

ANNEX II

EXPLANATORY NOTES

1. The Schedule of a Party to this Annex sets out, in accordance with Article 9.7 (Non-Conforming Measures) and Article 14.14 (Non-Conforming Measures), the specific sectors, sub-sectors or activities for which that Party may maintain existing, or adopt new or more restrictive, measures that do not conform with obligations imposed by:

- (a) Article 9.3 (National Treatment) or Article 14.4 (National Treatment);
- (b) Article 9.4 (Most-Favoured-Nation Treatment) or Article 14.5 (Most-Favoured-Nation Treatment);
- (c) Article 9.5 (Market Access);
- (d) Article 9.6 (Local Presence);
- (e) Article 14.6 (Prohibition of Performance Requirements);
- (f) Article 14.10 (Senior Management and Boards of Directors);

2. Each Schedule entry sets out the following elements:

- (a) **Sector** refers to the sector for which the entry is made;
- (b) **Sub-Sector**, where referenced, refers to the specific sub-sector for which the entry is made;
- (c) **Industry Classification**, where referenced, refers to the activity covered by the non-conforming measure, according to the provisional CPC codes as used in the Provisional Central Product Classification (Statistical Papers Series M No. 77, Department of International Economic and Social Affairs, Statistical Office of the United Nations, New York, 1991);
- (d) **Obligations Concerned** specifies the obligations referred to in paragraph 1 that, in accordance with Article 14.14 (Non-Conforming Measures) and Article 9.7 (Non-Conforming Measures), do not apply to the sectors, sub-sectors or activities listed in the entry;

(e) **Description** sets out the scope or nature of the sectors, sub-sectors or activities covered by the entry to which the reservation applies; and

(f) **Existing Measures**, where specified, identifies, for transparency purposes, a non-exhaustive list of existing measures that apply to the sectors, sub-sectors or activities covered by the entry.

3. In accordance with Article 9.7 (Non-Conforming Measures) and Article 14.14 (Non-Conforming Measures), the articles of this Agreement specified in the **Obligations Concerned** element of an entry do not apply to the sectors, sub-sectors and activities identified in the **Description** element of that entry.