

ANNEX I EXPLANATORY NOTES

1. The Schedule of a Party to this Annex sets out, pursuant to Articles 8.13 (Non-Conforming Measures) and 9.6 (Non-Conforming Measures), the Party's existing measures that are not subject to some or all of the obligations imposed by:

- (a) Article 8.3 (National Treatment) or 9.2 (National Treatment);
- (b) Article 8.4 (Most-Favored-Nation Treatment) or 9.3 (Most-Favored-Nation Treatment);
- (c) Article 9.5 (Local Presence);
- (d) Article 8.9 (Performance Requirements);
- (e) Article 8.10 (Senior Management and Boards of Directors); or
- (f) Article 9.4 (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 8.13.1(a) and 9.6.1(a), do not apply to the non-conforming aspects of the law, regulation, or other measure, as set out in paragraph 3;
- (c) **Measures**¹ identifies the laws, regulations, or other measures for which the entry is made. A measure cited in the **Measures** element:
 - (i) means the measure as amended, continued, or renewed as of the date of entry into force of this Agreement; and
 - (ii) includes any subordinate measure adopted or maintained under the authority of and consistent with the measure; and
- (d) **Description** sets out commitments, if any, for liberalization on the date of entry into force of this Agreement, and the remaining non-conforming aspects of the measure for which the entry is made.

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

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

¹ For greater certainty, a change in the level of government at which a measure is administered or enforced does not, by itself, decrease the conformity of the measure with the obligations referred to in Article 8.13.1 and Article 9.6.1.

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

4. In accordance with Articles 8.13.1(a) and 9.6.1(a), and subject to Articles 8.13.1(c) and 9.6.1(c), the articles of this Agreement specified in the **Obligations Concerned** element of an entry do not apply to the non-conforming aspects of the law, regulation, or other measure identified in the **Measures** element of that entry.

5. 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 Schedule entry for that measure taken with respect to Article 9.2 (National Treatment), 9.3 (Most-Favored-Nation Treatment), or 9.5 (Local Presence) shall operate as a Schedule entry with respect to Article 8.3 (National Treatment), 8.4 (Most-Favored-Nation Treatment), or 8.9 (Performance Requirements) to the extent of that measure.

6. For greater certainty, Local Presence (Article 9.5) and National Treatment (Article 9.2) are separate disciplines and a measure that is only inconsistent with Local Presence (Article 9.5) need not be reserved against National Treatment (Article 9.2).