

**CHAPTER ON TRADE IN SERVICES  
IN THE REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP (RCEP)**

**Article XX  
Scope**

1. This Chapter shall apply to measures <sup>[CN+, AU+, JP+, KR+, NZ+]</sup> adopted or maintained] by <sup>[IN-]</sup> a Party] <sup>[IN+]</sup> the Parties] affecting trade in services <sup>[JP+, KR+]</sup> by service suppliers of another Party].
- <sup>[CN-, AU-, JP-, NZ-]</sup> 2. For the purposes of this Chapter, measures <sup>[KR+]</sup> adopted or maintained] by a Party means measures <sup>[KR-]</sup> taken] <sup>[KR+]</sup> adopted or maintained] by:
  - (a) central, regional, or local governments and authorities; and
  - (b) non-governmental bodies in the exercise of powers delegated by central, regional, or local governments or authorities.]
- <sup>[CN-, AU-, JP-, KR-, NZ-]</sup> 3. In fulfilling its obligations and commitments under this Chapter, each Party shall take such reasonable measures as may be available to it to ensure their observance by regional and local governments and authorities and non-governmental bodies within its territory.]
4. Notwithstanding paragraph 1, this Chapter shall not apply to measures affecting:
  - (a) <sup>[CN-]</sup> government procurement] <sup>[CN+]</sup> laws, regulations, policies, or procedures of general application governing the procurement by government agencies of services purchased for governmental purposes and not with a view to commercial resale or with a view to use in the supply of services for commercial sale];
  - <sup>[JP-]</sup> (b) subsidies or grants <sup>[CN-, IN-, AU-, KR-, NZ-]</sup> including government-supported loans, guarantees, and insurance,] provided by a Party <sup>[IN+, AU+, KR+, NZ+]</sup> including government supported loans, guarantees and insurance,] <sup>[CN-, AU-, KR-]</sup> or to any conditions attached to the receipt <sup>[IN+, NZ+]</sup> or continued receipt] of such subsidies or grants, whether or not such subsidies or grants are offered exclusively to domestic services, service consumers or service suppliers] <sup>[CN+, NZ+]</sup>, except as provided for in Article X <Subsidies>];
  - <sup>[KR-]</sup> (c) <sup>[KR+]</sup> 5] <sup>[KR+]</sup> This Chapter does not apply to] services supplied in the exercise of governmental authority <sup>[CN-, JP-, KR-]</sup> within the territory of each <sup>[IN-]</sup> respective] Party <sup>[IN-, AU-, NZ-]</sup>, as defined in Article <Definitions><services>, or]] <sup>[KR+]</sup> in a Party's territory. A service supplied in the exercise of governmental authority means any service which is supplied neither on a commercial basis, nor in competition with one or more service suppliers.]
  - <sup>[AS+, IN+]</sup> (d) cabotage in maritime transport services.]
  - <sup>[KR-]</sup> <sup>[AS+]</sup> (e) <sup>[CN+, AU+, NZ+]</sup> (d)] <sup>[IN+]</sup> 5] <sup>[JP+]</sup> (c)] <sup>[IN+]</sup> This Chapter shall not apply to] <sup>[NZ-]</sup> measures affecting natural persons <sup>[JP+]</sup> of a Party] seeking access to the employment market of <sup>[JP-]</sup> a] <sup>[JP+]</sup> another] Party <sup>[IN+]</sup> nor shall it apply to measures pertaining to] <sup>[CN-, AU-]</sup> <sup>[IN-]</sup> <sup>[JP-]</sup>

and]] [JP+:or] measures regarding] citizenship, [JP+, NZ+:nationality or] [IN+:permanent] residence [NZ+:or employment on a permanent basis]];

[AS+:(f) ASEAN is still discussing on Air Transport Services;]

[AU+:(e) measures affecting air transport services, whether scheduled or non-scheduled, including the granting of traffic rights.

Note: In the event of any inconsistency between this Chapter and a bilateral or multilateral air services agreement to which two or more Parties are party, the air services agreement shall prevail in determining the rights and obligations of those Parties that are party to that air services agreement.]

[CN+:3.] [IN+:(b)][JP+:(d)] [CN+:This Chapter shall not apply to] [IN+, JP+:in respect of air transport services,] measures affecting [IN+, JP+:

(a) air] traffic rights[IN+:], however granted; or

[IN+, JP+:(b)] [IN+, JP+:measures affecting] services directly related to the exercise of [IN+, JP+ air] traffic rights[IN+, JP+:], except as provided in paragraph 4.

[KR+:(c) air services, including domestic and international air transportation services, whether scheduled or non-scheduled, and related services in support of air services, other than:]

[KR+:[CN+:[NZ+4.][NZ+:(e)] [NZ+:measures affecting air transport services or related services in support of air services, except that the] [CN+, NZ+:[NZ+This] Chapter shall apply to]] [IN+, JP+:other than] measures affecting:]

[CN+:(a)][IN+, JP+, KR+, NZ+:(i)] aircraft repair and maintenance services [KR+:during which an aircraft is withdrawn from service];

[CN+:(b)][IN+, JP+, KR+, NZ+:(ii)] the selling and marketing of air transport services; [IN+, JP+, KR+:and]

[CN+:(c)][IN+, JP+, KR+, NZ+:(iii)] computer reservation system [IN+, JP+, KR+:("CRS")] services.

[NZ+:(iv) specialty air services;

(v) ground handling services; and

(vi) airport operation services.]

[AU+:(f) measures regarding citizenship, nationality or residence;]

[AU+, KR+:[AU+:(g)][KR+:(d)] financial services, as defined in [AU+:Chapter YY <Financial Services>] [KR+:Article XX.X <Definitions of the Chapter on Financial Services>] except that paragraph [AU+:2] [KR+:3] shall apply where the financial service is supplied by a covered investment that is not a covered investment in a financial institution (as defined in [AU+:the Financial Services Chapter] [KR+:Article XX.X of the Chapter on Financial Services]) in the Party's territory; ]

[CN-][AS+5.][IN+, KR+; 6.][AU+, NZ+; 4.] [AU-, KR-, NZ-; Nothing in] this [AS+; Agreement/]Chapter shall [AU+, KR+, NZ+; not impose any obligation on] [AU-, KR-, NZ-; prevent] a Party [AU+, KR+, NZ+; with respect to a [KR-; person of another] [KR+; national of any other] Party seeking access to its employment market, or employed on a permanent basis in [KR-; that Party] [KR+; its territory], and [KR-; shall] [KR+; does] not confer any right on that [KR-; person] [KR+; national] with respect to that access or employment] [AU-, KR-, NZ-; from applying] [IN-; measures to regulate the entry of] natural persons of the other Parties into, or their temporary stay in, its territory, including those measures necessary to protect the integrity of, and to ensure the orderly movement of natural persons across its borders, provided that such measures are not applied in such a manner as to nullify or impair the benefits accruing to the other Parties under the terms of [IN+; this Chapter as well as the terms of] [AS+; a specific commitment [IN+; specific commitments undertaken]] ;

[IN+; 7. With regard to delivery of services through natural persons, this Chapter shall be read with Chapter <Movement of Natural Persons>.]

## Article XX Definitions

*To be discussed at the later stage*

[AU+, JP+, KR+, NZ+; Such measures include measures [AU+, NZ+; in respect of] [JP+, KR+; affecting]:

- (a) the [AU+, KR+, NZ+; production, distribution, marketing, sale, and delivery] [AU+, NZ+; or] [KR-; supply] of a service;
- (b) the purchase or use of, or payment for, a service;
- (c) the access to and the use of [KR-; services offered to the public generally, including] distribution, transport or telecommunications networks and services [KR-; ] in connection with the supply of a service;
- (d) the presence in its [JP-; territory] [JP+; Area] of a service supplier of [KR-; another] [KR+; any other] Party; and
- (e) the provision of a bond or other form of financial security as a condition for the supply of a service.]

## Article XX National Treatment

ASEAN, China, India, Korea, New Zealand Text (Positive List)

(AU & JP are positively considering)

1. In the sectors inscribed in its Schedule [CN+ of Commitments], and subject to any conditions and qualifications set out therein, [ASEAN+ each] [CN+ a] Party shall accord to services and service suppliers of [AS+; any other] [CN+ IN+ the other] Party, in respect of all measures affecting

the supply of services, treatment no less favourable than that it accords to its own like services and service suppliers.<sup>1</sup>

2. A Party may meet the requirement of Paragraph 1 [ASEAN+ of this Article] by according to services and service suppliers of [ASEAN+ any] [CN+ IN+ the] other Party, either formally identical treatment or formally different treatment to that it accords to its own like services and service suppliers.
3. Formally identical or formally different treatment shall be considered to be less favourable if it modifies the conditions of competition in favour of services or service suppliers of [ASEAN+ the] [IN+ a] Party compared to like services or service suppliers of [ASEAN+ any other] [CN+ the other] [IN+ another] Party.
- [KR+ 4. The treatment to be accorded by a Party under paragraph 1 means, with respect to a regional level of government, treatment no less favourable than the most favourable treatment accorded, in like circumstances, by that regional level of government to service suppliers of the Party of which it forms a part.]

#### Australia, Japan, Korea, New Zealand (Negative List)

1. Each Party shall accord to [KR- services and] service suppliers of [KR- another] [KR+ any other] Party, treatment no less favourable than that it accords [JP- in like circumstances] to its own [JP+ like] [KR- services and] service suppliers.

[JP+ Note: Nothing in this Article shall be construed to require a Party to compensate for any inherent competitive disadvantages which result from the foreign character of the relevant services or service suppliers.]

- [JP+ 2. A Party shall not invoke paragraph 1 under Chapter <Dispute Settlement> with respect to a measure of another Party that falls within the scope of an international agreement between two or more Parties relating to the avoidance of double taxation.]

- [KR+ 3. The treatment to be accorded by a Party under paragraph 1 means, with respect to a regional level of government, treatment no less favourable than the most favourable treatment accorded, in like circumstances, by that regional level of government to service suppliers of the Party of which it forms a part.]

### **Article XX Market Access**

#### ASEAN, China, India, Korea, New Zealand (Positive List)

(AU & JP are positively considering)

1. With respect to market access through the modes of supply identified in [ASEAN+, CN-, IN- Article <Definitions><trade in services>][ASEAN-, CN+, IN- the definition of trade in services contained in Article 103][ASEAN-, CN-, IN+ Definitions], [ASEAN+, CN-, IN+ each][ASEAN-, CN+, IN- a] Party shall accord services and service suppliers of any other [ASEAN+, CN+, IN- Party][ASEAN-, CN-, IN+ Parties] treatment

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<sup>1</sup> [AS+, CN+, IN+ Specific commitments assumed under this Article shall not be construed to require any Party to compensate for any inherent competitive disadvantages which result from the foreign character of the relevant services or service suppliers.]

no less favourable than that provided for under the terms, limitations and conditions agreed and specified in its Schedule [ASEAN-, CN+, IN+ of Commitments].<sup>2</sup>

2. In sectors where [ASEAN+, CN-, IN+ market access][ASEAN-, CN+, IN- market-access] commitments are undertaken, the measures which a Party shall not maintain or adopt either on the basis of a regional [ASEAN+, CN-, IN+ subdivision][ASEAN-, CN+, IN- sub-division] or on the basis of its entire territory, unless otherwise specified in its Schedule [ASEAN-, CN-, IN+ of specific commitments], are defined as:
- (a) limitations on the number of service suppliers whether in the form of numerical quotas, monopolies, exclusive service suppliers or the requirements of an economic needs test;
  - (b) limitations on the total value of service transactions or assets in the form of numerical quotas or the requirement of an economic needs test;
  - (c) limitations on the total number of service operations or on the total quantity of services output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test; [CN+, NZ-3]
  - (d) limitations on the total number of natural persons that may be employed in a particular service sector or that a service supplier may employ and who are necessary for, and directly related to, the supply of a specific service in the form of numerical quotas or the requirement of an economic needs test;
  - (e) measures which restrict or require specific types of legal entity or joint venture through which a service supplier may supply a service; and
  - (f) limitations on the participation of foreign capital in terms of maximum percentage limit on foreign shareholding or the total value of individual or aggregate foreign investment.
- [IN+ 3. Each Party shall endeavour to reduce the requirements for a service supplier of the other Parties to establish or maintain a representative office or any form of juridical person or to be resident in its territory, as a condition for through Mode 1 (cross-border supply of a service).]

#### Australia, Japan, Korea, New Zealand (Negative List)

<sup>2</sup> If a Party undertakes a market-access commitment in relation to the supply of a services through the [IN+ cross-border] mode of supply referred to in [CN- [IN+ Article] [IN- <Definitions> <trade in services> (i)] [IN+ [Definitions]] [CN+ subparagraph (a) of the definition of trade in services contained in Article Definition,] and if the cross-border movement of capital is an essential part of the service itself, that Party is thereby committed to allow such movement of capital. If a Party undertakes a market-access commitment [CN+, IN+ in relation to the supply of a service] through the [IN+ commercial presence] mode of supply referred to in [CN- [IN+ Article] [IN- <Definitions> <trade in services> (iii)] [IN+ [Definitions]] [CN- subparagraph (c) of the definition of trade in services contained in Article Definition], it is [ASEAN+, CN-, IN- hereby][ASEAN-, CN+, IN+ thereby] committed to allow related transfers of capital into its territory.

<sup>3</sup> [CN+, NZ- Sub-paragraph 2(c) does not cover measures of a Party which limit inputs for the supply of services.]

No Party [<sup>KR+</sup> shall][<sup>KR+</sup> may] [<sup>KR+</sup> adopt or maintain], either on the basis of [<sup>JP+, KR+</sup> a] regional [<sup>KR+</sup> sub-division][<sup>KR+</sup> subdivision] or on the basis of its entire territory, [<sup>JP+, KR+</sup> adopt or maintain][<sup>JP+, KR+</sup> maintain or adopt] measures that:

- (a) impose limitations on:
  - (i) the number of service suppliers whether in the form of numerical quotas, monopolies, exclusive service suppliers or the requirements of an economic needs test;
  - (ii) the total value of service transactions or assets in the form of numerical quotas or the requirement of an economic needs test;
  - (iii) the total number of service operations or on the total quantity of services output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test;<sup>[KR+:4]</sup> [<sup>AU+, JP+, KR+, NZ+</sup> or][<sup>JP+</sup> Note: This subparagraph does not cover measures of a Party which limit inputs for the supply of services.]
  - (iv) the total number of natural persons that may be employed in a particular service sector or that a service supplier may employ and who are necessary for, and directly related to, the supply of a specific service in the form of numerical quotas or the requirement of an economic needs test; or
- (b) restrict or require specific types of legal entity or joint venture through which a service supplier may supply a service.

#### **Article XX Additional Commitments**

The Parties may negotiate commitments with respect to measures affecting trade in services not subject to scheduling under Article <Market Access> and Article <National Treatment> including those regarding qualifications, standards or licensing matters. Such commitments shall be inscribed in a Party's Schedule [<sup>JP+</sup> of specific commitments in Annex XX].

#### **[<sup>AS+</sup> Article XX Review of Commitments**

The Parties shall enter into successive rounds of negotiations, beginning not later than [X] years from the date of entry into force of this Agreement/Chapter, and periodically thereafter as determined by the [FTA Joint Committee], with a view to further improving specific commitments under this Agreement/Chapter so as to progressively liberalise trade in services among the Parties.]

#### **[<sup>NZ+, JP+, AU+</sup> Article XX Most-Favoured Nation Treatment**

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<sup>4</sup> [<sup>KR+</sup> Clause (iii) does not cover measures of a Party which limit inputs for the supply of services.]

1. In respect of the services sectors and subsectors listed in a Party's Schedule to Annex [Most-Favoured Nation Treatment Sectoral Coverage], and subject to any conditions and qualifications set out therein, each Party shall accord to services and service suppliers of another Party treatment no less favourable than that it accords to like services and service suppliers of any other Party or a non-party.
2. Notwithstanding paragraph 1, each Party reserves the right to adopt or maintain any measure that accords differential treatment to services and service suppliers of any other Party or a non-party under any free trade agreement or multilateral international agreement in force or signed prior to the date of entry into force of this Agreement [<sup>AU+, CN+</sup>, except ASEAN Plus 1 Agreements].
3. For greater certainty, paragraph 2 includes, in respect of agreements on the liberalisation of trade in goods or services or investment, any measures taken as part of a wider process of economic integration or trade liberalisation between the parties to such agreements.]

<sup>AS+, AU+, KR+, NZ+</sup> **Article XX**  
**Schedules of Specific Commitments**

1. Each Party shall set out in a schedule the specific commitments it undertakes under Article <National Treatment>, Article <Market Access> and Article <Additional Commitments>. With respect to sectors where such commitments are undertaken, each schedule shall specify:
  - (a) terms, limitations and conditions on market access;
  - (b) conditions and qualifications on national treatment;
  - (c) undertakings relating to additional commitments;
  - (d) where appropriate, the time-frame for implementation of such commitments; and
  - <sup>AU-, KR-, NZ-</sup>(e) the date of entry into force of such commitments.]
2. Measures inconsistent with both [<sup>AU+, KR+, NZ+</sup>Articles] <Market Access> and <National Treatment> [<sup>AS+</sup>shall be] [<sup>AU-, KR-, NZ-</sup>are] inscribed in the column relating to [<sup>AU+, KR+, NZ+</sup>Article] <Market Access>. [<sup>AS+</sup>In this case,] [<sup>AS+</sup>the] [<sup>AU+, KR+, NZ+</sup>This] inscription [<sup>AS+</sup>will] [<sup>AU+, KR+, NZ+</sup>shall] be considered to provide a condition or qualification to [<sup>AU+, KR+, NZ+</sup>Article] <National Treatment> as well.
- <sup>AU+, KR+, NZ+</sup>3. Each Party shall identify in its schedule sectors or sub-sectors for future liberalisation with an 'FL'. In these sectors and subsectors, any applicable terms, conditions, limitations, qualifications and undertakings referred to in sub-paragraphs (a), (b) and (c) of paragraph 1 shall be limited to measures that a Party maintains on the date of entry into force of this Agreement.
4. If a Party amends a measure referred to in paragraph 3 in a manner that reduces or eliminates the inconsistency of that measure with Articles X <National Treatment>, or X <Market Access>, as it existed immediately before the amendment, or provides further liberalisation under Article X <Additional Commitments>, that Party may not subsequently amend that measure in a way that increases the measure's inconsistency with Articles X

<National Treatment> or X <Market Access> or decreases liberalisation under Article X <Additional Commitments>.

5. Least developed ASEAN Member States are not required to identify sectors or subsectors for future liberalisation under Paragraph 3 but may do so on a voluntary basis.]
6. [AS+:The] Schedules [AU+, KR+, NZ+: of specific commitments] shall be [AS+:annexed to] [AU+, KR+, NZ+:set out in Annex Y <Schedules of Specific Services Commitments> of] this Agreement[AS+:/Chapter and shall form an integral part thereof].]

#### [AS+, CN+, IN+:Article XX Modification of Schedules

1. A Party may modify or withdraw any commitment in its Schedule, at any time after [X] years from the date on which that commitment has entered into force provided that:
  - (a) it notifies the [Committee on Trade in Services] of its intention to modify or withdraw a commitment no later than three months before the intended date of implementation of the modification or withdrawal; and
  - (b) it enters into negotiations with any affected Party to agree to the necessary compensatory adjustment.
2. In achieving a compensatory adjustment, Parties shall ensure that the general level of mutually advantageous commitment is not less favourable to trade than provided for in the Schedules prior to such negotiations.
3. Any compensatory adjustment pursuant to this Article shall be accorded on a non-discriminatory basis to all Parties.
4. If the Parties concerned are unable to reach an agreement on the compensatory adjustment, the matter shall be resolved under the [Agreement/Chapter on Dispute Settlement Mechanism under the Framework Agreement]. The modifying Party may not modify or withdraw its commitment until it has made compensatory adjustments in conformity with the findings of the arbitration.
5. If the modifying Party implements its proposed modification or withdrawal and does not comply with the findings of the arbitration, any Party that participated in the arbitration may modify or withdraw substantially equivalent benefits in conformity with those findings.]

#### Article XX Domestic Regulation

1. [KR+: [AU+, JP+: In sectors where specific commitments are undertaken,] each Party shall ensure that all measures of general application affecting trade in services are administered in a reasonable, objective and impartial manner.]
2. [KR+: [IN+: (a)] Each Party shall maintain or institute as soon as practicable judicial, arbitral or administrative tribunals or procedures which provide, at the request of an affected service



supplier [IN+ of the other Party], for the prompt review of, and where justified, appropriate remedies for, administrative decisions affecting trade in services. Where such procedures are not independent of the agency entrusted with the administrative decision concerned, the Party shall ensure that the procedures in fact provide for an objective and impartial review]

[AU-, KR-, NZ- [ASEAN+, JP+ 3/CN+, IN+ (b)]. [JP- The provisions of] [CN+, IN+ sub-] paragraph [ASEAN+, JP+ 2/CN+, IN+ a] [CN-, IN-, JP- of this Article] shall not be construed to require a [ASEAN+ Member/CN+, IN+, JP+ Party] to institute such tribunals or procedures where this would be inconsistent with its constitutional structure or the nature of its legal system.]

4. With [CN- a view to] [CN+ the objective of] ensuring that [IN+ domestic regulation, including] [JP+ any] measures [JP+ adopted or maintained by a Party] relating to [AU+, JP+, NZ+ the] qualification requirements and procedures, technical standards and licensing requirements [CN-, IN-, JP-, KR- and procedures,] [JP+ of service suppliers of another Party] do not constitute unnecessary barriers to trade in services, [AU-, JP-, KR-, NZ- the Parties shall jointly review the results of the [CN-, IN- WTO] negotiations on disciplines on [CN-, IN- such] [CN+, IN+ these] measures, pursuant to Article VI.4 of GATS, [CN-, IN- and shall amend this Article, as appropriate, after consultations among the Parties,] [CN+, IN+ with a view] to [CN-, IN- bring the results of those negotiations] [CN+, IN+ their incorporation] into [CN-, IN- effect under] this Agreement/Chapter. The Parties note that [CN+, IN+ such] [CN-, IN- the] disciplines [CN-, IN- arising from such negotiations shall] aim to ensure that [CN- qualification requirements and procedures, technical standards and licensing] [CN+, IN+ such] requirements [CN-, IN- and procedures] are, inter alia [KR+ while recognizing the right to regulate and to introduce new regulations on the supply of services in order to meet national policy objectives,] [AU+, JP+, KR+, NZ+ each Party shall [KR+ endeavour to] ensure [KR+, as appropriate for individual sectors,] that [JP- any] such measures [JP- that it adopts or maintains] [KR+ are]]:

(a) [AU+, NZ+ are] [JP+ is] based on objective and transparent criteria, such as competence and the ability to supply the service; [KR+ and]

[KR- (b) [AU, NZ+ are] [JP+ is] not more burdensome than necessary to ensure the quality of the service; [CN+, IN+ and]]

(c) in the case of licensing [AU+, NZ+ and qualification] procedures, [AU+, NZ+ are] [JP+ is] not in [JP- themselves] [JP+ itself] a restriction on the supply of the service.

[AU-, JP-, KR-, NZ- 5. [IN+ Pending the incorporation of disciplines pursuant to paragraph 3, for] [IN- In] sectors [IN- in which] [IN+ where] a Party has undertaken specific commitments [CN-, IN- under Article <National Treatment>, Article 4 <Market Access> and Article <Additional Commitments>,] [IN- pending the incorporation of the disciplines referred to in Paragraph 4 [CN- of this Article]] [IN+ and subject to any terms, limitations, conditions or qualifications set out therein], [IN- that] [IN+ a] Party shall not apply licensing and qualification requirements [IN+ and procedures] and technical standards that nullify or impair [CN- such specific commitments] [CN+ its obligation] [IN- under this Agreement/Chapter] in a manner which:

(a) does not comply with the criteria outlined in Paragraph 4(a), (b) or (c) [CN-, IN- of this Article]; and

(b) could not reasonably have been expected of that Party at the time the specific commitments in those sectors were made]

- [<sup>JP-, KR-</sup>6. In determining whether a Party is in conformity with its obligations under Paragraph 4(a) [<sup>CN-, IN-</sup>of this Article], account shall be taken of international standards of relevant international organisations applied by that Party.<sup>5</sup>]
7. Where [<sup>AU+, JP+, KR+, NZ+</sup>a Party requires] authorisation [<sup>AU-, JP-, KR-, NZ-</sup>is required] for the supply of a service [<sup>AU-, JP-, KR-, NZ-</sup>on which a specific commitment [<sup>CN+</sup>under this Agreement] has been made], [<sup>AU+, JP+, NZ+</sup>it shall ensure that its] [<sup>AU-, JP-, NZ-</sup>the] [<sup>KR+</sup>Party's] competent authorities [<sup>AU-, JP-, NZ-</sup>[<sup>KR-</sup>of [<sup>IN-</sup>that] [<sup>IN+</sup>a] Party] shall:] [<sup>KR+</sup>, within a reasonable time after the submission of an application considered complete under its laws and regulations, inform the applicant of the decision concerning the application. At the request of the applicant, the Party's competent authorities shall provide, without undue delay, information concerning the status of the application. This obligation shall not apply to authorization requirements that a Party adopts or maintains with respect to sectors, sub-sectors, or activities as set out in its Schedule to Annex II.]
- [<sup>KR-</sup>(a) in the case of an incomplete application, at the request of the applicant, [<sup>IN+</sup>promptly] identify [<sup>JP+</sup>, where practicable] all the additional information that is required to complete the application and provide the opportunity to remedy deficiencies within a reasonable timeframe;]
- [<sup>CN-, KR-</sup>(b) within a reasonable period of time after the submission of an application considered complete under domestic laws and regulations, inform the applicant of the decision concerning the application;]
- [<sup>AU+</sup>(c) establish an indicative timeframe for processing of an application;]
- [<sup>JP+</sup>(d) to the extent practicable, establish standard periods of time between the receipt of applications by the competent authorities and the administrative decisions taken in response to submitted applications;]
- [<sup>KR-</sup>(e) at the request of the applicant, provide, without undue delay, information concerning the status of the application [<sup>CN-, IN-, AU-, JP-, NZ-</sup>under consideration]; and]
- [<sup>KR-</sup>(f) if an application is [<sup>AU-, NZ-</sup>terminated] [<sup>AU+, NZ-</sup>rejected] or denied, to the [<sup>JP-</sup>maximum] extent possible, inform the applicant in writing, and without [<sup>AU+, NZ+</sup>undue] delay, the reasons for such action. The applicant will have the possibility of resubmitting, at its discretion, a new application.]
- [<sup>AU-, JP-, KR-, NZ-</sup>8. In sectors where specific commitments regarding professional services are undertaken, each Party shall provide for adequate procedures to verify the competency of professionals of the other Parties [<sup>IN+</sup>in accordance with provisions of sub-paragraph 5].]
- [<sup>AU+, NZ+</sup>9. Each Party shall ensure its competent authorities, where appropriate, accept copies of documents authenticated [<sup>NZ+</sup>in accordance with domestic law,] in place of original documents [<sup>NZ-</sup>to the extent domestic law permits].]

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<sup>5</sup> [<sup>ASEAN+, CN+, IN+</sup> The term "relevant international organisations" refers to international bodies whose membership is open to the relevant bodies of all the Parties.]

- [<sup>AU+, NZ+</sup> 10. If licensing or qualification requirements include the completion of an examination, each Party shall ensure that:
- (a) the examination is scheduled at reasonably frequent intervals;
  - (b) a reasonable period of time is provided to enable interested persons to submit an application.]
- [<sup>AU+, NZ+</sup> 11. Each Party shall ensure that physical presence in the territory of a Party is not required for the submission of an application for a license or qualification.]
- [<sup>AU+, NZ+</sup> 12. Parties shall endeavour to accept applications in electronic format under the equivalent conditions of authenticity as paper submissions.]
- [<sup>AU+, NZ+</sup> 13. Each Party shall ensure that any authorisation fees charged by the competent authority for the completion of relevant application procedures are reasonable, transparent and commensurate with the administrative costs incurred by the authority, including those for activities related to regulation and supervision of the relevant service.]
- [<sup>AU+, NZ+</sup> 14. Each Party shall ensure that procedures exist to verify the competence of professionals of the other Party.]
- [<sup>AU+, NZ+</sup> 15. Subject to its domestic laws and regulations, each Party shall permit service suppliers of the other Parties to use the business names under which they ordinarily trade in the territories of the other Parties and otherwise ensure that the use of business names is not unduly restricted.]
- [<sup>AU+, NZ+</sup> 16. The obligations in paragraphs X to X shall not apply to measures to the extent that they are subject to scheduling under Articles 4 (Market Access) and 5 (National Treatment) in the Party's schedules to Annex X and X.]
- [<sup>JP+</sup> 17. A Party shall, subject to its laws and regulations, permit service suppliers of another Party to use the enterprise names under which they trade in the Area of that other Party and otherwise ensure that the use of enterprise names is not unduly restricted.]
- [<sup>AU+, JP+, KR+, NZ+</sup> 18. If the results of the negotiations related to [<sup>JP+</sup> paragraph 4 of] Article VI [<sup>JP-</sup> (4)] of the GATS (or the results of any similar negotiations undertaken in other multilateral fora in which the Parties participate) enter into effect, [<sup>KR+</sup> the Parties shall jointly review those results with a view to [<sup>JP+</sup> their] incorporation [<sup>JP-</sup> them] into this Agreement, as [<sup>JP-</sup> Parties consider] [<sup>JP+</sup> considered] appropriate [<sup>JP+</sup> by the Parties]] [<sup>KR+</sup> this Article shall be amended, as appropriate, after consultations among the Parties, to bring those results into effect under this Agreement<sup>6</sup>].

## Article XX Transparency

- [<sup>CN+, NZ+, JP+</sup> 1. Consider in light of horizontal provisions.]
- [<sup>CN+</sup> 2. This also can be based on Article III of GATS.]

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<sup>6</sup> [<sup>KR+</sup> For greater certainty, nothing in Article X.7 prejudices each Party's position in any other forum with regard to matters covered by Article X.7.]

[<sup>KR+</sup>TRANSPARENCY IN DEVELOPING AND APPLYING REGULATIONS]<sup>7</sup>

[<sup>AS+</sup>1. The Parties recognise that transparent measures governing trade in services are important in facilitating the ability of service suppliers to gain access to, and operate in, each other' markets. Each Party shall promote regulatory transparency in trade in services.]

[<sup>AS+</sup>Publication]

[<sup>AS+</sup>2.][<sup>IN+, JP+, KR+</sup>1.] Each Party shall [<sup>KR+</sup>establish or maintain appropriate mechanisms for responding to inquiries from interested persons regarding its regulations relating to the subject matter of this Chapter.] [<sup>KR-</sup>[<sup>JP-</sup>publish promptly] [<sup>JP+</sup>promptly publish, or otherwise make publicly available , its laws, regulations, administrative procedures, and administrative rulings and judicial decisions of general application as well as international agreements to which the Party is a party, with respect to any matter covered by this Chapter.] [<sup>JP-</sup>and, except in emergency situations, at the latest by the time of their entry into force]<sup>[<sup>IN-</sup></sup>

- (a) all relevant measures of general application [<sup>IN+</sup>which pertain to or affect the operation of this Chapter.] [<sup>IN-</sup>affecting trade in services; and
- (b) all] international agreements pertaining to, or affecting, trade in services to which a Party is a signatory [<sup>IN+</sup>shall also be published].])

[<sup>AS+</sup>3.][<sup>IN+, JP+</sup>2.] [<sup>IN-</sup>[<sup>JP-</sup>To the extent possible,] each Party shall make [<sup>JP+</sup>easily available to the public the names and addresses of the competent authorities responsible for laws, regulations, administrative procedures and administrative rulings,] [<sup>JP-</sup>the measures and international agreements of the kind] [<sup>IN+</sup>Where publication as]] referred to in Paragraph [<sup>IN-</sup>2 of this Article] [<sup>IN+, JP+</sup>1 [<sup>JP-</sup>is not practicable, such information shall be made otherwise publicly]] [<sup>JP-</sup>available [<sup>IN+</sup>on the internet and, to the extend provided for under its domestic legal framework, in the English language]].

[<sup>AS+</sup>4. Where publication referred to in Paragraphs 2 and 3 of this Article is not practicable, such information<sup>8</sup> shall be made otherwise publicly available.]

[<sup>AS+</sup>5. To the extent provided for under its domestic legal framework, each Party shall endeavour to provide a reasonable opportunity for comments by interested persons of the Parties on measures referred to in Paragraph 2(a) of this Article before adoption.]

[<sup>AS+</sup>Contact Points]

- 1. Each Party shall designate a contact point to facilitate communications among the Parties on any matter covered by this Agreement/Chapter. Upon the request of another Party, the contact point shall:
  - (a) identify the office or official responsible for the relevant matter; and

<sup>7</sup> [<sup>KR+</sup>For greater certainty, "regulations" includes regulations establishing or applying to licensing authorization or criteria at the central, regional, and local levels of government.]

<sup>8</sup> [<sup>AS+</sup>For greater certainty, the Parties agree that such information may be published in each Party's chosen language.]

- (b) assist as necessary in facilitating communications with the requesting Party with respect to that matter.]

[<sup>AS+</sup>:2.][<sup>IN+, JP+</sup>:3.] Each Party shall [<sup>JP+</sup>: upon request by another Party, within a reasonable period of time,] respond [<sup>JP+</sup>: promptly to all requests by [<sup>IN+</sup>: any other] [<sup>IN+</sup>: another] Party for] [<sup>JP+</sup>: to specific [<sup>JP+</sup>: questions from, and provide information to, that other Party with respect to matters referred to in paragraph 1, in the English language.] [<sup>JP+</sup>: information on]<sup>[IN+]</sup>:

- (a) any [<sup>IN+</sup>: of its] measures [<sup>IN+</sup>: of general application] [<sup>IN+</sup>: referred to in Paragraph 2(a) of this Article] or international agreements [<sup>IN+</sup>: within the meaning of paragraph 1. Each Party shall also establish one or more enquiry points to provide specific information to another Party, upon request, on all such matters.] [<sup>IN+</sup>: referred to in Paragraph 2(b) of this Article; and]]

[<sup>JP+</sup>:4. Each Party shall endeavour, to the extent possible, to respond to inquiries from interested persons regarding its regulations relating to the subject matter of this Chapter.]

[<sup>AS+</sup>:(b)][<sup>JP+</sup>:5.] [<sup>JP+</sup>:When introducing or changing its] [<sup>JP+</sup>:any new, or any changes to existing,] laws, regulations or administrative [<sup>JP+</sup>:guidelines which] [<sup>JP+</sup>:procedures that] significantly affect [<sup>JP+</sup>:trade in services covered by the Party's specific commitments under] [<sup>JP+</sup>:the implementation and operation of] this [<sup>JP+</sup>:Agreement/] Chapter [<sup>JP+</sup>: each Party shall endeavour to provide, except in emergency situations, a reasonable interval between the time when such laws, regulations or administrative procedures are published or made publicly available and the time when they enter into force].

[<sup>KR+</sup>:2. If, consistent with paragraphs 2 and 3 of Article XX.2 (Publication of the Chapter on Transparency), a Party does not provide advance notice of and opportunity for comment on regulations it proposes to adopt relating to the subject matter of this Chapter, it shall, to the extent possible, address in writing the reasons for not doing so.

3. To the extent possible, each Party shall allow reasonable time between publication of final regulations relating to the subject matter of this Chapter and their effective date.]

[<sup>AS+, AU+, IN+, CN+, KR+, JP+</sup>: **Article XX**  
**Disclosure of Confidential Information**

Nothing in this Agreement/Chapter shall be construed as requiring a Party to provide to the other Parties confidential information the disclosure of which would impede law enforcement or otherwise be contrary to the public interest or which would prejudice the legitimate commercial interests of particular juridical persons, public or private.]

[<sup>AS+, IN+, CN+, AU+, KR+</sup>: **Article XX**  
**Monopolies and Exclusive Service Suppliers**

1. Each Party shall ensure that any monopoly supplier of a service in its territory does not, in the supply of the monopoly service in the relevant market, act in a manner inconsistent with that Party's obligations under Article <National Treatment> and Article <Market Access>.

2. Where a Party's monopoly supplier competes, either directly or through an affiliated company, in the supply of a service outside the scope of its monopoly rights and which is subject to that Party's specific commitments, the Party shall ensure that such a supplier does not abuse its monopoly position to act in its territory in a manner inconsistent with such commitments.
3. If a Party has a reason to believe that a monopoly supplier of a service of any other Party is acting in a manner inconsistent with Paragraph 1 or 2 of this Article, it may request the Party establishing, maintaining or authorising such supplier to provide specific information concerning the relevant operations.
4. This Article shall also apply to cases of exclusive service suppliers, where a Party, formally or in effect:
  - (a) authorises or establishes a small number of service suppliers; and
  - (b) substantially prevents competition among those suppliers in its territory.]

[<sup>AS+</sup>, <sup>CN+</sup>, <sup>IN+</sup>, <sup>AU\*</sup>: **Article XX**  
**Business Practices**

1. Parties recognise that certain business practices of service suppliers, other than those falling under Article <Monopolies and Exclusive Service Suppliers>, may restrain competition and thereby restrict trade in services.
2. Each Party shall, at the request of any other Party, enter into consultations with a view to eliminating practices referred to in Paragraph 1 of this Article. The Party addressed shall accord full and sympathetic consideration to such a request and shall co-operate through the supply of publicly available non-confidential information available to the requesting Party. The requested Party may also provide other information available to the requesting Party, subject to its domestic law and to the conclusion of satisfactory agreement concerning the safeguarding of its confidentiality by the requesting Party.]

**Article XX**  
**Recognition**

[Note: no text from NZ]

1. For the purposes of the fulfilment, [<sup>IN-</sup> in whole or in part,] of its standards or criteria for the authorisation, licensing or certification of service suppliers, [<sup>IN-</sup> and subject to the requirements of Paragraph 4 [<sup>AS+</sup> of this Article]], a Party [<sup>IN-</sup> may recognise] [<sup>CN+</sup>, or encourage its relevant competent bodies to recognise,] [<sup>IN+</sup> shall give due consideration to any requests by another Party to recognise] the education or experience obtained, requirements met, or licences or certifications granted in [<sup>CN-</sup> <sup>IN-</sup> a particular country] [<sup>CN+</sup> the other Party] [<sup>IN+</sup> such other Party] [<sup>JP+</sup> in another Party]. [<sup>JP-</sup> Such recognition [<sup>IN-</sup>, which may be achieved through harmonization or otherwise,] may be based upon an agreement or arrangement [<sup>AS+</sup> <sup>AU+</sup> <sup>KR+</sup> with the country concerned] [<sup>CN+</sup> between the Parties or their relevant competent bodies] [<sup>IN+</sup> with such other Party], or may be accorded autonomously.]

[<sup>JP+</sup> 2. Recognition referred to in paragraph 1, which may be achieved through harmonization or otherwise, may be based upon an agreement or arrangement between the Parties or may be accorded unilaterally.]

3. AS, CN, AU, KR Text:

A Party that is a party to an agreement or arrangement of the type referred to in Paragraph 1 [<sup>AS+</sup> of this Article], whether existing or future, shall afford adequate opportunity for [<sup>AU+ CN+</sup> the] [<sup>KR+</sup> any] other [<sup>CN-</sup> interested] [Party]/[Parties] [<sup>CN+</sup> , upon request,] [<sup>KR+</sup> , if any other Party is interested,] to negotiate [its]/[their] accession to such an agreement or arrangement or to negotiate [a] comparable one[s] with it. Where a Party accords recognition autonomously, it shall afford adequate opportunity for [<sup>AS+ KR+</sup> any other] [<sup>AU+ CN+</sup> the other] [Party]/[Parties] to demonstrate that education, experience, licences, or certifications obtained or requirements met in that other Party's territory should be recognised.

IN, JP Text & 2<sup>nd</sup> KR Text:

Where a Party recognises, [<sup>KR+</sup> autonomously or] by agreement or arrangement [<sup>JP+</sup> between the Party and a non-Party or unilaterally], the education or experience obtained, requirements met, or licences or certifications granted in the [<sup>IN+ KR+</sup> territory of [<sup>IN+</sup> any other Party or] a] non-party

[<sup>IN+</sup> , that Party shall, upon request by any other Party, afford such other Party adequate opportunity to negotiate its accession to such an agreement or arrangement, whether existing or future, or to negotiate a comparable agreement or arrangement with it. Where a Party accords recognition autonomously, it shall afford adequate opportunity for any other Party to demonstrate that the education or experience obtained, requirements met, or licences or certifications granted in the territory of such other Party should also be recognised.]

[<sup>JP+ KR+</sup> (a) nothing in Article <Most Favoured Nation Treatment> shall be construed to require the Party to accord such recognition to the education or experience obtained, requirements met, or licenses or certifications granted in another Party;] and

[<sup>JP+</sup> (b) the Party shall accord the other Parties an adequate opportunity to demonstrate that the education or experience obtained, requirements met, or licenses or certifications granted in that other Parties should also be recognised.]

4. [<sup>JP+ KR+</sup> No Party] [<sup>JP- KR-</sup> A Party] shall [<sup>JP- KR-</sup> not] accord recognition in a manner which would constitute a means of discrimination between [<sup>AS+</sup> other Parties] [<sup>AS-</sup> countries] in the application of its standards or criteria for the authorisation, licensing or certification of service suppliers, or a disguised restriction on trade in services.

5. [<sup>AS+ AU+</sup> Where appropriate, recognition should be based on multilaterally agreed criteria. In appropriate cases, Parties shall work in cooperation with relevant intergovernmental and non-governmental organisations towards the establishment and adoption of common international standards and criteria for recognition and common international standards for the practice of relevant services trades and professions.]

6. [<sup>IN+</sup> 4. After the entry into force of this Agreement,] [<sup>AS+ IN+</sup> The Parties shall encourage their [<sup>AS+</sup> respective]/[<sup>IN+</sup> relevant] professional bodies [<sup>AS+</sup> or professional regulatory authorities,] in [<sup>AS+</sup> any regulated] services sector of [<sup>AS+</sup> mutual interest] [<sup>IN+</sup> {list of professional service sectors}] to negotiate [<sup>IN+</sup> and conclude, within twelve months of the date of entry into force of this Agreement,] any [<sup>IN+</sup> such agreements or] arrangement[s] [<sup>IN+</sup> providing] [<sup>IN-</sup> for] mutual recognition of [the] education, or experience obtained, [<sup>IN+</sup> qualification]

requirements [<sup>AS+</sup> <sup>IN-</sup> met, or licenses or certifications granted in that service sector, with a view to the achievement of early outcomes. Progress in this regard will be reviewed by the Parties in the course of the review of this Agreement pursuant to Article <Review of Commitments>.] [<sup>IN+</sup> <sup>AS-</sup> and procedures and licensing requirements and procedures. The Parties shall report periodically to the Committee constituted under Article <Committee on Trade in Services> on progress and on impediments experienced.]]

7. [<sup>IN+</sup> In respect of regulated service sectors, other than those mentioned in paragraph 4 above, upon a request being made in writing by a Party to another Party in such sector, the Parties shall encourage that their respective professional bodies negotiate, in that service sector, agreements for mutual recognition of education, or experience obtained, qualifications requirements and procedures, and licensing requirements and procedures in that service sector, with a view to the achievement of early outcomes. The Parties shall report periodically to the [Committee constituted under Article --] on progress and on impediments experienced.]
8. [<sup>IN+</sup> Any delay or failure by professional bodies to reach and conclude agreement on the details of such agreements or arrangements under paras 4 and 5 shall not be regarded as a breach of a Party's obligations under this paragraph and shall not be subject to the Dispute Settlement Chapter of this Agreement. Progress in this regard will be continually reviewed by the Parties in the course of the review of this Agreement. The Parties further agree that they shall not be responsible in any way for the settlement of disputes arising out of or under the agreements or arrangements for mutual recognition concluded by their respective professional, standard-setting or self-regulatory bodies under the provisions of this Article and that the provisions of the Dispute Settlement Chapter shall not apply to disputes arising out of, or under, the provisions of such agreements or arrangements.]
9. [<sup>AU+</sup> Chapter/Annex on Professional Services shall apply to measures adopted or maintained by Parties relating to professional services. As set out in the Chapter/Annex, each Party shall endeavour to facilitate trade in professional services, including through encouraging competent bodies in its territory to enter into negotiations for agreements or arrangements on recognition.]

## Article XX Payments and Transfers

[<sup>AU-</sup>, <sup>KR-</sup>, <sup>NZ-</sup>: 1. Except under the circumstances envisaged in Article [<sup>CN-</sup>, <sup>IN-</sup>, <sup>JP-</sup>: <Restriction to Safeguard the Balance of Payments>][<sup>CN+</sup>: Measures to Safeguard the Balance of Payments][<sup>IN-</sup>: [Restrictions to Safeguard the Balance of Payments][<sup>JP+</sup>: \_\_ (Restrictions to Safeguard the Balance of Payments)][<sup>IN-</sup>:], a Party shall not apply restrictions on international transfers or payments for current transactions [<sup>JP+</sup>: and capital transactions] relating to [<sup>JP-</sup>: its specific commitments][<sup>JP+</sup>: cross-border trade in services].]

[<sup>AU+</sup>, <sup>KR+</sup>, <sup>NZ-</sup>: 1. Each Party shall permit all payments and transfers relating to cross-border [<sup>KR-</sup>: trade in services][<sup>KR+</sup>: supply of services] to be made freely and without delay into and out of its territory[<sup>KR-</sup>:], except where:  
(a) circumstances envisaged in Article (XX) on Restrictions to Safeguard the Balance of Payments; or  
(b) (as provided in paragraph (3)).]



[<sup>AU+</sup>, <sup>KR+</sup>, <sup>NZ-</sup> 2. Each Party shall permit such payments and transfers relating to the cross-border [<sup>KR-</sup> trade in services][<sup>KR+</sup> supply of services] to be made in a freely usable currency at the market rate of exchange prevailing at the time of the [<sup>KR-</sup> payment or][<sup>KR+</sup> time of] transfer.]

[<sup>AU+</sup>, <sup>KR+</sup>, <sup>NZ-</sup> 3. Notwithstanding paragraphs 1 and 2, a Party may prevent or delay a [<sup>KR-</sup> payment or transfer][<sup>KR+</sup> transfer or payment] through the equitable, non-discriminatory, and good faith application of its laws [<sup>KR-</sup> and regulations] relating to:

- (a) bankruptcy, insolvency, or the protection of the rights of creditors;
- (b) issuing, trading, or dealing in securities, futures, options, or derivatives;
- € financial reporting or record keeping of transfers when necessary to assist law enforcement or financial regulatory authorities;
- (d) criminal or penal offences; €(e) ensuring compliance with orders or judgments in judicial or administrative proceedings.]

[<sup>KR-</sup>, <sup>NZ-</sup> [<sup>ASEAN+</sup>, <sup>CN+</sup>, <sup>IN+</sup> 2./<sup>AU+</sup> 4./<sup>JP+</sup> 3.] Nothing in this [<sup>CN-</sup>, <sup>IN-</sup>, <sup>AU-</sup>, <sup>JP-</sup> Agreement/Chapter shall affect the rights and obligations of [<sup>CN-</sup> any of][<sup>AU-</sup> the Parties as members][<sup>AU+</sup>, <sup>JP+</sup> a Party as a member] of the International Monetary Fund under the [<sup>CN-</sup>, <sup>IN-</sup>, <sup>AU-</sup>, <sup>JP-</sup> IMF] Articles of Agreement [<sup>CN+</sup> of the International Monetary Fund ("Articles of Agreement")][<sup>IN+</sup> of the Fund][<sup>AU+</sup>, <sup>JP+</sup> of the International Monetary Fund], including the use of exchange actions which are in conformity with the [<sup>CN-</sup>, <sup>IN-</sup>, <sup>AU-</sup>, <sup>JP-</sup> IMF] Articles of Agreement [<sup>AU+</sup>, <sup>JP+</sup> of the International Monetary Fund], provided that a Party shall not impose restrictions on any capital transactions [<sup>CN-</sup>, <sup>IN-</sup>, <sup>AU-</sup>, <sup>JP-</sup> inconsistent][<sup>CN+</sup>, <sup>IN+</sup>, <sup>AU+</sup>, <sup>JP+</sup> inconsistently] with [<sup>AU-</sup>, <sup>JP-</sup> its specific commitments][<sup>AU+</sup>, <sup>JP+</sup> the obligations under this Chapter] regarding such transactions, except under Article [<sup>CN-</sup>, <sup>IN-</sup>, <sup>AU-</sup>, <sup>JP-</sup> <Restriction to Safeguard the Balance of Payments>][<sup>CN+</sup> Measures to Safeguard the Balance of Payments][<sup>IN+</sup> 16][<sup>AU+</sup> X(Restrictions to Safeguard the Balance of Payments)], [<sup>JP+</sup> (Restrictions to safeguard the Balance of Payments),] or at the request of the [<sup>IN-</sup> International Monetary] Fund.]

**[<sup>AS+</sup>, <sup>CN+</sup>, <sup>JP+</sup> Article XX  
Restriction to Safeguard the Balance of Payments**

Where a Party is in serious balance of payments and external financial difficulties or threat thereof, it may adopt or maintain restrictions on trade in services in accordance with Article XII of the GATS.]

**[<sup>AS+</sup>, <sup>AU+</sup>, <sup>IN+</sup>, <sup>CN+</sup> Article XX  
Safeguard Measures**

1. The Parties note the multilateral negotiations pursuant to Article X of GATS on the question of emergency safeguard measures based on the principle of non-discrimination. Upon the conclusion of such multilateral negotiations, the Parties shall conduct a review for the purpose of discussing appropriate amendments to this Agreement/Chapter so as to incorporate the results of such multilateral negotiations.
2. In the event that the implementation of the commitments made in this Agreement/ Chapter causes substantial adverse impact to a service sector of a Party before the conclusion of the multilateral negotiations referred to in Paragraph 1 of this Article, the affected Party may

request consultations with the other Party or Parties. The requested Party or Parties shall enter into consultations with the requesting Party on the commitments that the requested Party or Parties consider may have caused substantial adverse impact and on the possibility of the requesting Party adopting any measure to alleviate such impact. The requesting Party shall notify all the other Parties of their request for consultations under this Paragraph.]

**[<sup>AS+</sup> Article XX  
General Exceptions**

Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between Parties where like conditions prevail, or a disguised restriction on trade in services, nothing in this Agreement/ Chapter shall be construed to prevent the adoption or enforcement by any Party of measures:

- (a) necessary to protect public morals or to maintain public order;
- (b) necessary to protect human, animal or plant life or health;
- (c) necessary to secure compliance with laws or regulations which are not inconsistent with the provisions of this Agreement/Chapter including those related to:
  - (i) the prevention of deceptive and fraudulent practices or to deal with the effects of a default on services contracts;
  - (ii) the protection of the privacy of individuals in relation to the processing and dissemination of personal data and the protection of confidentiality of individual records and accounts;
  - (iii) safety;
- (d) inconsistent with Article <National Treatment>, provided that the difference in treatment is aimed at ensuring the equitable or effective imposition or collection of direct taxes in respect of services or services suppliers of other Parties;
- (e) provided that the difference in treatment is result of an agreement on the avoidance of double taxation or provisions on the avoidance of double taxation in any other international agreement or arrangement by which the Party is bound.]

**[<sup>AS+</sup> Article XX  
Security Exceptions**

Nothing in this Agreement/Chapter shall be construed:

- (a) to require any Party to furnish any information, the disclosure of which it considers contrary to its essential security interest; or
- (b) to prevent any Party from taking any action which it considers necessary for the protection of its essential security interest, including but not limited to:
  - (i) action relating to the fissionable and fusionable materials or the related materials from which they are derived;

- (ii) action relating to the traffic in arms, ammunition and implements of war and to such traffic in order goods and materials as is carried on directly or indirectly for the purpose of supplying a military establishment;
  - (iii) action taken so as to protect critical communications infrastructure from deliberate attempts intended to disable or degrade such infrastructure;
  - (iv) action taken in time of war or other emergency in domestic or international relations; or
- (c) to prevent any Party from taking any action in pursuance of its obligations under the United Nations Charter for the maintenance of International peace and security.]

## Article XX Subsidies

[<sup>JP-, KR-</sup>1. [<sup>CN-, IN-, AU+, NZ+</sup> Notwithstanding] [<sup>CN-, IN-, AU-, NZ-</sup> Article <Scope>],[<sup>AU+, NZ+</sup> Article XX (Scope),] the Parties shall review the [<sup>CN+, IN-, AU+, NZ+</sup> issue of disciplines on subsidies related to [<sup>AU+, NZ+</sup> cross-border] trade in services in [<sup>AU+, NZ+</sup> the] light of any disciplines agreed under Article XV of GATS][<sup>AU+, NZ+</sup> ], [<sup>CN+</sup> with a view to their incorporation into this Agreement][<sup>IN+</sup> treatment of subsidies in the context of developments in multilateral for a of which both Parties are Members][<sup>AU+, NZ+</sup> with a view to the incorporation of such disciplines into this Agreement where appropriate].]

[<sup>KR-</sup>ASEAN+, CN+, IN+, AU+, NZ+:2./<sup>JP+</sup>1.] [<sup>CN-, IN-, AU-, JP-, NZ-</sup> Parties recognise that, in certain circumstances, subsidies may have distortive effects on trade in services.] [<sup>CN-, IN-, AU-, NZ-</sup> Any Party][<sup>CN+</sup> At the request of a Party][<sup>AU+, JP+, NZ+</sup> A Party] [<sup>ASEAN+, CN+, IN-, AU+, JP+, NZ+</sup> which][<sup>IN+</sup> In the event a Party] considers that [<sup>ASEAN+, CN+, IN-, AU+, JP+, NZ+</sup> it is][<sup>IN+</sup> its interests have been] adversely affected by a subsidy [<sup>AU+, NZ+</sup> related to cross-border trade in services] [<sup>ASEAN+, CN+, IN-, AU+, JP+, NZ+</sup> of] [<sup>ASEAN+, CN-, IN-, AU+, JP+, NZ+</sup> another Party may request][<sup>CN+</sup> the Other Party, the Parties shall enter into][<sup>IN+</sup> or grant provided by another Party, that party may request] [<sup>ASEAN+, CN+, IN-, AU+, JP+, NZ+</sup> consultations][<sup>IN+</sup> consultation] [<sup>CN-, IN-, AU-, JP-, NZ-</sup> with that Party][<sup>IN+</sup> with the other Party][<sup>AU+, JP+, NZ+</sup> with that other Party] on such matters. [<sup>ASEAN+, CN-, IN-, AU+, JP+, NZ+</sup> [AU-, JP-, NZ-] Such request][<sup>AU+, JP+, NZ+</sup> The requested Party] shall [<sup>ASEAN+, IN+, AU-, JP-, NZ-</sup> be accorded][<sup>AU+, JP+, NZ+</sup> accord] sympathetic consideration [<sup>AU+, NZ+</sup> to such a request and enter into such consultations][<sup>JP+</sup> to such requests].]

[<sup>IN+, AU+, JP+, NZ+</sup>3./<sup>AU+, JP+, NZ+</sup>Note:] [<sup>IN+, AU-, JP-, NZ-</sup> The provisions of Chapter [Dispute Settlement] of this Agreement shall not apply to any requests made or consultations held under the provisions of this Article or to any disputes that may arise between the Parties out of, or under, the provisions of this Article.][<sup>IN-, AU+, JP+, NZ+</sup> AU+, JP-, NZ+][<sup>NZ+</sup> Consultations'] [<sup>JP+, NZ+</sup> Consultations"] referred to in this [<sup>AU+, JP-, NZ+</sup> Article][<sup>JP+</sup> Chapter] does not mean consultations under Article [<sup>AU+, JP-, NZ+</sup> X][<sup>JP+</sup> X] [<sup>AU+, JP-, NZ+</sup> Consultations][<sup>JP+</sup> (Consultations)] [<sup>AU+, JP-, NZ+</sup> (Chapter XX (Dispute Settlement))][<sup>JP+</sup> (Chapter [YY] Dispute Settlement)].]

[<sup>JP+</sup> if the results of the negotiations referred to in paragraph 1 of Article XV of the GATS (or the results of any similar negotiation undertaken in other multilateral fora in which the Parties

participate) enter into force, the Parties shall jointly review the results of the negotiations with a view to incorporating into this Chapter, as appropriate, any discipline agreed in such negotiations.]

#### Article XX

#### <sup>[AU-, NZ-]</sup>Special and Differential Treatment and] Increasing Participation <sup>[NZ+]</sup>for Least Developed ASEAN Member States]

##### ASEAN+India (Note: China agrees in-principle)

<sup>[ASEAN+]</sup>1. Taking into consideration the different levels of development of the participating countries, the RCEP will include appropriate forms of flexibility including provision for special and differential treatment, plus additional flexibility to the least-developed ASEAN Member States, consistent with the existing ASEAN+1 FTAs, as applicable.]

<sup>[ASEAN+]</sup>2./<sup>[IN+]</sup>1. <sup>[IN-]</sup>In this regard,] the increasing participation of <sup>[IN-]</sup>Least-Developed ASEAN Member States]<sup>[IN+]</sup>[name of the LDCs] in this Agreement<sup>[IN-]</sup>/Chapter] shall be facilitated through <sup>[IN+]</sup>negotiated commitments, relating to:

- (a) strengthening domestic services capacity and its efficiency and competitiveness, inter alia, through access to technology on a commercial basis;
- (b) improving their access to distribution channels and information networks <sup>[IN-]</sup>on a commercial basis]; <sup>[IN+]</sup>and]
- (c) <sup>[IN-]</sup>opening market access commitments]<sup>[IN+]</sup>the liberalisation of market access] in sectors and modes of supply of export interest to <sup>[IN-]</sup>the Least Developed ASEAN Member States]<sup>[IN+]</sup>them];

<sup>[ASEAN+]</sup>(d)/<sup>[IN+]</sup>2.] appropriate flexibility <sup>[IN+]</sup>shall be accorded] to <sup>[IN-]</sup>the Least-Developed ASEAN Member States for opening fewer sectors, liberalising fewer types of transactions and progressively extending market access]<sup>[IN+]</sup>such LDCs for progressive liberalisation in terms of specific commitments undertaken] in line with their respective <sup>[IN-]</sup>development situation]<sup>[IN+]</sup>stage of development]<sup>[IN-]</sup>;]<sup>[IN+]</sup>.

<sup>[ASEAN+]</sup>(e) providing market access without a priori exclusion of any mode of supply to the Least Developed ASEAN Member States; and]

<sup>[ASEAN+]</sup>(f) recognising that commitments by Least Developed ASEAN Member States shall be made in accordance with its individual stage of development.]

[(g) Cambodia will propose additional language.]

##### Australia+New Zealand (Note: No proposal from Japan and Korea)

The Parties recognise the importance of increasing the participation of the least-developed ASEAN Member States (Cambodia, Lao PRD and Myanmar) in regional services trade through negotiated commitments, recognising that commitments by each least-developed ASEAN Member State may be made in accordance with its individual stage of development.

## Article XX Denial of Benefits

[<sup>IN+</sup>, <sup>JP+</sup>, <sup>KR+</sup>, <sup>AU+</sup>:1.] [<sup>CN+</sup>, <sup>AU+</sup>, <sup>JP+</sup>, <sup>NZ+</sup>: Subject to prior notification and consultation,] A Party may deny the benefits of this [<sup>AS+</sup>: Agreement/] Chapter [<sup>CN+</sup>: [<sup>AU+</sup>, <sup>JP+</sup>, <sup>KR+</sup>, <sup>NZ+</sup>: to a service supplier of [<sup>KR-</sup>: another] [<sup>KR+</sup>: any other] Party [<sup>KR-</sup>, <sup>NZ-</sup>: that is an enterprise of that other Party [<sup>NZ+</sup>: , where the] [<sup>NZ-</sup>: denying] Party establishes that the] [<sup>AU+</sup>, <sup>JP+</sup>: where the service supplier is an enterprise and is owned or controlled by] [<sup>KR+</sup>: if the service supplier is an] enterprise [<sup>KR-</sup>: is] owned or controlled by persons of a non-Party, and the denying Party] [<sup>JP+</sup>: persons of a non-Party and that has no substantial business activities in the Area of that other Party] [<sup>CN+</sup>: to]:

[<sup>CN+</sup>, <sup>NZ+</sup>: (a) service suppliers of the other Party where the service is being supplied by a juridical person that is owned or controlled by persons of a non-Party and the juridical person has no substantive business operations in the territory of the other Party; or

[<sup>AS+</sup>, <sup>IN+</sup>: (a) to the supply of [<sup>AS-</sup>: any] [<sup>IN+</sup>: a] service, if it establishes that the service is supplied from or in the territory of a [<sup>AS+</sup>: non-Party] [<sup>IN+</sup>: country that is not a Party to this Agreement];]

[<sup>AU+</sup>: (a) a non-Party, and the denying Party adopts or maintains measures with respect to the non-Party that prohibit transactions with the enterprise or that would be violated or circumvented if the benefits of this Chapter were accorded to the enterprise; or]

[<sup>CN+</sup>, <sup>NZ+</sup>: (b) service suppliers of the other Party where the service is being supplied by a juridical person that is owned or controlled by persons of the denying Party and the juridical person has no substantive business operations in the territory of the other Party.]

[<sup>AU+</sup>: (b) a non-Party or the denying Party, and the enterprise has no substantive business operations in the territory of the other Party.]

[<sup>AS+</sup>, <sup>IN+</sup>: (b) to a service supplier, [<sup>IN-</sup>: that is a juridical person,] if it establishes that it is not a service supplier of another Party.]

[<sup>IN+</sup>:2. Subject to prior notification and consultation, a Party may also deny the benefits of this Chapter to the supply of a service from or in the territory of the other Party, if the Party establishes that the service is supplied by a service supplier that is owned or controlled by a person of a non-Party and the denying Party:]

[<sup>IN+</sup>, <sup>JP+</sup>, <sup>KR+</sup>: (a) does not maintain [<sup>IN+</sup>, <sup>JP+</sup>: diplomatic] [<sup>KR+</sup>: normal economic] relations with the non-Party; or]

[<sup>IN+</sup>, <sup>JP+</sup>, <sup>KR+</sup>: (b) adopts or maintains measures with respect to the non-Party [<sup>KR+</sup>: or a person of the non-Party] that prohibit transactions with the enterprise or that would be violated or circumvented if the benefits of this Chapter were accorded to the enterprise.]

- [<sup>AS+, IN+</sup>(c) in the case of the supply of a maritime transport service, if it establishes that the service is supplied:
- (i) by a vessel registered under the laws of a non-Party, and
  - (ii) by a person of a non-Party which operates and/or uses the vessel in whole or in part;]

[<sup>KR+</sup>2. A Party may deny the benefits of this Chapter to a service supplier of any other Party if the service supplier is an enterprise owned or controlled by persons of a non-Party or of the denying Party that has no substantial business activities in the territory of the other Party. If, before denying the benefits of this Chapter, the denying Party knows that the enterprise has no substantial business activities in the territory of any other Party and that persons of a non-Party, or of the denying Party, own or control the enterprise, the denying Party shall, to the extent practicable, notify the other Party before denying the benefits. If the denying Party provides such notice, it shall consult with the other Party at the other Party's request.]

[<sup>AU+, NZ+</sup>2. A Party that denies benefits pursuant to paragraph 1 shall enter into consultations within 30 days following notification if requested by any other Party. Such consultations shall be without prejudice to the Parties' rights under the Dispute Settlement Chapter.]

#### [<sup>AS+</sup>Article XX Cooperation

The Parties shall strengthen cooperation efforts in services sectors, including sectors which are not covered by existing cooperation arrangements. The Parties shall discuss and mutually agree on the sectors for cooperation and develop cooperation programmes in these sectors in order to improve their domestic capacities, efficiencies and competitiveness.]

#### [<sup>AS+</sup>Article XX Miscellaneous Provisions

1. This Chapter shall include the Annexes and the contents therein which shall form an integral part of this Chapter; and all future legal instruments agreed pursuant to this Agreement/Chapter.
2. Except as otherwise provided in this Chapter, this Chapter or any action taken under it shall not affect or nullify the rights and obligations of a Party under the existing agreements to which it is a party.]

#### Article XX Committee on Trade in Services

[<sup>NZ+</sup> Drafting note: The services sub-committee terminology will be subject to developments in the legal and institutional group on overall institutional architecture.]

1. [<sup>AU+ NZ+</sup> For the purposes of the effective implementation and operation of this Chapter,] [<sup>IN-</sup> The Parties [<sup>NZ-</sup> hereby] establish] a Committee on Trade in Services [<sup>IN+</sup> shall be established under this Chapter] [<sup>AU+</sup> (hereinafter referred to in this Article as "the Sub-Committee").] [<sup>AS+</sup>

[KR- NZ- AU-, consisting of representatives of the Parties.] [KR+ NZ+ AU+ AS-, comprising representatives of each Party] [CN+ that shall meet on the request of either Party or the FTA Joint Commission to consider any matter arising under this Chapter.]

Texts by AU, CN, IN, JP, KR, NZ:

2. [AS+ KR+ The Committee's functions]/[IN+ JP+ The functions of the Committee] shall [CN+ KR+ include]/[IN+ JP+ be][IN+ to] / [AU+ NZ+ The Sub-Committee shall meet as mutually determined by the Parties to:]

(a) [KR- review(ing)] [AU+ KR+ NZ+ and monitor(ing)] the implementation and [KR- operation] [KR+ administration] of this Chapter [AU+ NZ+ any annexes];

(b) [CN & KR option] identification and recommendation of measures to promote [KR trade in services]/[CN increased services trade] [CN+ between the Parties];  
[AU & NZ option] explore measures for the further expansion of cross-border trade in services between the Parties;

(c) [IN submit a report / AU NZ report / JP reporting] [JP+ the findings of the Sub-Committee] to the [IN Parties / AU NZ Joint Committee] on [IN the implementation and operation of this Agreement / AU NZ the Sub-Committee's work];

[AU NZ (d) facilitate cooperation between the Parties;]

[IN (d) consider and recommend to the Parties any amendments to this Agreement;]

[IN (e) supervise and coordinate the work of all Sub-Committees established under this Agreement;]

(f) [KR+ at a Party's request,] [CN consider(ing)/AU JP NZ discuss(ing)/KR consult(ing)] [on] [CN- any] other [CN trade in services issues of interest / AU KR NZ issue related to this Chapter [AU+ NZ+ and any Annexes]] [CN to a Party / JP as may be agreed upon / AU NZ as the Parties agree].

and

(g) carry(ing) out other functions as may be [IN agreed by the Parties / AU JP NZ delegated by the Joint Committee].

[IN+ 3. The Committee:

(a) shall be composed of representatives of the Parties; and

(b) may establish Sub-Committees and delegate its responsibilities thereto.]

[KR+ 4. The Committee shall meet within one year after the date this Agreement enters into force and annually thereafter unless the Parties otherwise agree. The Committee shall inform the Joint Committee of the results of each meeting.]

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