

**ANNEX I**  
**Reservations for Existing Measures and Liberalization Commitments**  
**(Chapters 10 and 11)**

## Annex I

1. The Schedule of a Party sets out, pursuant to Articles 10.9 and 11.5, the reservations taken by that Party with respect to existing measures that do not conform with obligations imposed by:

- (a) Article 10.3 or 11.3 (National Treatment);
- (b) Article 11.4 (Local Presence);
- (c) Article 10.7 (Performance Requirements); or
- (d) Article 10.8 (Senior Management and Boards of Directors).

2. Each reservation sets out the following elements:

- (a) **Sector** refers to the general sector in which the reservation is taken;
- (b) **Sub-sector** refers to the specific sector in which the reservation is taken;
- (c) **Industry Classification** refers, where applicable, to the activity covered by the reservation according to CPC or domestic industry classification codes. The CPC has only an illustrative character;
- (d) **Type of Reservation** specifies the obligations referred to in paragraph 1 for which a reservation is taken;
- (e) **Measures** identify the laws, regulations or other measures for which the reservation is taken. 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;
- (f) **Description** sets out the non-conforming aspects of the existing measures for which the reservation is taken; and
- (g) **Phase-out** sets out commitments, if any, for liberalization after the date of entry into force of this Agreement.

3. In the interpretation of a reservation, all elements of the reservation shall be considered. A reservation shall be interpreted in the light of the relevant provisions of the Chapters against which the reservation is taken. To the extent that:

- (a) the **Phase-out** element provides for the phasing out of non-conforming aspects of measures, the **Phase-out** element shall prevail over all other elements; and
- (b) 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. Where a Party 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 reservation for that measure taken with respect to Article 11.3 or 11.4 shall operate as a reservation with respect to Article 10.3 or 10.7 to the extent of that measure.

5. The listing of a measure in this Annex is without prejudice to a future claim that Annex II may apply to the measure or some application of the measure.

6. For purposes of this Annex, CPC means Central Product Classification (CPC) numbers as set out in Statistical Office of the United Nations, Statistical Papers, Series M, No. 77, Provisional Central Product Classification, 1991.

**Annex I**  
**Schedule of Chile**

<b>Sector:</b>	All Sectors
<b>Sub-sector:</b>	
<b>Industry Classification:</b>	
<b>Type of Reservation:</b>	National Treatment (Article 10.3)
<b>Measures:</b>	<i>Decreto Ley 1939, Diario Oficial, noviembre 10, 1977, Normas sobre adquisición, administración y disposición de bienes del Estado, Título I</i> <i>Decreto con Fuerza de Ley 4 del Ministerio de Relaciones Exteriores, Diario Oficial, noviembre 10, 1967</i>
<b>Description</b>	<p><u>Investment</u></p> <p>Chile when disposing of the ownership or any other right over State land may only do so to Chilean natural or juridical persons, except for the applicable legal exceptions. State land for these purposes refers to State land up to a distance of 10 kilometers from the border front and up to a distance of 5 kilometers from the oceanfront.</p> <p>For greater transparency, corporeal immovable property situated in borderland and declared “borderland zone” by virtue of <i>Decreto con Fuerza de Ley 4, 1967</i>, by the <i>Ministerio de Relaciones Exteriores</i> may not be acquired, either as property or in another quality by natural persons with nationality in a neighboring country or juridical persons with its principal seat in a neighboring country or with 40 per cent or more of its capital belonging to such natural persons or its effective control is exercised by such natural persons. Notwithstanding the foregoing, said limitation may not apply if exemption is granted by a supreme decree of the President of the Republic based on considerations of national interest.</p>
<b>Phase-out:</b>	None

<b>Sector:</b>	All Sectors
<b>Sub-sector:</b>	
<b>Industry Classification:</b>	
<b>Type of Reservation:</b>	National Treatment (Article 11.3) Local Presence (Article 11.4)
<b>Measures:</b>	<p><i>Decreto con Fuerza de Ley 1 del Ministerio del Trabajo y Previsión Social, Diario Oficial, enero 24, 1994, Código del Trabajo, Título Preliminar, Libro I, Capítulo III</i></p> <p><i>Decreto con Fuerza de Ley 2 del Ministerio del Trabajo y Previsión Social, Diario Oficial 29 de octubre 1967, artículo 5, letra c)</i></p> <p><i>Código Civil, artículo 16, inciso 3º</i></p>
<b>Description:</b>	<p><u>Cross-Border Trade in Services</u></p> <p>A minimum of 85 per cent of employees who work for the same employer shall be Chilean natural persons. This rule applies to employers with more than 25 employees under a contract of employment (<i>contrato de trabajo</i>). Expert technical personnel who cannot be replaced by national personnel shall not be subject to this provision, as determined by the <i>Dirección General del Trabajo</i>.</p> <p>An employee shall be understood to mean any natural person who renders intellectual or material services, under dependency or subordination, pursuant to a contract of employment.</p> <p>The person acting as employer shall constitute a representative or mandatary in the country, with residence and domicile within the territory, with enough empowerment and authority to respond for the obligations imposed by the labor and social security law to such contract, as well as for the sanctions that might be applied.</p> <p>The said mandatary shall be responsible for keeping and maintaining all labor and social security documentation related to an employee, in order to allow for legal supervision, as well as to withhold, declare or pay the social security obligations of the said worker.</p>
<b>Phase-out:</b>	None

**Sector:** Automotive

**Sub-sector:**

**Industry Classification:**

**Type of Reservation:** Performance Requirements (Article 10.7)

**Measures:** *Law No. 18,483*, Official Gazette of December 28, 1985, Régimen Legal para la Industria Automotriz

**Description:** Investment

In order to qualify for the benefits established in *Ley 18.483*, it is required to be registered in the *Registros de la Comisión Automotriz* and comply with the minimum national content.

**Phase-out:** None

<b>Sector:</b>	Business Services
<b>Sub-sector:</b>	Research in Social Sciences
<b>Industry Classification:</b>	CPC 86751 Related Services Provided by Science and Technology Consultants
<b>Type of reservation:</b>	National Treatment (Article 11.3)
<b>Measures:</b>	<i>Ley 17.288</i> , Diario Oficial, febrero 4, 1970, Título V <i>Decreto Supremo 484 del Ministerio de Educación</i> , Diario Oficial, abril 2, 1991
<b>Description:</b>	<p><u>Cross-Border Trade in Services</u></p> <p>Foreign juridical or foreign natural persons intending to perform excavations, surveys, probings and/or collect anthropological, archeological or paleontological material must apply for a permit from the <i>Consejo de Monumentos Nacionales</i>. In order to obtain the permit, the person in charge of the research must be engaged by a reliable foreign scientific institution and must be working in collaboration with a Chilean state-owned scientific institution or a Chilean university.</p> <p>The aforementioned permit can be granted to Chilean researchers having the pertinent scientific background in archeology, anthropology or paleontology, duly certified as appropriate, and who also have a research project and due institutional sponsorship; and to foreign researchers, provided that they are engaged by a reliable scientific institution and that they work in collaboration with a Chilean state-owned scientific institution or a Chilean university. Museum directors or curators acknowledged by the <i>Consejo de Monumentos Nacionales</i>, professional archeologists, anthropologists or paleontologists, as appropriate, and the members of the <i>Sociedad Chilena de Arqueología</i> shall be authorized to perform salvage-related works. Salvage involves the urgent recovery of data or archeological, anthropological or paleontological artifacts or species threatened by imminent loss.</p>
<b>Phase-out:</b>	None

<b>Sector:</b>	Business Services
<b>Sub-sector:</b>	Research Services
<b>Industry Classification:</b>	CPC 851 Research and Experimental Development Services in Natural Sciences and Engineering CPC 853 Interdisciplinary Research and Experimental Development Services CPC 8675 Related Scientific and Technical Consulting Services
<b>Type of Reservation:</b>	National Treatment (Article 11.3)
<b>Measures:</b>	<i>Decreto con Fuerza de Ley 11 del Ministerio de Relaciones Exteriores</i> , Diario Oficial, diciembre 5, 1968 <i>Decreto 559 del Ministerio de Relaciones Exteriores</i> , Diario Oficial, enero 24, 1968 <i>Decreto con Fuerza de Ley 83 del Ministerio de Relaciones Exteriores</i> , Diario Oficial, marzo 27, 1979
<b>Description:</b>	<u>Cross-Border Trade in Services</u>  Natural persons representing foreign juridical persons or natural persons residing abroad and intending to perform explorations for work of a scientific or technical nature, or connected to mountain climbing in areas that are adjacent to Chilean borders shall apply for the appropriate authorization through a Chilean Consul in the corresponding country. The Chilean Consul shall then send such request directly to the <i>Dirección de Fronteras y Límites del Estado</i> . The <i>Dirección</i> shall determine whether one or more Chilean natural persons working in the appropriate related activities shall join the expedition in order to become acquainted with the studies to be undertaken.  The <i>Departamento de Operaciones de la Dirección de Fronteras y Límites del Estado</i> shall pronounce itself on whether to authorize or reject geographic or scientific explorations to be carried out by foreign juridical or natural persons in Chile. The <i>Dirección de Fronteras y Límites del Estado</i> shall authorize and will supervise all explorations involving work of a scientific or technical nature, or related to mountain climbing, that foreign juridical persons or natural persons residing abroad intend to carry out in areas adjacent to Chilean borders.
<b>Phase-out:</b>	None

<b>Sector:</b>	Business Services
<b>Sub-sector:</b>	Research Services
<b>Industry Classification:</b>	CPC 851 Research and Experimental Development Services in Natural Sciences and Engineering CPC 853 Interdisciplinary Research and Experimental Development Services CPC 882 Services Incidental to Fisheries
<b>Type of Reservation:</b>	National Treatment (Article 11.3)
<b>Measures:</b>	<i>Decreto Supremo 711 del Ministerio de Defensa</i> , Diario Oficial, octubre 15, 1975
<b>Description:</b>	<u>Cross-Border Trade in Services</u>  Foreign natural and juridical persons intending to conduct research in the Chilean 200-mile maritime zone, shall be required to submit a request six months in advance to the <i>Instituto Hidrográfico de la Armada de Chile</i> , and shall comply with the requirements established in the corresponding regulations.
<b>Phase-out:</b>	None

<b>Sector:</b>	Communications
<b>Sub-sector:</b>	Basic National or International Long-Distance Telecommunications Services and Intermediate Services; Supplementary Telecommunications Services; and Limited Telecommunications Services
<b>Industry Classification:</b>	
<b>Type of Reservation:</b>	National Treatment (Article 10.3)
<b>Measures:</b>	<i>Law No. 18,168</i> , Official Gazette of October 2, 1982, General Telecommunications Law, Titles I, II and III.
<b>Description:</b>	<p><u>Investment</u></p> <p>A concession granted by means of a Supreme Decree issued by the Ministry of Transportation and Telecommunications shall be required for the installation, operation and exploitation of public and intermediary telecommunications services in Chilean territory. Only juridical persons organized according to Chilean law shall be eligible for such concessions.</p> <p>An official decision issued by the Under-Secretariat of Telecommunications shall be required to render Supplementary Telecommunications Services consisting of additional services provided by hooking up equipment to public networks. Said decision refers to compliance with the technical standards established by the Under-Secretariat of Telecommunications and non-alteration of the essential technical features of networks or of the permissible technological or the basic service modalities provided through them.</p> <p>A permit issued by the <i>Subsecretaría de Telecomunicaciones</i> shall be required for the installation, operation and development of limited telecommunications services.</p> <p>International traffic shall be routed through the installations of a company holding a concession granted by the Ministry of Transportation and Telecommunications.</p>
<b>Phase-out:</b>	None

**Sector:** Communications

**Sub-sector:**

**Industry Classification:**

**Type of Reservation:** National Treatment (Articles 10.3, 11.3)  
Local Presence (Article 11.4)  
Senior Management and Boards of Directors (Article 10.8)  
Performance Requirements (Article 10.7)

**Measures:** *Law 18,838*, published in the Official Gazette on September 30, 1989, National Television Council, Titles I, II and III  
*Law 18,168*, published in the Official Gazette on October 2, 1982, General Telecommunications Law, Titles I, II and III  
*Law 19,733*, published in the Official Gazette on June 4, 2001, on Freedom of Speech and Freedom of Information, and the Practice of Journalism, Titles I and III

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

The owner of a social communication medium such as sound and image transmissions or a national news agency, shall in the case of a natural person have a duly established domicile in Chile and in the case of a juridical persons shall be constituted with domicile in Chile or have an agency authorized to operate within the national territory. Only Chilean nationals may be President, administrators or legal representatives of the juridical person. In the case of public radio broadcasting services, the board of Directors may be integrated by foreigners only if they do not represent the majority. The legally responsible Director and the person who subrogates him/her must be Chilean with domicile and residence in Chile.

Requests for public radio broadcasting concessions submitted by juridical persons in which foreigners hold an interest exceeding ten percent of the capital, shall be granted only if proof is previously provided verifying that similar rights and obligations as those that the applicants will enjoy in Chile are granted to Chilean nationals in their country of origin.

The National Television Council may establish, as a general requirement, that programs broadcast through public (open) television channels include up to 40 per cent of Chilean production.

Only juridical persons duly constituted in Chile and having domicile in the country may be the titleholders or make use

of permits for limited radio broadcasting telecommunications services. Only Chilean nationals may be president, managers or legal representatives of that juridical person.

Only juridical persons duly constituted in Chile and having domicile in the country may be the titleholders or make use of permits for limited cable television or microwave television services. Only Chilean nationals may be president, directors, managers, administrators and legal representatives of the juridical person.

**Phase-out:**

None

**Sector:** Energy

**Sub-sector:**

**Industry Classification:** CPC 12 Crude Petroleum and Natural Gas  
CPC 13 Uranium and Thorium Minerals  
CPC 14 Metallic Minerals  
CPC 16 Other Minerals

**Type of Reservation:** National Treatment (Article 10.3)  
Performance Requirements (Article 10.7)

**Measures:** *Political Constitution of the Republic of Chile*, Chapter III  
*Law No. 18,097*, Official Gazette of January 21, 1982,  
*Constitutional Organic Law on Mining Concessions*, Titles I,  
II and III.  
*Law No. 18,248*, Official Gazette of October 14, 1983,  
Mining Code, Titles I and II.  
*Law No. 16,319*, Official Gazette of October 23, 1965, creates  
the Chilean Nuclear Energy Commission, Titles I, II and III.

**Description:** Investment

The exploration, exploitation and treatment (*beneficio*) of liquid or gaseous hydrocarbons, deposits of any kind existing in sea waters subject to national jurisdiction and deposits of any kind wholly or partially located in areas classified as important to national security with mining effects, which qualification shall be made by law only, can be the object of administrative concessions or special operating contracts, subject to the requirements and the conditions to be determined, in each case by a supreme decree of the President of the Republic. For greater certainty, it is understood that the term *beneficio* shall not include the storage, transportation or refining of the energy material referred to in this paragraph.

The production of nuclear energy for peaceful purposes may only be carried out by the *Comisión Chilena de Energía Nuclear* or, with its authorization, jointly with third persons. Should the *Comisión* deem it advisable to authorize, it may determine, in turn, the terms and conditions therein.

**Phase-out:** None

<b>Sector:</b>	Fisheries
<b>Sub-sector:</b>	Aquaculture
<b>Industry Classification:</b>	CPC 04 Fish and Other Fishing Products
<b>Type of Reservation:</b>	National Treatment (Article 10.3)
<b>Measures:</b>	<i>Law No. 18,892</i> , Official Gazette of January 21, 1992, General Fisheries and Aquaculture Law, Titles I and VI.
<b>Description:</b>	<p><u>Investment</u></p> <p>A concession or permit is required for the use of beaches, land adjacent to beaches (<i>terrenos de playas</i>), water-column (<i>porciones de agua</i>) and sea-bed lots (<i>fondos marinos</i>) to engage in aquaculture activities.</p> <p>Only Chilean natural or juridical persons constituted in accordance with Chilean law and foreigners with permanent residency may be holders of an authorization or concession to carry out aquaculture activities.</p>
<b>Phase-out:</b>	None

<b>Sector:</b>	Fisheries
<b>Sub-sector:</b>	
<b>Industry Classification:</b>	CPC 04 Fish and Other Fishing Products
<b>Type of Reservation:</b>	National Treatment (Articles 10.3) Local Presence (Article 11.4) Senior Management and Boards of Directors (Article 10.8)
<b>Measures:</b>	<i>Ley 18.892</i> , Diario Oficial, enero 21, 1992, <i>Ley General de Pesca y Acuicultura</i> , Títulos I, III, IV y IX <i>Decreto Ley 2.222</i> , Diario Oficial, mayo 31, 1978, <i>Ley de Navegación</i> , Títulos I y II
<b>Description:</b>	<u>Cross-Border Trade in Services and Investment</u>

In order to harvest and to catch hydrobiological species in interior waters, in the territorial sea and Exclusive Economic Zone of Chile, a permit issued by the *Subsecretaría de Pesca* is required.

Only Chilean natural persons or juridical persons constituted in accordance with Chilean law and foreigners with permanent residency may be holders of permits to harvest and to catch hydrobiological species.

Only Chilean vessels are permitted to fish in interior waters, in the Territorial seas and Chile's Exclusive Economic Zone. Chilean vessels are those defined in the *Ley de Navegación*. Access to industrial extractive fishing activities shall be subject to prior registration of the vessel in Chile.

Only a Chilean natural or juridical person may register a vessel in Chile. A juridical person must be constituted in Chile with principal domicile and real and effective seat in Chile, with its president, manager and the majority of the directors or administrators being Chilean natural persons. In addition, more than 50 per cent of its equity capital must be held by Chilean natural or juridical persons. For these purposes, a juridical person with ownership participation in another juridical person that owns a vessel has to comply with all the aforementioned requisites.

A joint ownership (*comunidad*) may register a vessel if the majority of the joint owners are Chilean with domicile and residency in Chile. The administrators must be Chilean natural persons and the majority of the rights of the joint ownership (*comunidad*) must belong to a Chilean natural or

juridical person. For these purposes, a juridical person with ownership participation in a joint ownership (*comunidad*) that owns a vessel, has to comply with all the aforementioned requisites.

An owner (natural or juridical person) of a fishing vessel registered in Chile prior to June 30, 1991 shall not be subject to the nationality requirement above mentioned.

Fishing vessels specifically authorized by the maritime authorities, pursuant to powers conferred by law in cases of reciprocity granted to Chilean vessels by other States, may be exempted from the above-mentioned requisites on equivalent terms provided to Chilean vessels by that State.

Access to small-scale fishing activities (*pesca artesanal*) shall be subject to registration in the *Registro de Pesca Artesanal*. Registration for small-scale fishing (*pesca artesanal*) is only granted to Chilean natural persons and foreign natural persons with permanent residency, or a Chilean juridical persons constituted by the aforementioned persons.

**Phase-out:**

None

**Sector:** Mining

**Sub-sector:**

**Industry Classification:** CPC 13 Uranium and Thorium Minerals  
CPC 14 Metallic Minerals  
CPC 16 Other Minerals

**Type of Reservation:** National Treatment (Article 10.3)  
Performance Requirement (Article 10.7)

**Measures:** *Political Constitution of the Republic of Chile*, Chapter III.  
*Constitutional Organic Law No. 18,097*, Official Gazette of January 12, 1982, on Mining Concessions, Titles I, II and III  
*Law No. 18,248*, Official Gazette of October 14, 1983, Mining Code, Titles I and III.  
*Law No. 16,319*, Official Gazette of October 23, 1965, creating the Chilean Nuclear Energy Commission, Titles I, II and III

**Description:** Investment

The State has the right of first refusal, at the customary market prices and terms, for the purchase of mineral products from mining operations in the country, when thorium or uranium are contained in significant amounts therein.

The State may demand that producers separate from mining products, the portion of substances which cannot be granted in mining concessions which exist, in significant amounts, in said products, and which can be economically and technically separated, for delivery to or for sale on behalf of the State. For these purposes, economically and technically separated requires that the costs incurred to recover the substances concerned through a sound technical procedure, and to commercialize and deliver the same shall be lower than its commercial value.

The exploration, exploitation and treatment ("*beneficio*") of lithium, deposits of any kind existing in sea waters subject to national jurisdiction and on deposits of any kind wholly or partially located in areas classified as important to national security with mining effects, which qualification shall be made by law only, can be the object of administrative concessions or special operating contracts, subject to the requirements and the conditions to be determined, in each case by a supreme decree of the President of the Republic.

Natural atomic materials and lithium extracted, and concentrates, derivatives and compounds of both of them, cannot be subject to any kind of juridical acts, unless executed or entered into by the *Comisión Chilena de Energía Nuclear*, with the same or with its prior authorization. Should the *Comisión* deem it advisable to grant the authorization, it shall determine, in turn, the conditions granted therein.

**Phase-out:**

None

<b>Sector:</b>	Printing, Publishing and Other Related Industries
<b>Sub-sector:</b>	
<b>Industry Classification:</b>	
<b>Type of Reservation:</b>	National Treatment (Article 11.3) Local Presence (Article 11.4) Senior Management and Boards of Directors (Article 10.8)
<b>Measures:</b>	<i>Law 19,733</i> , published in the Official Gazette on June 4, 2001, regarding Freedom of Speech and Freedom of Expression and the Practice of Journalism, Titles I and III
<b>Description:</b>	<u>Cross-Border Trade in Services and Investment</u>  The owner of a social communication medium, such as newspapers, magazine or regularly published texts whose publishing address is located in Chile or a national news agency, shall in the case of a natural person have a duly established domicile in Chile and in the case of a juridical person shall be constituted with domicile in Chile or have an agency authorized to operate within the national territory. Only Chilean nationals may be President, administrators or legal representatives of the juridical person. The Director legally responsible and the person who replaces him/her must be Chilean with domicile and residence in Chile.
<b>Phase-out:</b>	None

<b>Sector:</b>	Professional Services
<b>Sub-sector:</b>	Engineering and Technicians
<b>Industry Classification:</b>	CPC 8672 Engineering Services CPC 8673 Comprehensive Engineering Services CPC 8675 Engineering-Related Services Provided by Science and Technology Consultants
<b>Type of Reservation:</b>	National Treatment (Article 11.3)
<b>Measures:</b>	<i>Ley 12.851</i> , Diario Oficial, febrero 6, 1958, Título II
<b>Description:</b>	<u>Cross-Border Trade in Services</u>  Engineers and technicians holding foreign degrees who have been hired to provide services in Chile will require an authorization, entailing registration in a special register, from the corresponding professional association ( <i>colegio profesional</i> ) and will be subject to the tutelage and the disciplinary authority of such association.
<b>Phase-out:</b>	None

<b>Sector:</b>	Professional Services
<b>Sub-sector:</b>	Legal Services
<b>Industry Classification:</b>	CPC 861      Juridical Services
<b>Type of Reservation:</b>	National Treatment (Article 11.3)
<b>Measures:</b>	<i>Código Orgánico de Tribunales</i> , Título XV <i>Decreto 110 del Ministerio de Justicia</i> , Diario Oficial, marzo 20, 1979 <i>Ley 18.120</i> , Diario Oficial, mayo 18, 1982
<b>Description:</b>	<u>Cross-Border Trade in Services</u>  Only Chilean natural persons shall be authorized to practice as lawyers (“ <i>abogados</i> ”).  Only lawyers (“ <i>abogados</i> ”) shall be authorized to plead a case in Chilean courts and the first legal action or claim filed by each party shall be done so by a lawyer duly qualified to practice law. Among others, the following documents shall be drawn up solely by lawyers (“ <i>abogados</i> ”): drafting of articles of incorporation and amendments thereto, mutual termination of obligations or liquidation of corporations; liquidation of community property between spouses ( <i>sociedad conyugal</i> ); distribution of property; articles of incorporation of juridical persons, of associations of water canal members ( <i>asociaciones de canalistas</i> ), of cooperative associations ( <i>cooperativas</i> ), agreements governing financial transactions, and corporate bond issuance agreements; and sponsoring applications for legal representation made by corporations and foundations.
<b>Phase-out:</b>	None

<b>Sector:</b>	Professional, Technical and Specialized services
<b>Sub-sector:</b>	Justice-Ancillary Services
<b>Industry Classification:</b>	CPC 861 Legal Services
<b>Type of Reservation:</b>	National Treatment (Article 11.3) Local Presence (Article 11.4)
<b>Measures:</b>	<i>Código Orgánico de Tribunales</i> , Títulos XI y XII. <i>Reglamento del Registro del Conservador de Bienes Raíces</i> Títulos I, II y III. <i>Ley 18.118</i> , Diario Oficial 22 de mayo, 1982, Título I <i>Decreto 197 del Ministerio de Economía</i> Diario Oficial 8 de agosto, 1985. <i>Ley 18.175</i> , Diario Oficial 28 de octubre, 1982, Título III
<b>Description:</b>	<u>Cross-Border Trade in Services</u>  Justice ancillaries must have their residence in the same city or place where the courthouse for which they render services is domiciled.  Public defenders ( <i>defensores públicos</i> ), public notaries ( <i>notarios públicos</i> ), and custodians ( <i>conservadores</i> ) shall be Chilean natural persons and fulfill the same requirements needed to become a judge.  Archivists ( <i>archiveros</i> ) and arbitrators at law ( <i>arbitros de derecho</i> ) must be lawyers, and therefore, need to be Chilean natural persons.  Only Chilean natural persons with the right to vote and foreign natural persons with permanent residence and the right to vote can act as process servers ( <i>receptores judiciales</i> ) and superior court attorneys ( <i>procuradores del número</i> ).  Only Chilean natural persons, foreign natural persons with permanent residence in Chile or Chilean juridical persons may be public auctioneers ( <i>notarios públicos</i> ).  Receivers in bankruptcy ( <i>síndicos de quiebra</i> ) must have a professional or technical degree granted by a university, or a professional or technical institute recognized by the State of Chile. Receivers in bankruptcy must have at least three years of experience in the commercial, economic or juridical field and they must be duly authorized by the Ministry of Justice and can only work in the place where they reside.
<b>Phase-out:</b>	None

<b>Sector:</b>	Professional, Technical and Specialized Services
<b>Sub-sector:</b>	Professional Services
<b>Industry Classification:</b>	CPC 86211 Financial Auditing Services (this refers only to financial auditing or financial institutions)
<b>Type of Reservation:</b>	National Treatment (Article 11.3) Local Presence (Article 11.4)
<b>Measures:</b>	<i>Ley 18.046</i> , Diario Oficial, octubre 22, 1981, <i>Ley de Sociedades Anónimas</i> , Título V <i>Decreto Supremo 587 del Ministerio de Hacienda</i> , Diario Oficial, noviembre 13, 1982, Reglamento de Sociedades Anónimas <i>Decreto Ley 1.097</i> , Diario Oficial, julio 25, 1975, Títulos I, II, III y IV <i>Decreto Ley 3.538</i> , Diario Oficial, diciembre 23, 1980, Títulos I, II, III y IV Circular 2.714, octubre 6, 1992; Circular 1, enero 17, 1989; Capítulo 19 de la Recopilación Actualizada de Normas de la Superintendencia de Bancos e Instituciones Financieras sobre auditores externos Circulares 327, junio 29, 1983, y 350, octubre 21, 1983, de la Superintendencia de Valores y Seguros
<b>Description:</b>	<u>Cross-Border Trade in Services</u>  External auditors of financial institutions must be registered in the Registry of External Auditors kept by the <i>Superintendencia de Bancos e Instituciones Financieras</i> and the <i>Superintendencia de Valores y Seguros</i> . Only firms legally incorporated in Chile as partnerships ( <i>sociedades de personas</i> ) or associations ( <i>asociaciones</i> ) and whose main line of business is auditing services may be inscribed in the Registry.
<b>Phase-out:</b>	None

<b>Sector:</b>	Specialized Services
<b>Sub-sector:</b>	Customs Agents (“ <i>Agentes de Aduana</i> ”) and brokers (“ <i>Despachadores de Aduana</i> ”)
<b>Industry Classification:</b>	CPC 748 Freight Carrier Agency Services CPC 749 Other Transportation and Auxiliary Services
<b>Type of Reservation:</b>	National Treatment (Article 11.3) Local Presence (Article 11.4)
<b>Measures:</b>	<i>Decreto con Fuerza de Ley 30 del Ministerio de Hacienda, Diario Oficial, abril 13, 1983, Libro IV</i> <i>Decreto con Fuerza de Ley N°2 del Ministerio de Hacienda, 1998</i>
<b>Description:</b>	<u>Cross-Border Trade in Services</u>  Only Chilean natural persons may act as customs brokers (“ <i>Despachadores de Aduana</i> ”) or agents (“ <i>Agentes de Aduana</i> ”). These duties shall be carried out in person and with due diligence.
<b>Phase-out:</b>	None

<b>Sector:</b>	Specialized Services
<b>Sub-sector:</b>	Private Armed Security Guards
<b>Industry Classification:</b>	CPC 873 Investigation and Security
<b>Type of Reservation:</b>	National Treatment (Article 11.3)
<b>Measures:</b>	<i>Decreto 1.773 del Ministerio del Interior</i> , Diario Oficial, noviembre 14, 1994
<b>Description:</b>	<u>Cross-Border Trade in Services</u>  Only Chilean natural persons may provide services as private armed security guards.
<b>Phase-out:</b>	None

**Sector:** Sports, Industrial Fishing and Hunting, and Recreational Services

**Sub-sector:**

**Industry Classification:** CPC 881 Services related to Agriculture, Hunting and Forestry  
CPC 882 Services related to Fishing  
CPC 96499 Other Recreational Services

**Type of Reservation:** Local Presence (Article 11.4)

**Measure:** *Ley 17.798*, Diario Oficial, octubre 21, 1972, Título I  
*Decreto Supremo 77 del Ministerio de Defensa*, Diario Oficial, abril 29, 1982

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

Any person who owns guns, explosives or similar substances must apply for registration to the appropriate authority for the corresponding domicile, for which purpose a request shall be submitted to the *Dirección General de Movilización Nacional del Ministerio de Defensa*.

Any natural or juridical person registered as an importer of fireworks shall request authorization for importation and entrance thereof into Chile from Group No. 3 of the *Dirección General de Movilización Nacional*, and may even keep stocks of said elements for sale to persons holding authorization to stage pyrotechnical shows.

The Supervisory Authority (*Autoridad Fiscalizadora*) shall only authorize pyrotechnical shows if a report is available with regard to the installation, development and security measures for the show, signed and approved by a fireworks programmer registered in the national registries of the *Dirección General de Movilización Nacional* or by a professional certified by said *Dirección Nacional*.

For the production and execution of pyrotechnical shows, the presence of at least a fireworks expert handler registered with the *Dirección nacional* shall be required.

**Phase-out:** None

<b>Sector:</b>	Transportation
<b>Sub-sector:</b>	Air Transportation
<b>Industry Classification:</b>	CPC 734 Rental Services of Aircraft with Operator CPC 7469 Other Complementary Air Services
<b>Type of Reservation:</b>	National Treatment (Articles 10.3, 11.3) Local Presence (Article 11.4) Senior Management and Boards of Directors (Article 10.8)
<b>Measures:</b>	<i>Ley 18.916</i> , Diario Oficial, febrero 8, 1990, Código Aeronáutico, Títulos preliminar, II y III <i>Decreto Ley 2.564</i> , Diario Oficial, junio 22, 1979, Normas sobre Aviación Comercial <i>Decreto Supremo 624 del Ministerio de Defensa</i> , Diario Oficial, enero 5, 1995 <i>Ley 16.752</i> , Diario Oficial, febrero 17, 1968, Título II <i>Decreto 34 del Ministerio de Defensa</i> , Diario Oficial, febrero 10, 1968 <i>Decreto Supremo 102 del Ministerio de Transportes y Telecomunicaciones</i> , Diario Oficial, junio 17, 1981 <i>Decreto supremo 172 del Ministerio de Defensa</i> , Diario Oficial, marzo 5, 1974 <i>Decreto Supremo 37 del Ministerio de Defensa</i> , Diario Oficial, diciembre 10, 1991 <i>Decreto 234 del Ministerio de Defensa</i> , Diario Oficial, junio 19, 1971

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

Only a Chilean natural or juridical person may register an aircraft in Chile. A juridical person must be constituted in Chile with principal domicile and real effective seat in Chile. In addition, a majority of its ownership must be held by Chilean natural or juridical persons, which in turn must comply with the aforementioned requisites.

The president, manager, majority of directors and/or administrators of the juridical person must be Chilean natural persons.

Foreign registered aircraft engaged in non-commercial activities may not remain in Chile more than 30 days of its date of entry into Chile, unless authorized by the *Dirección General de Aeronáutica Civil*. For greater clarity, this measure shall not apply to specialty air services as defined in Article 11.1 (Definitions) of this Agreement, except for glider towing and parachute jumping.

In order to work as crewmembers on aircraft used by a Chilean aviation company, foreign aviation staff shall be required to first obtain a Chilean license with the appropriate permits enabling them to discharge the pertinent duties.

Foreign aviation personnel shall be allowed to work in that capacity in Chile provided that Chilean civil aviation authorities validate the license or authorization granted by a foreign country. In the absence of an international agreement regulating such validation, the license or authorization shall be granted under conditions of reciprocity. In that case, proof shall be submitted showing that the licenses or authorizations were issued or validated by the pertinent authorities in the State where the aircraft is registered, that the documents are in force and that the requirements for issuing or validating such licenses and authorizations meet or exceed the standards required in Chile for analogous cases.

Air transportation services may be provided by Chilean or foreign companies subject to the condition that, along the routes in which they operate, foreigners grant similar conditions to Chilean aviation companies when so requested. The *Junta Aeronáutica Civil*, by means of a substantiated resolution (*resolución fundada*), may terminate, suspend or limit domestic traffic services (cabotage) or any other class of commercial aviation services carried out solely in Chilean territory by foreign companies or aircraft if in their country of origin the right to equal treatment for Chilean companies and aircraft is denied.

Foreign civil aircraft not engaging in commercial transport activities or non-scheduled commercial air transport intending to enter Chilean territory, including its territorial waters, to fly over Chile and to make stop-overs for non-commercial purposes, shall be required to notify the *Dirección General de Aeronáutica Civil* at least twenty-four hours in advance. Commercial traffic aircraft not operating on a regular basis shall not be allowed to carry passengers, cargo or mail in Chilean territory without prior authorization by the *Junta de Aeronáutica Civil*.

**Phase-out:**

None

<b>Sector:</b>	Transportation
<b>Sub-sector:</b>	Land Transportation
<b>Industry Classification:</b>	CPC 712      Other Land Transportation Services
<b>Type of Reservation:</b>	National Treatment (Article 11.3)
<b>Measures:</b>	<i>Ley 18.290</i> , Diario Oficial, febrero 7, 1984, Título IV  <i>Decreto Supremo 485 del Ministerio de Relaciones Exteriores</i> , Diario Oficial, septiembre 7, 1960, Convención de Ginebra
<b>Description:</b>	<u>Cross-Border Trade in Services</u>  Motor vehicles with foreign license plates entering Chile on a temporary basis, under the provisions set forth in the “Convention on Highway Traffic” adopted in Geneva in 1949, shall be authorized to travel freely on Chilean territory for the period established in the abovementioned Convention, provided that they meet the requirements established by Chilean law.  Holders of valid international driving licenses or certificates, issued by a foreign country pursuant to the Geneva Convention shall be authorized to travel throughout Chilean territory. Drivers of vehicles with foreign license plates who hold international driving licenses shall present, upon request by the authorities, documents proving that the vehicle is duly authorized for traffic in addition to the documents that authorize the holder to drive.
<b>Phase-out:</b>	None

<b>Sector:</b>	Transportation
<b>Sub-sector:</b>	Land Transportation
<b>Industry Classification:</b>	CPC 712 Other Land Transportation Services
<b>Type of Reservation:</b>	National Treatment (Article 11.3) Local Presence (Article 11.4)
<b>Measures:</b>	<i>Decreto Supremo 212 del Ministerio de Transportes y Telecomunicaciones</i> , Diario Oficial, noviembre 21, 1992 <i>Decreto 163 del Ministerio de Transportes y Telecomunicaciones</i> , Diario Oficial, enero 4, 1985 <i>Decreto Supremo 257 del Ministerio de Relaciones Exteriores</i> , Diario Oficial, octubre 17, 1991
<b>Description:</b>	<u>Cross-Border Trade in Services</u>  Ground transportation service providers must be registered with the National Registry ( <i>Registro Nacional</i> ) by means of an application submitted to the <i>Secretario Regional Ministerial de Transportes y Telecomunicaciones</i> . In the case of urban services, the request must be submitted to the <i>Secretario Regional</i> of the area where the services are to be rendered and, in the case of rural and intercity services, in the region where the applicant is domiciled. All information required by law must be included on the registration request and the following documents, among others, must be attached: a duly legalized photocopy of the National Identity Card ( <i>Cédula Nacional de Indentidad</i> ) and, in the case of juridical persons, public documents verifying incorporation, the name and domicile of its legal representative, and documents certifying such status. Foreign natural and juridical persons authorized to provide international transportation services in Chilean territory cannot provide local transportation services or participate, in any form, in such activities within the Chilean territory.  Only companies with real and effective domicile and incorporated under the laws of the following countries can provide international land transportation services between Chile and Argentina, Bolivia, Brazil, Peru, Uruguay and Paraguay. Furthermore, in the case of foreign juridical persons more than half of the capital and the effective control of such juridical persons must be in the hands of nationals of Chile, Argentina, Bolivia, Brazil, Peru, Uruguay or Paraguay to obtain a permit to provide international land transportation services.
<b>Phase-out:</b>	None

<b>Sector:</b>	Transportation
<b>Sub-sector:</b>	Water Transportation
<b>Industry Classification</b>	CPC 721 Transport Services by Sea-Going Vessels CPC 722 Cargo Transportation
<b>Type of Reservation:</b>	National Treatment (Articles 10.3, 11.3) Local Presence (Article 11.4) Senior Management and Boards of Directors (Article 10.8)
<b>Measures:</b>	<i>Decreto Ley 3.059</i> , Diario Oficial, diciembre 22, 1979, <i>Ley de Fomento a la Marina Mercante</i> , Títulos I y II <i>Decreto Supremo 24</i> , Diario Oficial, marzo 10, 1986, Reglamento del Decreto Ley 3.059, Títulos I y II <i>Decreto Ley 2.222</i> , Diario Oficial, mayo 31, 1978, <i>Ley de Navegación</i> , Títulos I, II, III, IV y V <i>Decreto Supremo 153</i> , Diario Oficial, marzo 11, 1966, Aprueba el Reglamento General de Matrícula del Personal de Gente de Mar, Fluvial y Lacustre <i>Código de Comercio</i> , Libro III, Títulos I, IV y V <i>Ley 19.420</i> , Diario Oficial, octubre 23, 1995, Establece incentivos para el desarrollo económico de las provincias de Arica y Parinacota y modifica cuerpos legales que indica, Título Disposiciones varias
<b>Description:</b>	<u>Cross-Border Trade in Services and Investment</u>

Only a Chilean natural or juridical person may register a vessel in Chile. A juridical person must be constituted with principal domicile and real and effective seat in Chile with its president, manager and majority of the directors or administrators being Chilean natural persons. In addition, more than 50 per cent of its equity capital must be held by Chilean natural or juridical persons. For these purposes, a juridical person with ownership participation in another juridical person that owns a vessel has to comply with all the aforementioned requisites.

A joint ownership (*comunidad*) may register a vessel if the majority of the joint owners are Chileans with domicile and residency in Chile, the administrators must be Chileans and the majority of the rights of the joint ownership must belong to a Chilean natural or juridical person. For these purposes, a juridical person with ownership participation in a joint ownership (*comunidad*) that owns a vessel has to comply with all the aforementioned requisites to be considered Chilean.

Special vessels owned by foreign natural or juridical persons domiciled in Chile may under certain conditions be registered in the country. For these purposes a special vessel does not include a fishing vessel. The conditions required are the following: domicile in Chile, principal head office in the country or undertaking a profession or commercial activity in a permanent way in Chile. The maritime authority may, for reasons of national security, impose certain special restrictions on the operation of these vessels.

The maritime authority may concede a better treatment based on the principle of reciprocity.

Foreign vessels shall be required to use pilotage, anchoring and harbor pilotage services when the maritime authorities so require it. In tugging activities or other maneuvers performed in Chilean ports, only tugboats flying the Chilean flag shall be used.

Captains shall be required to be Chilean nationals and to be acknowledged as such by the pertinent authorities. Officers on Chilean vessels shall be required to be Chilean natural persons registered in the Officers' Registry (*Registro de oficiales*). To become crewmembers of a Chilean vessel is required to be Chilean, to have the permit granted by the Maritime Authority and to be registered in the respective Registry. Professional titles and licenses granted by a foreign country shall be considered valid for the discharge of officers' duties on national vessels pursuant to a substantiated resolution (*resolución fundada*) issued by the Director.

Ship Captains ("*patrón de nave*") shall be Chilean nationals. The Ship Captains ("*patrón de nave*") is the natural person who, pursuant to the corresponding title awarded by the Director, is empowered to exercise command on smaller vessels and on certain special larger vessels.

Only Chilean nationals, or foreigners with domicile in Chile, shall be authorized to act as fishing boat Captains ("*patrones de Pesca*"), machinists ("*mecánicos-motoristas*"), machine operators ("*motoristas*"), sea-faring fishermen ("*marineros pescadores*"), small-scale fishermen ("*pescadores*"), industrial or maritime trade technical employees or workers, and as industrial and general ship service crews on fishing factories or fishing boats when so requested by ship operators ("*armadores*") in order to initiate such work.

In order to fly the national flag, the Captain of the ship, its

officers and crew shall be required to be Chilean nationals. Nevertheless, the *Dirección General del Territorio Marítimo y de Marina Mercante*, on the basis of a substantiated resolution (*resolución fundada*), may authorize the hiring of foreign personnel, on a temporary basis if essential, with the exception of the Captain who, at all times, shall be required to be a Chilean national.

Only a Chilean natural or juridical person shall be authorized to work in Chile as a multimodal operator.

Cabotage shall be reserved for Chilean vessels. Cabotage shall include the ocean, river or lake shipping of passengers and cargo between different points of the national territory and between such points and naval artifacts installed in territorial waters or in the exclusive economic zone.

Foreign merchant vessels may be able to participate in cabotage when cargo volumes exceed 900 tons, prior to a public tender called by the user with due anticipation. When the cargo volumes involved are equal to or less than 900 tons and no vessels flying the Chilean flag are available, the Maritime Authority shall authorize embarking such cargo on foreign merchant vessels. The reservation of coastal trade to Chilean vessels shall not apply in the event of cargo coming from or destined for ports located in the Province of Arica.

In the event that Chile should adopt, for reasons of reciprocity, a cargo reservation measure applicable to international cargo transportation between Chile and a non-party country, the reserved cargo shall be transported in Chilean-flag vessels or in vessels considered as such.

**Phase-out:**

None

<b>Sector:</b>	Transportation
<b>Sub-sector:</b>	Water Transportation
<b>Industry Classification:</b>	CPC 721 Transport Services by Sea-Going Vessels CPC 722 Cargo Transportation
<b>Type of Reservation:</b>	National Treatment (Articles 10.3, 11.3) Local Presence (Article 11.4) Senior Management and Boards of Directors (Article 10.8)
<b>Measures:</b>	<i>Código de Comercio</i> , Libro III, Títulos I, IV y V <i>Decreto Ley 2.222</i> , Diario Oficial, mayo 31, 1978, <i>Ley de Navegación</i> , Títulos I, II y IV <i>Decreto 90 del Ministerio del Trabajo y Seguridad Social</i> , Diario Oficial 21 de enero, 2000 <i>Decreto 49 del Ministerio del Trabajo y Seguridad Social</i> , Diario Oficial 16 de julio, 1999 <i>Código del Trabajo</i> , Libro I, Título II, Capítulo III, párrafo 2°
<b>Description:</b>	<u>Cross-Border Trade in Services and Investment</u>  Shipping agents or representatives of ship operators, ship owners or captains, whether they are natural or juridical persons, shall be required to be Chilean nationals.  Work of stowage and dockage performed by natural persons is reserved to Chileans who are duly accredited by the corresponding authority to carry out such work and having an office established in Chile.  Whenever these activities are carried out by juridical persons, they must be legally constituted in the country and have their principal domicile in Chile. The chairman, administrators, managers, or directors must be Chilean. At least fifty per cent of the corporate capital must be held by Chilean natural or juridical persons. Such enterprises shall designate one or more empowered agents, who will act in their representation, and who shall be Chilean nationals.  Harbor workers shall pass a basic course on harbor security in a Technical Execution Organism authorized by the National Service of Training and Employment, according to the norms established in the respective regulation.  Anyone unloading, transshipping and, generally, using continental or insular Chilean ports, particularly for landing fish catches or fish catches processed on board, shall also be required to be a Chilean natural or juridical person.

**Phase-out:**

None

**Annex I**  
**Schedule of Korea**

<b>Sector:</b>	Agriculture
<b>Sub-sector:</b>	
<b>Industry Classification:</b>	CPC 0113 Rice, Not Husked CPC 0115 Barley KSIC 01212 Farming of Beef Cattle KSIC 51312 Wholesale of Meat
<b>Type of Reservation:</b>	National Treatment (Article 10.3)
<b>Measure:</b>	<i>Law No. 5559 Article 4 of the Foreign Investment Promotion Act, Sept. 16, 1998</i> <i>Presidential Decree No. 15931 Article 5 of its Enforcement Decree, Nov. 14, 1998</i>
<b>Description:</b>	<u>Investment</u>  Only Korean citizens may invest in the rice or barley industry in Korea.  Foreign nationals or foreign legal entities are permitted to hold less than 50 per cent of the shares or stocks of legal entities engaged in farming beef cattle.  Foreign nationals or foreign legal entities are permitted to hold less than 50 per cent of the shares or stocks of legal entities engaged in the wholesale of meat.
<b>Phase-out:</b>	None

<b>Sector:</b>	Art, Audiovisual and Related Services
<b>Sub-sector:</b>	Service Relating to Performing Arts, Motion Pictures, Phonograms, Videos, Games, and Periodicals
<b>Industry Classification:</b>	CPC 9619 Other Entertainment Services CPC 96113 Motion Pictures or Video Tape Distribution Services CPC 96121 Motion Picture Projection Services Phonograms, Videos and Game KSIC 2212 Newspapers, Magazines, and Other Periodicals Publishing and Distribution
<b>Type of Reservation:</b>	National Treatment (Article 10.3, 11.3) Performance Requirements (Article 10.7)
<b>Measure:</b>	<i>Law No. 6632, Article 6 of the Public Performing Act, Jan. 26, 2002</i> <i>Law No. 6186, Articles 6, 28 of the Motion Picture Promotion Act, Jan 21, 2000</i> <i>Presidential Decree No. 16296, Article 13 of its Enforcement Decree, May 10, 1999</i> <i>Law No. 5658, Article 5 of the Act on Importing Foreign Periodicals, Jan. 21, 1999</i> <i>Law No. 6473, Article 16 of the Act on Phonogram, Video, and Game, Feb. 8, 1999</i>
<b>Description:</b>	<u>Cross-Border Trade in Services and Investment</u>  Any foreign national who intends to perform in Korea, or any person wishing to perform by inviting foreigners or importing phonograms manufactured in foreign countries must obtain a recommendation from the Korea Media Rating Board.  A person that intends to import, for the purpose of distribution, publications that are published by North Korea or anti-government organizations, as well as cartoons, photo albums, pictorial news books, magazine or novels, must obtain a recommendation from the Minister of Culture and Tourism.  Korean films and documentaries must be played for at least 146 days a year in every theater in Korea.  Recommendation from Korea Media Rating Board is required to import motion pictures and other documentaries.
<b>Phase-out:</b>	None

<b>Sector:</b>	Business Services
<b>Sub-sector:</b>	Architectural Services
<b>Industry Classification:</b>	CPC 8671 Architectural Services
<b>Type of Reservation:</b>	Local Presence (Article 11.4)
<b>Measure:</b>	<p><i>Law No. 6503, Article 23 of the Certified Architects Act, Aug. 14, 2001</i></p> <p><i>Presidential Decree No. 16808, Articles 22, 23 of its Enforcement Decree, May 10, 2000</i></p> <p><i>Ordinance of the Ministry of Construction and Transportation No. 236, Article 13 of its Enforcement Regulations, May 22, 2000</i></p>
<b>Description:</b>	<p><u>Cross-Border Trade in Services</u></p> <p>A person who holds an architect license issued in Korea and intends to work as an architect must establish an office in the territory of Korea and register with the Minister of Construction and Transportation as set out in the <i>Presidential Decree</i> and the <i>Ordinance of the Ministry of Construction and Transportation</i> of the <i>Certified Architects Act</i>.</p>
<b>Phase-out:</b>	None

<b>Sector:</b>	Business Services
<b>Sub-sector:</b>	Engineering Services
<b>Industry Classification:</b>	CPC 86762 Testing and Analysis Services of Physical Properties
<b>Type of Reservation:</b>	Local Presence (Article 11.4)
<b>Measure:</b>	<i>Law No. 6586, Article 25 of the Construction Technology Management Act, Dec. 31, 2001</i> <i>Presidential Decree No. 17329, Article 49 of its Enforcement Decree, July 30, 2001</i> <i>Ordinance of the Ministry of Construction and Transportation No. 293, Article 28 of its Enforcement Regulations, Aug. 13, 2001</i>
<b>Description:</b>	<u>Cross-Border Trade in Services</u>  To establish a specialized institution for quality inspection, registration pursuant to Article 25 of the <i>Construction Technology Management Act</i> and relevant Articles of its <i>Presidential Decree</i> and the <i>Ordinance of the Ministry of Construction and Transportation</i> is required.
<b>Phase-out:</b>	None

<b>Sector:</b>	Business Services
<b>Sub-sector:</b>	Industrial Safety and Health Institution
<b>Industry Classification:</b>	CPC 85      Research and Development Services CPC 92900   Other Education Services CPC 93199   Other Human Health Services
<b>Type of Reservation:</b>	Local Presence (Article 11.4)
<b>Measure:</b>	<i>Law No. 6104, Articles 15, 16, 31, 36, 42, 43, 49 of the Industrial Safety and Health Act, Jan. 7, 2000</i>
<b>Description:</b>	<u>Cross-Border Trade in Services</u>  Safety management agencies, health management agencies, specialized instruction institutions for accident prevention, designated educational institutions, designated inspection institutions, designated measurement institutions, designated health examination institution, designated safety and health inspection institutions, whose purposes are to promote industrial safety and health, shall be designated by the Minister of Labor.
<b>Phase-out:</b>	None

<b>Sector:</b>	Business Services
<b>Sub-sector:</b>	Job Placement Services, Labor Supply and Worker Dispatch Services
<b>Industry Classification:</b>	CPC8720 Placement and Supply Services of Personnel
<b>Type of Reservation:</b>	Local Presence (Article 11.4)
<b>Measure:</b>	<p><i>Law No. 5884, Articles 19, 33 of the Employment Security Act, Feb. 8, 1999</i></p> <p><i>Ministry of Labor Decree No. 155, Articles 18, 37 of the Enforcement Decree of the Act, Oct. 21, 1999</i></p> <p><i>Law No. 5512, Article 7 of the Act Relating to Protection for Dispatched Worker, Feb. 20, 1998</i></p> <p><i>Presidential Decree No. 15828, Article 3 of the Enforcement Decree of the Act, July 1, 1998</i></p>
<b>Description:</b>	<p><u>Cross-Border Trade in Services</u></p> <p>A person that intends to provide fee-charging job placement, labor supply, or worker dispatch services must establish an office in the territory of Korea whose size exceeds the following requirements:</p> <ul style="list-style-type: none"> <li>(a) Fee-charging job placement services: 20 m<sup>2</sup> (in case of a legal entity: 33 m<sup>2</sup>)</li> <li>(b) Worker dispatch services: 66 m<sup>2</sup></li> <li>(c) Labor supply businesses: 33 m<sup>2</sup></li> </ul> <p>In addition, a person that intends to provide fee-charging job placement services must register with the head of city, county, district; a person that intends to provide labor supply and worker dispatch services must obtain authorization from the Minister of Labor.</p>
<b>Phase-out:</b>	None

<b>Sector:</b>	Business Services
<b>Sub-sector:</b>	Rental/Leasing Services without Operator
<b>Industry Classification:</b>	CPC 83101 Leasing or Rental Services without Operator
<b>Type of Reservation:</b>	Local Presence (Article 11.4)
<b>Measure:</b>	<i>Law No. 6655, Articles 29, 30 of the Passenger Transport Service Act, Feb. 4, 2002</i> <i>Ordinance of the Ministry of Construction and Transportation No. 316, Articles 52, 53, 54 of the Enforcement Regulations for Passenger Transport Service Act, May 24, 2002</i>
<b>Description:</b>	<u>Cross-Border Trade in Services</u>  For the provision of car rental services in Korea, registration with the Minister of Construction and Transportation, by submitting an application and supplementary documents is required. The standard (requirements) for registration, including number of automobiles, floor space of office and garage, are as set out in the <i>Enforcement Regulations of the Passenger Transport Service Act</i> .
<b>Phase-out:</b>	None

<b>Sector:</b>	Business Services
<b>Sub-sector:</b>	Research Services
<b>Industry Classification:</b>	CPC 8510 Research and Experimental Development Services on Natural Science and Engineering
<b>Type of Reservation:</b>	National Treatment (Articles 10.3, 11.3)
<b>Measure:</b>	<i>Law No. 5809, Articles 6, 7, 8 of the Marine Scientific Research Act, Feb. 5, 1999</i>
<b>Description:</b>	<p><u>Cross-Border Trade in Services and Investment</u></p> <p>A foreign national or legal entity that intends to conduct research in the waters over which Korea has jurisdiction is required to submit its request, six months prior to the initiation of the research, to the Minister of Maritime Affairs and Fisheries through the Minister of Foreign Affairs and Trade.</p> <p>To conduct research activities in territorial waters, authorization of the Minister of Maritime Affairs and Fisheries is required; to conduct research activities in the Exclusive Economic Zone, the consent of the Minister is required.</p>
<b>Phase-out:</b>	None

<b>Sector:</b>	Business Services
<b>Sub-sector:</b>	Vocational Ability Development Training Services
<b>Industry Classification:</b>	CPC 92900 Other Education and Training Services
<b>Type of Reservation:</b>	Local Presence (Article 11.4)
<b>Measure:</b>	<i>Law No. 5474, Articles 11, 22, 28 of the Vocational Training Promotion Act, Dec 24, 1997</i>
<b>Description:</b>	<p><u>Cross-Border Trade in Services</u></p> <p>Training institutions, which provide vocational ability development and training services pursuant to the <i>Vocational Training Promotion Act</i>, that wish to receive subsidies or loans from the Korean government for training costs must have their training courses authorized by the Minister of Labor.</p> <p>Vocational ability development training facilities provided in the <i>Vocational Training Promotion Act</i> include educational facilities for training instructors, public facilities for the vocational ability development training, facilities operated by vocational ability development corporation, and facilities designated by the Minister of Labor.</p> <p>To become a vocational ability development training facility, a vocational training institution is to be established as a legal entity in accordance with the relevant law or be designated by the Minister of Labor.</p>
<b>Phase-out:</b>	None

**Sector:** Communications

**Sub-sector:** Basic Telecommunications Services

**Industry Classification:** CPC 752 Telecommunication Services  
CPC 84110 Wired Telecommunications Services  
(excluding resale)  
CPC 84120 Wireless Telecommunications Services  
(excluding resale)  
CPC 84130 Satellite Telecommunications Services

**Type of Reservation:** National Treatment (Article 10.3)  
Local Presence (Article 11.4)

**Measure:** *Law No. 6360* Articles 4, 6, 59-2, Appendix 4 of the *Telecommunication Business Act*, Jan. 16, 2001  
*Presidential Decree No. 17237*, Article 3 of its *Enforcement Decree*, June 12, 2001  
*Law No. 5379*, Article 19 of the *Act on Business Restructuring and Privatization of Government-Invested Enterprise*, Aug. 28, 1997  
*Law No. 6315*, Article 20 of the *Radio Waves Act*, Dec. 29, 2000

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

A person falling under any of the following categories may not obtain authorization to provide services in this sector:

- (a) a foreign government or a foreign legal entity; or
- (b) a legal entity in which the shares or stocks held by the following person exceed 49 per cent of the total voting shares or stocks:
  - (i) a foreign government;
  - (ii) a foreign national;
  - (iii) a legal entity in which a foreign government or foreign national holds 80 per cent or more of the total voting stocks; or
  - (iv) a legal entity in which a foreign government or foreign national, as the largest shareholders, holds 15 per cent or more of the total voting stocks.

The following persons are not permitted to be the largest shareholders or to hold more than 49 per cent of the total voting stocks of Korea Telecom:

- (a) a foreign government;
- (b) a foreign national;
- (c) a legal entity in which a foreign government or foreign national holds 80 per cent or more of the

- total voting stocks; and
- (d) a legal entity in which a foreign government or foreign national, as the largest shareholder, holds 15 per cent or more of the total voting stocks.

A foreign national, foreign government or its representative, or a foreign legal entity or organization shall not be permitted to establish a radio station pursuant to the *Radio Waves Act*.

To provide basic telecommunication services from abroad without establishing an office in the territory of Korea, cross-border services contract with a Korean basic telecommunication provider or a specific telecommunication provider that provides similar basic telecommunication services is required.

**Phase-out:**

None

<b>Sector:</b>	Communication
<b>Sub-sector:</b>	Broadcasting
<b>Industry Classification:</b>	CPC 7524 Program Transmission Services CPC 753 Radio and Television Cable Services CPC 96112 Motion Picture or Video Tape Production Services CPC 9613 Radio and Television Services
<b>Type of Reservation:</b>	National Treatment (Articles 10.3, 11.3) Performance Requirements (Article 10.7) Senior Management and Boards of Directors (Article 10.8) Local Presence (Article 11.4)
<b>Measure:</b>	<i>Law No. 6139, Articles 13, 14, 70, 71, 72, 73, 78 of the Broadcasting Act, Jan 12, 2000</i> <i>Presidential Decree No. 17156, Articles 14, 53, 54, 55, 57, 58, 59, 61, Appendix 3 of the Enforcement Decree of the Act, March 20, 2001</i>
<b>Description:</b>	<u>Cross-Border Trade in Services and Investment</u>

A cable television system operator or satellite broadcaster that intends to receive programs from foreign broadcasters and retransmit them is subject to approval from the Korean Broadcasting Commission. Cable television system operators or satellite broadcasters may not retransmit channels of foreign broadcasters more than 10 per cent of the total number of operating channels.

The relay-only cable operators may, with the approval of the Korean Broadcasting Commission, broadcast up to three channels of the programs of foreign broadcasters during the deferment period of authorization for shift to cable television system operator.

Terrestrial broadcasters, general program or news program providers, and relay-only cable operators may not receive any investment or financial contributions from the following:

- (a) foreign governments or organizations;
- (b) foreign nationals; or
- (c) legal entities in which a foreign government, foreign organization or foreign national is the largest shareholder or holds 50 per cent or more of the total stocks or equity shares.

Foreign nationals, foreign governments or foreign

organizations may not engage in cable relay broadcasting business.

Cable television system operators, satellite broadcasters or program providers (excluding general program providers or news program providers) may not receive investment and financial contributions exceeding 33 per cent of the total stocks or equity shares from the following:

- (a) foreign governments or organizations;
- (b) foreign nationals; or
- (c) legal entities in which a foreign government, foreign organization or foreign national is the largest shareholder or holds 50 per cent or more of the total stocks or equity shares.

Network operators shall not receive any investment and financial contributions of more than 49 per cent of the total stocks or equity shares from the following:

- (a) foreign governments or organizations;
- (b) foreign nationals; or
- (c) legal entities in which a foreign government, foreign organization or foreign national is the largest shareholder or holds 50 per cent or more of the total stocks or equity shares.

Broadcasters are required to include a certain ratio of Korean programs in their programming in accordance with *the Broadcasting Act*.

Broadcasters are required to include a certain ratio of Korean movies, animation features and popular songs in their programming in accordance with *the Broadcasting Act*.

Broadcasters are required, in their broadcasting programming, to include a certain ratio of out-sourced programs that are produced in Korea in accordance with the *Broadcasting Act*.

Broadcasters that broadcast general programs are required to include, in their prime time broadcasting programming, a certain ratio of out-sourced programs that are produced in Korea in accordance with the *Broadcasting Act*.

Terrestrial broadcasters must broadcast advertisements that are consigned exclusively by the Korea Broadcasting Advertising Corporation or other corporations in accordance with the *Broadcasting Act*.

Cable television system operators or satellite broadcasters

are required to include general program providers or news program providers in their channel programming.

Cable television system operators, satellite broadcasters or relay-only cable operators are required to simultaneously retransmit the programs that are broadcast by Korean Broadcasting System and Educational Broadcasting System without making any changes and may retransmit foreign channels in accordance with the *Broadcasting Act*.

Cable television system operators and satellite broadcasters must organize public and religious channels in accordance with the *Broadcasting Act*.

Cable television system operators are required to operate community channels in accordance with the *Broadcasting Act*.

Those who are not Korean citizens are not eligible to be representatives or chief programmers of terrestrial broadcasters, cable television system operators, satellite broadcasters, relay-only cable operators, program providers, music audio service cable operators, and network operators.

A representative of foreign legal entities or organizations may not be a representative or chief programmer of terrestrial broadcasters, cable television system operators, satellite broadcasters, relay-only cable operators, program providers, and music audio service cable operators.

**Phase-out:**

None

<b>Sector:</b>	Construction
<b>Sub-sector:</b>	Construction Services
<b>Industry Classification:</b>	CPC 51      Construction Work
<b>Type of Reservation:</b>	Performance Requirements (Article 10.7) Local Presence (Article 11.4)(except CPC 5111)
<b>Measure:</b>	<i>Law No. 6640, Articles 9, 10, 30, 91 of the Framework Act on the Construction Industry, Jan. 26, 2002</i> <i>Presidential Decree No. 17740, Articles 7, 8, 13, 33, 86 of its Enforcement Decree, Sept. 18, 2002</i> <i>Ordinance of the Ministry of Construction and Transportation No. 332, Articles 2, 3, 27 of its Enforcement Regulations, Sept. 18, 2002</i> <i>Law No. 6656, Article 6 of the Housing Construction Promotion Act, Feb. 4, 2002</i>
<b>Description:</b>	<u>Cross-Border Trade in Services and Investment</u>  When a general contractor receives an order of construction work that exceeds a certain amount, he or she shall subcontract a portion of the work to a specialized subcontractor in the relevant business category.  Any person that intends to operate a construction business is required to register, in accordance with the requirements stated in the <i>Presidential Decree</i> with the head of the metropolitan city/province. In addition, foreign nationals or foreign legal entities are required to establish an office in the territory of Korea, at the latest, prior to the signing of the first contract of their construction work.
<b>Phase-out:</b>	None

<b>Sector:</b>	Construction
<b>Sub-sector:</b>	Renting, Maintenance and Repair, Sales and Dismantlement of Construction Equipment
<b>Industry Classification:</b>	CPC 51800 Renting Services of Construction Equipment KSIC 92111 Maintenance and Repair Services of Machinery and Equipment for Mining and Construction
<b>Type of Reservation:</b>	Local Presence (Article 11.4)
<b>Measure:</b>	<i>Law No. 6363, Article 21 of the Construction Machinery Management Act, Jan. 16, 2001</i> <i>Presidential Decree No. 16872, Articles 13, 14, 15, 15.2 of the Enforcement Decree of the Construction Machinery Management Act, June 27, 2000</i> <i>Ordinance of the Ministry of Construction and Transportation No. 290, Articles 57, 58, 59, 60, 61, 62, 63, 65.2, 65.3 of the Enforcement Regulations of the Construction Machinery Management Act, Aug. 4, 2001</i>
<b>Description:</b>	<u>Cross-Border Trade in Services</u>  To engage in construction machine business (i.e., construction machine rental business, construction machine maintenance business, construction machine sales business, and construction machine dismantlement business), a report must be made to the head of the metropolitan city/province. The category of the business to be reported shall be determined by the Presidential Decree, and the person reporting the business must meet all the requirements set out in the <i>Ordinance of the Ministry of Construction and Transportation</i> . Persons failing to meet the requirements must discontinue its business, if the lacking requirements are not supplemented within a period of one month. All matters related to reporting procedures and issuance of report certificates are determined in accordance with the <i>Ordinance of the Ministry of Construction and Transportation</i> .
<b>Phase-out:</b>	None

**Sector:** Education Services

**Sub-sector:**

**Industry Classification:** CPC 92 Education Services

**Type of Reservation:** Senior Management and Boards of Directors (Article 10.8)

**Measure:** *Law No. 5345, Article 21 of the Private School Act, Aug. 22, 1997*

**Description:** Investment

50 per cent or more of the members of the board of directors of private schools must be composed of Korean citizens. Provided that foreign nationals or foreign legal entities contributed to one half or more of the basic property of a university, the board may be composed of foreign nationals less than two-thirds of total members.

**Phase-out:** None

<b>Sector:</b>	Electric Energy
<b>Sub-sector:</b>	Electric Power Generation Other Than Nuclear Power Generation Electric Power Transmission and Distribution
<b>Industry Classification:</b>	CPC 17100 Electrical Energy CPC 88700 Services Incidental to Energy Distribution
<b>Type of Reservation:</b>	National Treatment (Article 10.3)
<b>Measure:</b>	<i>Law No. 5254, Article 203 of the Securities and Exchange Act, Jan. 13, 1997</i> <i>Presidential Decree No. 15687, Article 87.2 of its Enforcement Decree, Feb. 24, 1998</i> <i>Law No. 5559, Article 4 of the Foreign Investment Promotion Act, Sept. 16, 1998</i> <i>Presidential Decree No. 17474, Article 5 of its Enforcement Decree, Dec. 31, 2001</i> <i>Regulations No. 99-58, Article 5 of the Regulations on Foreign Investment and Technology Inducement, March 14, 2001</i>
<b>Description:</b>	<u>Investment</u>  Foreign investors are prohibited from holding more than 40 per cent of shares or stocks of Korea Electric Power Corporation (hereinafter “KEPCO”) or be the largest shareholder of KEPCO.  Foreign investment in power transmission, distribution and sales businesses is permitted, only when the FDI ratio is less than 50 per cent. The largest shareholder of the company must be a Korean citizen.
<b>Phase-out:</b>	None

<b>Sector:</b>	Environmental Services
<b>Sub-sector:</b>	Air Quality Monitoring/Control Water Quality Monitoring Waste Water (Sewage) Treatment Waste Collection/Disposal Services Noise Vibration Monitoring and Abatement Environmental Impact Assessment Toxic Chemical Dealing Services
<b>Industry Classification:</b>	CPC 94 Sewage and Refuse Disposal, Sanitation and Other Environmental Protection Services CPC 51330 Construction Work for Civil Engineering CPC 83101 Leasing or Rental Services without Operator
<b>Type of Reservation:</b>	Local Presence (Article 11.4)
<b>Measure:</b>	<i>Law No. 6654, Article 43 of the Water Quality Preservation Act, Feb.4, 2002</i> <i>Law No. 6590, Articles 15, 17, 18 of the Act relating to Environmental Technology Support &amp; Development, Feb.3, 2000</i> <i>Law No. 6656, Article 40 of the Air Quality Preservation Act, Feb.4, 2002</i> <i>Law No. 6095, Article 8 of the Environmental Impact Assessment Act on Environment, Transportation and Natural Disaster, Dec. 31, 1999</i> <i>Law No. 6656, Articles 35, 38 of the Act relating to the Treatment of Sewage, Night Soil, and Livestock Wastewater, Feb.4, 2002</i> <i>Law No. 6153, Article 15 of the Toxic Chemicals Control Act, Jan. 12, 2000</i> <i>Law No. 6627, Article 26 of the Waste Management Act, Jan. 26, 2002</i> <i>Law No. 5915, Article 37 of the Act relating to the Prevention of Sea Contamination, Feb. 8, 1999</i> <i>Law No. 6226, Article 40 of the Act on Special Measures for the Deregulation of Corporative Activities, Jan. 28, 2000</i>
<b>Description:</b>	<u>Cross-Border Trade in Services</u>  A person that intends to provide environmental services, set out in this sub-sector and industry classification, in Korea is required to obtain a certificate of qualification and to register with the Minister of Environment or the head of the metropolitan city or province pursuant to relevant Korean law.
<b>Phase-out:</b>	None

<b>Sector:</b>	Gas Industry
<b>Sub-sector:</b>	
<b>Industry Classification:</b>	CPC 12020 Natural Gas, Liquefied or in the Gaseous State CPC 7131 Transport Services via Pipeline of Petroleum and Natural Gas
<b>Type of Reservation:</b>	National Treatment (Article 10.3)
<b>Measure:</b>	<i>Law No. 5379, Article 19 of the Act on Business Restructuring and Privatization of Government-Invested Enterprise, Aug. 28, 1997</i>
<b>Description:</b>	<u>Investment</u>  The ceiling rate of foreign ownership for the Korea Gas Corporation (KOGAS), in aggregate, is 30 per cent.
<b>Phase-out:</b>	None

**Sector:** Manufacture of Chemical Products

**Sub-sector:** Manufacture of Biological Products

**Industry Classification:** KSIC 24212 Manufacture of Biological Products

**Type of Reservation:** Performance Requirements (Article 10.7)

**Measure:** *Law No. 4486, Article 34 of the Pharmaceutical Affairs Act, Dec. 31, 1991*  
*Ministry of Health and Social Welfare Decree No. 933, Article 21 of the Enforcement Decree of the Act, Nov. 5, 2002*

**Description:** Investment  
Manufactures of blood products must receive supplies of raw blood materials through a contract with the Korean National Red Cross.

**Phase-out:** None

<b>Sector:</b>	News Agency Services
<b>Sub-sector:</b>	News Agency Services to Newspaper and Periodicals
<b>Industry Classification:</b>	CPC 32300 Newspapers, Journals and Periodicals, appearing at least four times a week CPC 32400 Newspapers, Journals and Periodicals, appearing less than four times a week
<b>Type of Reservation:</b>	National Treatment (Article 10.3) Senior Management and Boards of Directors (Article 10.8)
<b>Measure:</b>	<i>Law No.5926, Article 9 of the Act on Registration of Periodicals, Feb. 8, 1999</i>
<b>Description:</b>	<p><u>Investment</u></p> <p>Any person that falls under any of the following categories is not eligible to be a publisher or editor of a periodical in Korea:</p> <ul style="list-style-type: none"> <li>(a) a person who is not a citizen of Korea; or</li> <li>(b) a person who has no domicile in the territory of Korea.</li> </ul> <p>A foreign government, foreign corporation or organization or legal entity or organization in which a person falling under (a) or (b) in the above paragraph acts as its representative may not publish periodicals, unless such periodicals are published for the sole purpose of disseminating to its members.</p> <p>A foreign person that owns stocks or shares more than the following ratios may not be eligible to publish periodicals in Korea:</p> <ul style="list-style-type: none"> <li>(a) daily newspaper: 30 per cent</li> <li>(b) news agency: 25 per cent</li> <li>(c) other periodicals except daily newspaper and news agency: 50 per cent</li> </ul>
<b>Phase-out:</b>	None

<b>Sector:</b>	Other Business Services
<b>Sub-sector:</b>	Advertising
<b>Industry Classification:</b>	CPC 87190 Other Advertising Services
<b>Type of Reservation:</b>	Senior Management and Boards of Directors (Article 10.8)
<b>Measure:</b>	<i>Law No. 6139, Article 13 of the Broadcasting Act, March 13, 2000</i>
<b>Description:</b>	<u>Investment</u>  Only Korean citizens are eligible to become a representative or chief programmer of an electric billboard operator in Korea.  A representative of a foreign legal entity or organization may not become a representative or chief programmer of an electric billboard operator.
<b>Phase-out:</b>	None

<b>Sector:</b>	Professional Services
<b>Sub-sector:</b>	Accounting, Taxation, Labor Affairs Consulting Services
<b>Industry Classification:</b>	CPC 862 Accounting, Auditing and Book-keeping Services CPC 863 Taxation Services
<b>Type of Reservation:</b>	Local Presence (Article 11.4)
<b>Measure:</b>	<i>Law No. 5255, Articles 7, 10, 12 of the Certified Public Accountant Act, Jan, 13, 1997</i> <i>Law No. 4984, Articles 7, 9 of the Customs Broker Act, Dec. 6, 1995</i> <i>Law No. 5887, Article 5 of the Certified Labor Affairs Consultant Act, Feb. 8, 1999</i> <i>Law No. 6778, Articles 6, 7, 8, 13 of the Certified Tax Attorney Act, Dec. 18, 2002</i> <i>Law No. 6753, Articles 5, 6 of the Patent Attorney Act, Nov. 12, 1999</i>
<b>Description:</b>	<u>Cross-Border Trade in Services</u>  A certified public accountant, customs broker, tax attorney, patent attorney, or labor affairs consultant must undergo appropriate training for a certain period, as set out in the Presidential Decree to conduct business in Korea.  In addition, public accountants and certified tax attorneys are required to register with the Minister of Finance and Economy, certified labor affairs consultant with the Minister of Labor, customs brokers with the Commissioner of Korea Customs Service, and patent attorneys with the Commissioner of Korea Industrial Property Office.
<b>Phase-out:</b>	None

<b>Sector:</b>	Professional Services
<b>Sub-sector:</b>	Proprietor of Engineering Activities
<b>Industry Classification:</b>	CPC 8672 Engineering Services CPC 8673 Integrated Engineering Services
<b>Type of Reservation:</b>	Local Presence (Article 11.4)
<b>Measure:</b>	<i>Law No. 6535, Article 4 of the Engineering Technology Promotion Act, Dec. 19, 2001</i> <i>Law No. 6567, Article 6 of the Professional Engineers Act, Dec. 31, 2001</i>
<b>Description:</b>	<u>Cross-Border Trade in Services</u>  A person that holds a professional engineering license issued in Korea and intends to work in the field of engineering in Korea is required to establish an office in the territory of Korea and register with the Minister of Science and Technology.
<b>Phase-out:</b>	None

<b>Sector:</b>	Real Estate Services
<b>Sub-sector:</b>	Real Estate Services on a Fee or Contract Basis
<b>Industry Classification:</b>	CPC 8220 Real Estate Services on a Fee or Contract Basis
<b>Type of Reservation:</b>	Local Presence (Article 11.4)
<b>Measure:</b>	<p><i>Law No. 6237, Articles 18, 19 of the Public Notice of Values and Appraisal of Land Act, Jan. 28, 2000</i></p> <p><i>Presidential Decree No. 16814, Articles 27, 29, 30, 31 of its Enforcement Decree, May 16, 2000</i></p> <p><i>Ordinance of the Ministry of Construction and Transportation No. 239, Articles 11, 13, 14 of its Enforcement Regulations, May 27, 2000</i></p> <p><i>Law No. 6236, Article 4 of the Real Estate Brokerage Act, Jan. 28, 2000</i></p> <p><i>Presidential Decree No. 16837, Articles 3, 5 of its Enforcement Decree, June 7, 2000</i></p> <p><i>Ordinance of the Ministry of Construction and Transportation No. 250, Article 2 of its Enforcement Regulations, July 29, 2000</i></p>
<b>Description:</b>	<p><u>Cross-Border Trade in Services</u></p> <p>A person that holds a real estate broker license issued in Korea and intends to establish a business must register with the head of the city, county or district where the intended office will be located. The standard (requirement) for registration includes, <i>inter alia</i>, the requirement to own, or have access to, an office of services.</p> <p>A person that holds a public appraisal license issued in Korea and intends to engage in a real estate appraisal services must register with the Minister of Construction and Transportation. To engage in a real estate appraisal service in the form of a legal entity, the person must obtain approval from the Minister of Construction and Transportation. The standard (requirement) for registration or authorization includes, <i>inter alia</i>, the requirement to own, or have access to, an office of services.</p>
<b>Phase-out</b>	None

<b>Sector:</b>	Supporting and Auxiliary Transport Services
<b>Sub-sector:</b>	Freight Transport Agency Services
<b>Industry Classification:</b>	CPC 74800 Freight Transport Agency Services
<b>Type of Reservation:</b>	Local Presence (Article 11.4)
<b>Measure:</b>	<p><i>Law No. 6731, Article 21 of the Trucking Transport Business Act, Aug. 26, 2002</i></p> <p><i>Presidential Decree No. 15633, Article 13 of its Enforcement Decree, Feb. 17, 1998</i></p> <p><i>Ordinance of the Ministry of Construction and Transportation No. 304, Articles 34, 35, 36, 38 of the Enforcement Regulations of the Trucking Transport Business Act, Nov. 30, 2001</i></p> <p><i>Law No. 6364, Article 3 of the Rail Freight Forwarding Business Act, Jan. 16, 2001</i></p> <p><i>Presidential Decree No. 17194, Articles 2, 3 of the Enforcement Decree of the Rail Freight Forwarding Business Act, April 9, 2001</i></p>
<b>Description:</b>	<p><u>Cross-Border Trade in Services</u></p> <p>To provide motor-freight forwarding services, registration with the head of the metropolitan city/province is required. Any modifications to the content of the registration must be reported to the aforementioned authority.</p> <p>Requirements for registration of the motor-freight forwarding services, including size of the office, capital, and estimated amount of assets, shall be determined by the <i>Ordinance of the Ministry of Construction and Transportation</i>.</p> <p>“Rail freight forwarding business” means such business activities for transporting freights via rail as an agent or receiving freights transported via rail, collecting or delivering freights transported via rail, transporting freights using rail, or loading or unloading freights transported via rail onto to or from trains. To provide rail freight forwarding business, registration with the Administrator of the Korea National Railroad Administration is required. Requirements for registration, including capital, facilities and equipment, are as set out in the <i>Enforcement Decree of the Rail Freight Forwarding Business Act</i>.</p>
<b>Phase-out:</b>	None

**Sector:** Tobacco Products

**Sub-sector:**

**Industry Classification:** CPC 250 Tobacco Products

**Type of Reservation:** National Treatment (Article 10.3)

**Measure:** *Law No. 5379, Article 19 of the Act on Business Restructuring and Privatization of Government-invested Enterprise, Aug. 28, 1997*

**Description:** Investment

Foreign nationals or foreign legal entities may not hold more than 49 per cent of the total issued stocks of Korea Tobacco and Ginseng (KT&G).

**Phase-out:** The existing 49 per cent limitation of ownership imposed on foreign investors shall be abolished by March 2003.

<b>Sector:</b>	Transport Services
<b>Sub-sector:</b>	Air Transport Services
<b>Industry Classification:</b>	CPC 731, 732, 734 Air Transport Services
<b>Type of Reservation:</b>	National Treatment (Article 10.3) Senior Management and Boards of Directors (Article 10.8)
<b>Measure:</b>	<i>Law No. 6656</i> Articles 3, 6, 112, 114, 132 of the <i>Aviation Act</i> , Feb. 4, 2002
<b>Description:</b>	<p><u>Investment</u></p> <p>The following persons, as set out in paragraph 1 of Article 6 of the <i>Aviation Act</i>, are not eligible to provide scheduled and non-scheduled services, either domestically or internationally:</p> <ul style="list-style-type: none"> <li>(a) a person who is not a citizen of Korea;</li> <li>(b) a foreign government or foreign public organization;</li> <li>(c) a foreign corporation or organization;</li> <li>(d) a corporation, in which not less than 50 per cent of its stocks or shares are owned by any person falling under (a) through (c), or which is de facto controlled by such a person; and</li> <li>(e) a corporation whose representative is a foreign national, or half or more of whose officers are foreign nationals.</li> </ul> <p>Regulations under the <i>Aviation Act</i> also require that anyone with the authority to operate an aircraft must register his or her aircraft in Korea. Registration is not permitted to any person that falls under (a) through (e).</p>
<b>Phase-out:</b>	None

<b>Sector:</b>	Transport Services
<b>Sub-sector:</b>	Air Transport Services
<b>Industry Classification:</b>	Specialty Air Services, Glider Towing, Parachute Jumping, Aerial Construction, Heli-Logging, Aerial Sightseeing
<b>Type of Reservation:</b>	National Treatment (Article 10.3) Local Presence (Article 11.4)
<b>Measure:</b>	<i>Law No. 6656</i> Articles 3, 6, 25, 29, 134 of the <i>Aviation Act</i> , Feb. 4, 2002 <i>Ordinance of the Ministry of Construction and Transportation No. 333</i> , Articles 298, 299-2, 302 of its <i>Enforcement Regulations</i> , Sept. 30, 2002
<b>Description:</b>	<p><u>Cross-Border Trade in Services and Investment</u></p> <p>To provide specialty air services, glider towing, parachute jumping, aerial construction, heli-logging, and aerial sightseeing services, registration with the Minister of Construction and Transportation is required. The Minister will grant authority to provide such services, subject to compliance with the standards (requirements) set out in Article 134 of the <i>Aviation Act</i> and relevant Articles of the <i>Ordinance of the Ministry of Construction and Transportation</i> that include, <i>inter alia</i>, the requirement to own or have access to a hangar which can cover entirely the largest aircraft in use by the operator.</p> <p>Regulations under the <i>Aviation Act</i> also require that any person with the authority to operate an aircraft must register his or her aircraft in Korea. Registration of the aircraft is not permitted to those that fall under the following categories, as set out in paragraph 1 of Article 6:</p> <ul style="list-style-type: none"> <li>(a) a person who is not a citizen of Korea;</li> <li>(b) a foreign government or foreign public organization;</li> <li>(c) a foreign corporation or organization;</li> <li>(d) a corporation, in which not less than 50 per cent of shares or stocks of which are owned by any person falling under (a) through (c), or which is de facto controlled by such a person; and</li> <li>(e) a corporation whose representative is a foreign national, or half or more of whose officers are foreign nationals.</li> </ul>
<b>Phase-out:</b>	None

<b>Sector:</b>	Transport Services
<b>Sub-sector:</b>	Road Transport Services
<b>Industry Classification:</b>	CPC 7121 Other Scheduled Passenger Transportation CPC 7122 Other Non-scheduled Passenger Transportation CPC 7123 Freight Transportation
<b>Type of Reservation:</b>	Local Presence (Article 11.4)
<b>Measure:</b>	<i>Law No. 6655, Articles 5, 6 of the Passenger Transport Service Act, Feb. 4, 2002</i> <i>Presidential Decree No. 17622, Article 26 of its Enforcement Decree, June 3, 2002</i> <i>Ordinance of the Ministry of Construction and Transportation No. 316, Articles 3, 8, 10, 12, 14, 15, 16, 17, 20, 21, 22 of its Enforcement Regulations, May 24, 2002</i> <i>Law No. 6731, Article 3 of the Trucking Transport Business Act, Aug. 26, 2002</i> <i>Presidential Decree No. 15633, Article 13 of its Enforcement Decree, Feb 17, 1998</i> <i>Ordinance of the Ministry of Construction and Transportation No. 304, Articles 4, 5, 6, 7, 11, 13 of its Enforcement Regulations, Nov. 30, 2001</i>
<b>Description:</b>	<u>Cross-Border Trade in Services</u>

For the provision of road passenger transportation services, a person must, depending on the type of transportation services to be provided, obtain either a license from the head of the metropolitan city/province, where the main office is to be located, or register with the head of the aforementioned authority. In the case of express bus transport services, however, a license from the Minister of Construction and Transportation is required. Intra-city buses, rural buses and taxi transport services are only permitted to operate within the jurisdiction of the license-issuing authority. The standard (requirement) for licensing or registration is as set out in the *Ordinance of the Ministry of Construction and Transportation*.

For the provision of road cargo transportation services, registration with the head of the metropolitan city/province, where the main office is to be located, is required. To operate the services outside the main area of registry, an operating office must be established in that particular area. The standard (requirement) for licensing or registration is as set out in the *Ordinance of the Ministry of Construction and*

*Transportation.*

**Phase-out:**

None

<b>Sector:</b>	Transport Services
<b>Sub-sector:</b>	Supporting Services for Air Transport
<b>Industry Classification:</b>	CPC 7469 Other Supporting Services for Air Transport CPC 8868 Maintenance and Repair of Aircraft
<b>Type of Reservation:</b>	Local Presence (Article 11.4)
<b>Measure:</b>	<i>Law No. 6656</i> Articles 25, 137 of the <i>Aviation Act</i> , Feb. 4, 2002 <i>Ordinance of the Ministry of Construction and Transportation No.333</i> , Articles 304, 305 of its <i>Enforcement Regulations</i> , Sept. 30, 2002
<b>Description:</b>	<u>Cross-Border Trade in Services</u>  For the provision of aircraft maintenance, repair and overhaul (MRO) services, registration with the Minister of Construction and Transportation is required. The Minister will grant authority to provide such services, subject to compliance with the standards (requirements) set out in Article 137 of the <i>Aviation Act</i> and the relevant Articles of the <i>Ordinance of the Ministry of Construction and Transportation</i> which include, <i>inter alia</i> , the requirement to own or have access to equipment and facilities necessary for the provision of MRO activities.
<b>Phase-out:</b>	None

<b>Sector:</b>	Transportation
<b>Sub-sector:</b>	Water Transportation
<b>Industry Classification:</b>	CPC 721      Transportation Services by Sea-Going Vessels CPC 745      Supporting Services for Transportation
<b>Type of Reservation:</b>	National Treatment (Articles 10.3, 11.3) Local Presence (Article 11.4)
<b>Measure:</b>	<i>Law No. 5972</i> Articles 2,6 of the <i>Ships Act</i> , April 15, 1999 <i>Law No.6193</i> Article 4 of the <i>Foreign Investment Promotion Act</i> , Jan. 21, 2000 <i>Law No. 5917</i> Articles 6, 20 of the <i>Pilotage Act</i> , Feb. 8, 1999 <i>Law No. 5973</i> Article 104 of the <i>Seaman Act</i> , April 15, 1999 <i>Law No. 5971</i> Articles 15, 16 of the <i>Ship Safety Act</i> , April 15, 1999
<b>Description:</b>	<u>Cross-Border Trade in Services and Investment</u>

Only vessels owned by a Korean citizen, a legal entity established in accordance with relevant Korean regulations, and a legal entity that is represented by a Korean citizen and has established its principal office in the territory of Korea, may be registered in Korea.

Cabotage is reserved for Korean vessels. However, a foreign national or legal entity may, until unification in the Korean peninsula, engage in coastwise transport activities, provided that:

- (a) the activities involve inter-Korean transportation of passengers and freight;
- (b) the business is established in the form of a joint venture undertaken with Korean shipping companies; and
- (c) the ratio of shares or stocks owned by the foreign national or foreign legal entity is less than 50 per cent of the total shares or stocks of the joint venture.

Only a Korean citizen is eligible to be a maritime pilot. In the case a vessel, which is not registered in Korea and weighs five hundred tons or more, is in operation within the piloting area designated by the *Ordinance of the Ministry of Maritime Affairs and Fisheries*, the captain of the vessel must bring a maritime pilot on board and allow him/her to pilot the ship.

Only Korean citizens are eligible to be ship captains of a Korean vessel and must be approved as such by the competent authorities of Korea. Korean citizens registered with the competent authorities may become officers and crewmembers of Korean vessels. But, for foreign crewmembers, up to six foreign nationals, may board a Korean vessel, provided that they are registered with the competent authorities in Korea.

Only Korean natural or juridical persons may engage in activities concerning salvage of wrecked ships or dismantling of ships.

**Phase-out:** None

<b>Sector:</b>	Transportation (Road)
<b>Sub-sector:</b>	Maintenance and Repair, Sales and Disassembly of Automobile
<b>Industry Classification:</b>	CPC 61120 Maintenance and Repair Services of Motor Vehicles CPC 8868 Repair Services of Other Transport Equipment
<b>Type of Reservation:</b>	Local Presence (Article 11.4)
<b>Measure:</b>	<i>Law No. 6730, Article 53 of the Automobile Management Act, Aug. 26, 2002</i> <i>Presidential Decree No. 17286, Articles 11, 12 of the Enforcement Decree of the Automobile Management Act, June 30, 2001</i> <i>Ordinance of the Ministry of Construction and Transportation No. 283, Article 111 of the Enforcement Regulations of the Automobile Management Act, June 30, 2001</i>
<b>Description:</b>	<u>Cross-Border Trade in Services</u>  Registration with the head of the city, county or district is required to engage in an automobile management business (i.e., automobile transaction business, automobile maintenance business, automobile scrapping business). Modifications, except for minor ones, made to the content of registration must also be reported to the head of the aforementioned authority. Matters regarding the registration standards and procedures shall be determined by the <i>Ordinance</i> of the metropolitan city/province.  In addition, the head of the city, county or district may restrict or impose conditions to the registrations, when he or she acknowledges the need to take into account the local conditions, such as traffic and environmental pollution, or other reasons for the public good.  Automobile management business may be classified into several categories in accordance with the <i>Enforcement Decree of the Automobile Management Act</i> .
<b>Phase-out:</b>	None