news-tong-sin</i> (news communications) in Korea only under a contract with a news agency organised under Korean law, which has a radio station license, such as Yonhap News. The following persons may not supply news agency services in Korea: (a) a foreign government; (b) a foreign person; (c) an enterprise organised under Korean law whose <i>dae-pyo-ja</i> (representative: for example, a chief executive officer, president, or similar principal senior officer) is not a Korean national or is a person not domiciled in Korea; or

- (d) an enterprise organised under Korean law in which a foreign person holds 25 percent or more equity interest.

The following persons may not serve as a *dae-pyo-ja* (representative: for example, a chief executive officer, president, or similar principal senior officer) or editor of a news agency, or serve as *im-won* (a member of the board of directors) of Yonhap News or the News Agency Promotion Committee:

- (a) a foreign national; or
- (b) a Korean national not domiciled in Korea.

A foreign news agency may establish a branch or office in Korea for the sole purpose of collecting news. For greater certainty, such branch or office may not distribute *news-tong-sin* (news communications) in Korea.

The following persons may not obtain a radio station license:

- (a) a foreign national;
- (b) a foreign government or its representative; or
- (c) an enterprise organised under foreign law.

For greater certainty, this entry is without prejudice to the scope and application of Article 22.6 (Cultural Industries).

40. Sector:	Manufacturing of Biological Products
Obligations Concerned:	Performance Requirements (Article 8.8)
Measures:	<i>Pharmaceutical Affairs Act</i> (Law No. 12074, 13 August 2013), Article 42 <i>Regulations on Safety of Pharmaceuticals, Etc.</i> (Ordinance of the Prime Minister No. 1022, 23 March 2013), Article 11
Description:	Investment A person who manufactures blood products must procure raw blood materials from a blood management body in Korea.

41. Sector:	Distribution Services – Agriculture and Livestock
Obligations Concerned:	National Treatment (Articles 8.3 and 9.2) Market Access (Article 9.4)
Measures:	<i>Grain Management Act</i> (Law No. 11641, 22 March 2013), Article 12 <i>Livestock Industry Act</i> (Law No. 11690, 23 March 2013), Articles 30 and 34 <i>Seed Industry Act</i> (Law No. 11704, 23 March 2013), Article 142 <i>Feed Management Act</i> (Law No. 11690, 23 March 2013), Article 6 <i>Ginseng Industry Act</i> (Law No. 11690, 23 March 2013), Article 20 <i>Foreign Investment Promotion Act</i> (Law No. 11535, 11 December 2012), Article 4 <i>Enforcement Decree of the Foreign Investment Promotion Act</i> (Presidential Decree No. 24638, 28 June 2013), Article 5 <i>Regulations on Foreign Investment and Introduction of Technology</i> (Notice of the Ministry of Trade, Industry and Energy, No. 2013-37, 30 May 2013), Attached table 2 <i>Act on Distribution and Price Stabilization of Agricultural and Fishery Products</i> (Law No. 12059, 13 August 2013), Articles 15, 17, and 43 <i>Notice on TRQ Products</i> (Ministry of Agriculture, Food and Rural Affairs Notice No. 2013-29, 16 May 2013), Articles 14 and 20-2

Description:

Cross-Border Trade in Services and Investment

A foreign person shall not hold 50 percent or more of the shares or equity interest of an enterprise engaged in *yook-ryu* (meat) wholesale.

Only the Livestock Cooperatives under the *Agriculture Cooperative Act* may establish and manage a *ga-chook-sijang* (livestock market) in Korea.

Only a local government may establish a *gong-yeong-domae-sijang* (public wholesale market).

Only producers' organisations or public interest corporations prescribed in the *Enforcement Decree of the Act on Distribution and Price Stabilization of Agricultural and Fishery Products* may establish a *gong-pan-jang* (joint wholesale market).

For greater certainty, Articles 9.2 (National Treatment) and 9.4 (Market Access) do not prevent Korea from adopting or maintaining any measure with respect to the administration of the WTO Tariff-Rate-Quota.

42. Sector: Energy Industry – Electric Power Generation
Other Than Nuclear Power Generation; Electric Power
Transmission, Distribution and Sales

Obligations Concerned: National Treatment (Article 8.3)¹

Measures: *Financial Investment Services and Capital Markets Act*
(Law No. 11845, 28 May 2013), Article 168

*Enforcement Decree of the Financial Investment Services
and Capital Markets Act* (Presidential Decree No. 24697,
27 August 2013), Article 187

Foreign Investment Promotion Act (Law No. 11535,
11 December 2012), Articles 4 and 5

*Enforcement Decree of the Foreign Investment Promotion
Act* (Presidential Decree No. 24638, 28 June 2013),
Article 5

Consolidated Public Notice for Foreign Investment (Public
Notice of the Ministry of Trade, Industry and Energy
No. 2013-102, 27 May 2013), Attached table

Designation of Public Corporation (Notice of the Ministry
of Finance and Economy, No. 2000-17, 28 September 2000)

Financial Investment Service Regulations (Financial
Services Commission Notice No. 2013-40,
4 December 2013), Sec. 6-2

Description:

Investment

The aggregate foreign share of Korea Electric Power
Corporation's (KEPCO) issued stocks shall not exceed
40 percent. A foreign person may not become the largest
shareholder of KEPCO.

¹ Paragraph (a) of the eighth entry of Korea's Schedule to Annex II does not apply to this entry.

The aggregate foreign share of power generating facilities, including cogeneration facilities of heat and power (GHP) for the district heating system (DHS), shall not exceed 30 percent of the total facilities in the territory of Korea.

The aggregate foreign share of electric power transmission, distribution and sales businesses should be less than 50 percent. A foreign person shall not be the largest shareholder.

43. Sector:	Energy Industry – Gas Industry
Obligations Concerned:	National Treatment (Article 8.3) ²
Measures:	<p><i>Act on the Improvement of Managerial Structure and Privatization of Public Enterprises</i> (Law No. 11845, 28 May 2013), Article 19</p> <p><i>Financial Investment Services and Capital Markets Act</i> (Law No. 11845, 28 May 2013), Article 168</p> <p><i>Foreign Investment Promotion Act</i> (Law No. 11535, 11 December 2012), Articles 4 and 5</p> <p><i>Articles of Incorporation of the Korea Gas Corporation</i> (9 August 2013), Article 11</p>
Description:	<p>Investment</p> <p>Foreign persons, in the aggregate, shall not own more than 30 percent of the equity of Korea Gas Corporation (KOGAS).</p>

² Paragraph (a) of the eighth entry of Korea's Schedule to Annex II does not apply to this entry.