

Draft as of 1/10/06
Subject to legal review for accuracy, clarity, and consistency.

ANNEX II

1. The Schedule of a Party to this Annex sets out, pursuant to Articles 10.13 (Non-Conforming Measures) and 11.6 (Non-Conforming Measures), the specific sectors, subsectors, 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 10.3 or 11.2 (National Treatment);
- (b) Article 10.4 or 11.3 (Most-Favored-Nation Treatment);
- (c) Article 11.5 (Local Presence);
- (d) Article 10.8 (Performance Requirements);
- (e) Article 10.9 (Senior Management and Boards of Directors); or
- (f) Article 11.4 (Market Access).

2. Each Schedule entry sets out the following elements:

- (a) **Sector** refers to the sector for which the entry is made;
- (b) **Obligations Concerned** specifies the article(s) referred to in paragraph 1 that, pursuant to Articles 10.13.2 (Non-Conforming Measures) and 11.6.2 (Non-Conforming Measures), do not apply to the sectors, subsectors, or activities scheduled in the entry;
- (c) **Description** sets out the scope of the sectors, subsectors, or activities covered by the entry; and
- (d) **Existing Measures** identifies, for transparency purposes, existing measures that apply to the sectors, subsectors, or activities covered by the entry.

3. In accordance with Article 10.13.2 (Non-Conforming Measures) and 11.6.2 (Non-Conforming Measures), the articles of this Agreement specified in the **Obligations Concerned** element of an entry do not apply to the sectors, subsectors, and activities identified in the **Description** element of that entry.