ANNEX II

EXPLANATORY NOTES

1. The Schedule of a Party to this Annex sets out, pursuant to Article 8.12 (Non-Conforming Measures) and Article 9.7 (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 8.4 (National Treatment) or Article 9.3 (National Treatment);

   (b) Article 8.5 (Most-Favoured-Nation Treatment) or Article 9.4 (Most-Favoured-Nation Treatment);

   (c) Article 8.10 (Performance Requirements);

   (d) Article 8.11 (Senior Management and Boards of Directors);

   (e) Article 9.5 (Market Access); or

   (f) Article 9.6 (Local Presence).

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 subsector for which the entry is made;

   (c) **obligations concerned** specifies the obligations referred to in paragraph 1 that, pursuant to Article 8.12.2 (Non-Conforming Measures) and Article 9.7.2 (Non-Conforming Measures), do not apply to the sectors, subsectors or activities listed in the entry;

   (d) **description** sets out the scope or nature of the sectors, subsectors or activities covered by the entry to which the reservation applies; and

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

3. In accordance with Article 8.12.2 (Non-Conforming Measures) and Article 9.7.2 (Non-Conforming Measures), the articles of this Agreement specified in the obligations

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concerned element of an entry do not apply to the sectors, subsectors and activities identified in the description element of that entry.