

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED
MTN.TNC/W/61/Rev.2
6 September 1993
Special Distribution

Trade Negotiations Committee

Original: English

COMMUNICATION FROM THE REPUBLIC OF KOREA

**Draft Schedule of Specific Commitments of the Republic of Korea
under the General Agreement on Trade in Services**

Revision

The following communication is circulated at the request of the Republic of Korea to the members of the Group of Negotiations on Services.

The Republic of Korea submitted a revised offer (MTN.TNC/W/61/Rev.1) on initial commitments concerning trade in services in February 1992, following the submission of its initial offer (MTN.TNC/W/61) in January 1991.

The Republic of Korea hereby presents its draft schedule of specific commitments under the General Agreement on Trade in Services, reflecting the results of bilateral negotiations and the discussions on scheduling that have taken place since the submission of the revised offer. In the course of preparing this draft schedule, Korea did its best to improve the level of commitments and make the commitments as clear as possible. In line with these efforts, the commitments in this draft schedule are made according to the modes of supply. The classification and coverage of service sectors and sub-sectors are based on MTN.GNS/W/120 (10 July 1991) and the Central Product Classification (CPC) in order to make the scope of commitments clear. For the services whose scope does not correspond to sub-sectors in the CPC, specific descriptions are given.

This draft schedule is also conditional. Korea reserves its right to modify, reduce or withdraw this draft schedule at any time prior to the closure of services negotiations, depending on the degree to which other participants provide adequate commitments and on the extent and significance of the most-favoured-nation exemptions sought by other participants. Korea further reserves the right to make technical changes to this draft schedule.

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
ALL SECTORS INCLUDED IN THIS SCHEDULE	1) 2) Subsidies Unbound	1) 2) Subsidies Unbound	
	3) Foreign Investments	3) Foreign Investments	
	The acquisition of outstanding stocks of existing domestic companies by natural persons or juridical persons of another Member is restricted.	Foreign investments for the establishment of subsidiaries or joint venture companies and the subscription for new stocks of existing domestic companies by natural persons or juridical persons of another Member must be notified or approved in accordance with the Foreign Capital Inducement Act. There is also a minimum capital requirement.	
	Foreign investments in Korean stocks are permitted only for the stocks listed on the Korean Stock Exchange, and individual foreign investors can own up to 3% of each company's total stock, while aggregate foreign investments cannot exceed 10% per each company.	The establishment of representative offices and branches must be notified or approved in accordance with the Foreign Exchange Management Act.	

Key : 1) Cross-border Supply 2) Consumption Abroad 3) Commercial Presence 4) Presence of Natural Persons
 * An asterisk on the CPC code number indicates that the corresponding service sub-sector in this schedule only covers a part or parts of the service sub-sector classified under the given CPC code number.

<u>Sector or Sub-sector</u>	<u>Limitations on Market Access</u>	<u>Limitations on National Treatment</u>	<u>Additional Commitments</u>
			<p><u>Acquisition of Land</u></p> <p>The acquisition of land by Korean branches of foreign companies and companies that are deemed as foreign under the Alien Land Law is limited to that for legitimate business purposes and is subject to approval or notification in accordance with the law.</p>
			<p><u>Subsidies</u></p> <p>Eligibility for subsidies, including tax benefits, is limited to residents of Korea as defined under the relevant Korean law and juridical persons that are established under Korean law and are engaged in substantive business operations in the territory of Korea.</p> <p>4) Unbound, except for the temporary movement of natural persons, as defined below, who supply services within the scope of specific commitments on market access in individual sectors or sub-sectors.</p> <p>4) Acquisition of Land</p> <p>Only the leasehold right of land is granted to natural persons of another Member.</p> <p>A. Natural persons who are employees of firms that supply services through subsidiaries, joint venture companies or branches established in Korea and who have been in the employ of their firm for a period of not less than one year immediately preceding the date of their application for admission and who are one of the following:</p>

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
i) Executives - persons within an organization who primarily direct the management of the organization, exercise wide latitude in decision-making, and receive only general supervision or direction from higher-level executives, the board of directors, or shareholders of the business. Executives would not directly perform tasks related to the supply of the service or services of the organization.			
ii) Senior Managers - persons within an organization who primarily direct the organization or a department of the organization; supervise and control the work of other supervisory, professional or managerial employees; have the authority to hire and fire or recommend hiring, firing or other personnel actions; and exercise discretionary authority over day-to-day operations. Senior managers do not include first-line supervisors, unless the employees supervised are professionals, nor do they include employees who primarily perform tasks necessary for the supply of the service.			

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>iii) Specialists - persons within an organization who possess knowledge at an advanced level of continued expertise and proprietary knowledge on the services, research equipment, techniques, or management of the organization.</p> <p>B. Natural persons meeting the criteria of category A. i) or A. ii) and who are responsible for the setting up, in Korea, of a commercial presence of a service supplier of a Member when the service supplier has no representative office, branch or subsidiary in Korea and the persons are not engaged in making direct sales or supplying services.</p> <p>C. Natural persons not based in the territory of Korea and receiving no remuneration from a source located within Korea, who are engaged in activities of representing a service supplier for the purpose of negotiating for the sale of the services of that supplier when such sales are not directly made to the general public and the persons are not engaged in supplying the services.</p>		

Sector or sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	Entry and stay of natural persons as defined in A is limited to two terms of one-and-one-half years each that may be extended if extension is deemed to be necessary.	Entry and stay of natural persons as defined in B and C is limited to a period of 90 days.	Natural persons whose entries and temporary stays are permitted shall observe the Immigration Law and the labor laws of Korea. Korea's commitments regarding temporary movement of natural persons do not apply in the case of labor-management disputes.

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
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1. BUSINESS SERVICES

A. PROFESSIONAL SERVICES

- b. Accounting, 1) None except for auditing services, 1) None
Auditing, which are unbound.
- and
Bookkeeping Services 2) None except for auditing services, 2) None
which are unbound.
- [862] 3) - Only sole proprietorships, auditing task forces, joint accounting offices, and Hapmyung Hoesa (incorporated partnership) by CPAs licensed under the Korean Certified Public Accountant Law are permitted.
- 1)2)3) A Korean accounting firm or office may, by paying an annual membership fee, acquire membership to international accounting organizations which have world-wide business networks.
The following services may be supplied to a Korean accounting firm or office through a membership contract.
- Consultancy for foreign accounting standards and auditing, training of CPAs, transfer of auditing technology, and exchange of information.
 - Only joint accounting offices, Hapmyung Hoesa and those CPAs who have participated in the auditing task forces are allowed to supply auditing services.
- Foreign investments in Korean accounting firms or offices are prohibited.

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
4) None	4) In order to practice as a Korean CPA, a candidate must have field experience in Korea after passing the CPA examination.	4) Temporary movement of natural persons who are qualified as CPAs under their home country's laws and are employed by international accounting firms for the purpose of supplying the services mentioned in paragraphs 1), 2), and 3) is allowed. Entry and stay of these persons is limited to a one-year period that may be extended if extension is deemed to be necessary.	
c. Taxation Services	[863] 1) None except for tax reconciliation services and tax representative services, which are unbound.	1) None 2) None except for tax reconciliation services and tax representative services, which are unbound.	4) In order to practice as a Korean CTA, a candidate must have field experience in Korea after passing the CTA examination.

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
d. Architectural Services [8671]	1) Commercial presence is required. 2) None 3) For the establishment of a corporation supplying architectural services, the representative of the corporation must be an architect licensed under Korean law. In the case of an architect office, architects licensed under Korean law are allowed to establish an architect office.	1) None 2) None 3) None 4) None	1)(2)(4) Provision of services by foreign architects through joint contracts with architects licensed under Korean law will be allowed from January 1996.
e. Engineering Services [8672]		1) None 2) None 3) None 4) None	Foreign architects licensed under their home country's law may acquire a Korean architect license by passing a simplified examination which covers only two of the regular test's six subjects: architectural laws and regulations and architectural design.
f. Integrated Engineering Services [8673]		1) None 2) None 3) None 4) None	

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
6. Urban Planning and Landscape Architectural Services	1) None 2) None 3) None 4) None [8674]	1) None 2) None 3) None 4) None	
B. COMPUTER AND RELATED SERVICES			
a. Consultancy Services Related to the Installation of Computer Hardware	1) None 2) None 3) None 4) None [841]	1) None 2) None 3) None 4) None	
b. Software Implementation Services	1) None 2) None 3) None 4) None [842]	1) None 2) None 3) None 4) None	
c. Data Processing Services	1) None 2) None 3) None 4) None [843]	1) None 2) None 3) None 4) None	

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
d. Data Base Services [844]	1) None 2) None 3) None 4) None	1) None 2) None 3) None 4) None	
e. Maintenance and Repair Services of Office Machinery and Equipment, Including Computers [845]	1) None 2) None 3) None 4) None	1) None 2) None 3) None 4) None	
C. RESEARCH AND DEVELOPMENT SERVICES			
a. Research and Development Services on Natural Sciences [851]	1) Unbound 2) None 3) None 4) None	1) None 2) None 3) None 4) None	
b. Research and Development Services on Social sciences and humanities [852]	1) Unbound 2) None 3) None 4) None	1) None 2) None 3) None 4) None	

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
RENTAL/LEASING SERVICES WITHOUT OPERATORS			
a. Rental Services Concerning Vessels Without Operators [83103]	1) Unbound 2) None 3) None 4) None	1) None 2) None 3) None 4) None	
OTHER BUSINESS SERVICES			
i. Advertising Agency Services [8711, 8719]	1) None 2) None 3) None 4) None	1) None 2) None 3) None 4) None	
Market Research and Public Opinion Polling Services [864]	1) Unbound 2) None 3) None 4) None	1) None 2) None 3) None 4) None	

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
c. Management Consulting Services [865]	1) None 2) None 3) None 4) None	1) None 2) None 3) None 4) None	
d. Project Management Services [86601]	1) None 2) None 3) None 4) None	1) None 2) None 3) None 4) None	
e. Composition and Purity Testing and Analysis Services [86761*]	1) None 2) None 3) Establishment of a commercial presence is subject to the economic needs test. 4) None	1) None 2) None 3) None 4) None	
e. Technical Inspection Services [86764]	1) None 2) None 3) None 4) None	1) None 2) None 3) None 4) None	86761* : Only inspection, testing and analysis services of air, water, noise level and vibration level under CPC 86761

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
f. Consulting Services Related to Agriculture and Animal Husbandry	1) Unbound 2) None 3) None 4) None	1) None 2) None 3) None 4) None	[8811*, 8812*]
f. Services Incidental to Forestry Excluding Aerial Fire Fighting and Disinfection	1) Unbound 2) None 3) None 4) None	1) None 2) None 3) None 4) None	[8814*]
m. Geological and Prospecting Services	1) None 2) None 3) None 4) None	1) None 2) None 3) None 4) None	[8675*]

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
s. Convention Agency Services Excluding Demonstration and Exhibition Services	1) None 2) None 3) None 4) None	1) None 2) None 3) None 4) None	
[87909*]			
s. Stenography Services [87909*]	1) None 2) None 3) None 4) None	1) None 2) None 3) None 4) None	
t. Translation Services [87905*]	1) None 2) None 3) None 4) None	1) None 2) None 3) None 4) None	

Sector or Sub-sector Limitations on Market Access Limitations on National Treatment Additional Commitments

2. COMMUNICATION SERVICES

C. TELECOMMUNICATION SERVICES

Value-Added Services 1.1: Including
On-line Data Base and Remote Computing Services. 2.1

- As defined in Art. 4 of the Telecommunications Business Law.

This includes the following:

- h. Electronic mail
- i. Voice mail
- j. On-line information and data base retrieval
- k. Electronic data interchange
- l. Enhanced/value-added facsimile services including store and forward, store and retrieve
- m. Code and protocol conversion
- n. On-line information and/or data processing (including transaction processing)

1.1 Value-added services means telecommunication services which are carried over a network service provider's network and which store and forward, or process and forward, the customer's information on a non-real time basis.

2.1 On-line data base and remote computing services means telecommunication services which are carried over a network service provider's network and which do not mediate third party communications.

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Data Transmission Services [2]	1) None 2) None 3) Only registered, operating, value-added service providers are allowed to supply data transmission services. 4) None	1) None 2) None 3) None 4) None	
D. AUDIOVISUAL SERVICES			
a. Motion Picture and Video Tape Production and Distribution Services Excluding Those Services for Cable TV Broadcasting [96112*, 96113*]	1) None 2) None 3) None 4) None	1) None 2) None 3) None 4) None	
e. Record Production and Distribution Services (Sound Recording)	1) None 2) None 3) None 4) None	1) None 2) None 3) None 4) None	

[2] Telecommunication services which are carried over a network service provider's network and which transmit and/or exchange the customer's information on a real-time basis without change in the form or content (voice telephony, telex, facsimile services, and simple resale of leased circuits are excluded).

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
3. CONSTRUCTION SERVICES General Construction Work [511, 512, 5131, 5132, 5133, 5136*, 5137, 5139]	<p>1) Unbound*</p> <p>2) None</p> <p>3) - Establishment of a branch is not permitted until January 1, 1996. No limitations after that date.</p> <p>- New licenses are issued during a specific period every three years.</p> <p>- Limits on contract amount per contract are applied.</p> <p>- A compulsory subcontract system is applied. Subcontracting in totality is prohibited.</p> <p>4) None</p>	<p>1) Unbound*</p> <p>2) None</p> <p>3) None</p> <p>4) None</p>	

5136* : Excluding construction work of power plants under CPC 5136
 Unbound* : Unbound due to lack of technical feasibility

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Special Construction Work [5134, 5135, 5136*, 514, 515, 516, 517]	<p>1) Unbound*</p> <p>2) None</p> <p>3) - Only joint ventures with licensed local companies are permitted.</p> <ul style="list-style-type: none"> • Subsidiaries are not permitted until January 1, 1996. No limitations after that date. • Branches are not permitted until January 1, 1998. No limitations after that date. <p>- New licenses are issued during a specific period every three years.</p> <p>- Limits on contract amount per contract are applied.</p> <p>- A compulsory subcontract system is applied. Subcontracting in totality is prohibited.</p>	<p>1) Unbound*</p> <p>2) None</p> <p>3) None</p>	<p>4) None</p>

5136* : Only construction work of power plants under CPC 5136
Unbound* : Unbound due to lack of technical feasibility

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
4. Distribution Services ^{1,2}			
A. Commission Agents' Services [621, excluding 62111, 62112 and commission agents' services of future contracts]	1) Unbound 2) None 3) None 4) None	1) None 2) None 3) None 4) None	
B. Wholesale Trade Services [622, excluding 62211, 62221; 62223, 62262, raw milk in 62222, red ginseng and farinaceous products in 62229, and fertilizers and pesticides in 62276]	1) Unbound 2) None 3) - Establishment of a commercial presence is subject to the economic needs test in the following services: · wholesale markets with floor space of more than 3,000m ² , · large stores with floor space of more than 3,000m ² · wholesale trade centers · wholesale trade of used cars · wholesale trade of gaseous fuels and related products · foreign trade services	1) None 2) None 3) None 4) None	4) None
			1,2 Excluding trade in fire arms, explosives and swords; works of art and antiques; commodity chain market services; and the establishment and operation of wholesale markets for agricultural, fishery and livestock products.

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
C. Retailing Services [6111, 61130, 61210, 63104, and 632, excluding 63211, 63253, 63297, and animal feed, livestock and other animals in 63295]	<p>1) Unbound</p> <p>2) None</p> <p>3) - Establishment of up to twenty(20) shops each with floor space of less than 3,000m² per firm and only one (1) shop with floor space of less than 700m² per branch is allowed.</p> <ul style="list-style-type: none"> - In the case of the retail sale of cosmetics, only joint venture companies with up to 50% foreign equity are permitted. - Establishment of a commercial presence in the retailing of used cars is subject to the economic needs test. - Establishment of department stores and shopping centers is prohibited from foreign investment. If it is allowed later, it will be subject to the economic needs test. <p>4) None</p>	<p>1) None</p> <p>2) None</p> <p>3) In the case of the retail sale of cosmetics, more than 50% of the board of directors of a joint venture company must be Korean nationals.</p>	

Limitations on Market Access Limitations on National Treatment Additional Commitments

6. ENVIRONMENTAL SERVICES

A. SEWAGE SERVICES

Refuse Water Disposal Services

- 1) None
- 2) None
- [9401*] 3) The number of service suppliers is limited to twenty-five(25).
- 3) None
- 4) None

B. REFUSE DISPOSAL SERVICES

Industrial Refuse Disposal Services

- [9402*] 1) None
- 2) None
- 3) - Establishment of a commercial presence is subject to the economic needs test.
- Regional limitations are applied to collection and transport services.
- 4) None

9401* : Only collection and treatment services of industrial waste water under CPC 9401
 9402* : Only collection, transport, and disposal services of industrial refuse under CPC 9402

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
D. OTHER ENVIRONMENTAL SERVICES Environment Testing and Assessment Services [9406*, 9409*]	1) None 2) None 3) Establishment of a commercial presence is subject to the economic needs test. 4) None	1) None 2) None 3) None 4) None	

9406*, 9409* : Only environmental impact assessment services under CPC 9406 and 9409.

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
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7. FINANCIAL SERVICES

ALL FINANCIAL SERVICES

All Financial Services
Covered by
This Schedule
Including
Insurance 1.4

1)2)3) - Cross border supply of financial services and supply through consumer movement may not be settled in Korean currency. After the establishment of a commercial presence, financial institutions may handle only transactions, denominated and settled in Korean currency, with residents. Approval is required for transactions denominated or settled in foreign currency or transactions with non-residents.

1)2)3): Subject to limitations in individual sectors or sub-sectors.

- The limitations on market access and national treatment in financial services listed in this schedule are made in accordance with domestic laws and regulations existing as of (June 30, 1993).
 - Sub-sectors in financial services are classified based on the unit of business establishment. A financial institution must be established for only one business defined in sub-sectors (1) through (12), and thus cannot engage in business activities in other sub-sectors.
 - For prudential reasons, there are minimum requirements regarding the size of assets or capital, business performance, etc., for foreign financial institutions that are applying for establishment of a commercial presence in Korea and, where applicable, for the commercial presence to be established.

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<ul style="list-style-type: none">- There are restrictions on the management and operation of assets of financial institutions. Financial institutions may not own non-business real estate.- Assets owned by branches must be kept within the territory of Korea. The capital of the head office is not recognized as the basis for determining the extent of funding and lending activities of branches.- In instances of exceptional developments at the head office, such as disciplinary actions by authorities due to illegal activities, licenses issued to branches may be revoked. In cases of bankruptcy or liquidation, persons who reside in the territory of Korea receive priority in repayment.- There are restrictions on the interest rates of certain financial products. New financial products are subject to approval.		

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
BANKING AND OTHER FINANCIAL SERVICES			
(1) BANKING BUSINESSES			
Following Banking Services	1) Unbound	1) Unbound	
i) Deposit and related services	2) Unbound	2) Unbound	
ii) Payment and money transmission services	3) <Horizontal Limitations on Banking Services>		
iii) Payment and money transmission services excluding credit card services			
			1. Activities in which banks obtain funds from the public by receiving deposits or issuing transferable instruments or other securities.
			2. Activities, such as loans and bill discounts, in which banks provide funds to the public in order to receive interest.

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
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iv) Settlement and clearing services ^{1.4} [81339*] < Limitations on Deposit and Related Services >

- The issuance limit and maturity of CDs are restricted.

v) Foreign exchange services ^{2.4} [81333*]

- Certain types of deposits, such as savings deposits, are subject to restrictions on the deposit ceiling and number of accounts.

vi) Services auxiliary to banking

- sale of commercial bills ^{3.4} [81339*] < Limitations on Loan and Related Services >

- sale of trade bills ^{4.4} [81339*]

- Foreign currency loans are subject to a ceiling and may be rendered only for specified purposes.

- mutual installment deposit [81132*]

- There are regulations on loans based on usage and borrower, including mandatory loans to small- and medium-sized enterprises.

1.4 Settlement and clearing services on notes, bills and checks by banks according to the Articles of KFTCI;

2.4 Purchase, sale, issuance, remittance and collection of foreign exchange.

3.4 A commercial bill is defined as a bill accompanying commercial transactions.

4.4 A trade bill is defined as a bill issued as a bill of exchange before shipping export cargo.

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Limitations on International Commitments
• payment guarantees and commitments [8113*]	< Limitations on Foreign Exchange Services >		
	- Underlying documentation requirements apply to foreign exchange transactions.		
vii) Trust services 1.1 [81192*, 81193]	< Limitations on Services Auxiliary to Banking >	< Limitations on Trust Services >	< Limitations on Trust Services >
	- Ceilings and conditions, such as ceilings on payment guarantees, are applied.	- Separate approvals from the Monetary Board for engaging in businesses other than the main banking businesses and from the Ministry of Finance for handling a trust business are required, provided that the head office is licensed in the home country to handle a trust business.	- Certain trust business activities, including real estate trust, are prohibited.
			- Terms, amounts and asset management of trusts are limited depending on the type of trust fund.
			4) None
			1.4 Activities where the trustee, having been delegated the authority, manages assets of the trustee for the beneficiary.

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
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(2) CREDIT CARD BUSINESSES

Credit Card Services
[81133]

1) Unbound

2) Unbound

3) - Only representative offices or branches of foreign suppliers which deal exclusively with credit card services are permitted.

- Financing for credit card members such as card loans are subject to limitations.

- Maximum limits are applied to various rates such as fees and interest rates.

4) None

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(3) FINANCIAL LEASING BUSINESSES			
Financial Leasing Services [81120]	1) Unbound 2) Unbound 3) Unbound 4) None	1) Unbound 2) Unbound 3) None 4) Top executive personnel of each establishment must reside in Korea.	
(4) SECURITIES BUSINESSES			
Following Services Related to Securities.			
i) Dealing [81199*]	1) Unbound	1) Unbound	
ii) Broking [81321*]	2) Unbound	2) Unbound	
iii) Underwriting [81322*]	3) - Only representative offices, branches, or joint ventures of foreign securities companies are permitted. Branches may only be established after two years have passed following the establishment of a representative office.	3) - Scope of business permitted is based on the size of operating funds. - Foreign securities firms are not permitted to establish multiple branches.	
iv) Securities Savings [81119*]			
v) Credit Granting [81139*]			- In joint ventures, which must be established as a Chusik Haesa (a joint stock corporation),

Sector or Sub-sector Limitations on Market Access Limitations on National Treatment Additional Commitments

foreign equity participation must be at least 40% but less than 50%. Local shareholders must meet qualification criteria. If there are multiple foreign shareholders in the joint-venture companies, at least one shareholder must hold more than 20% equity.

Equity participation in existing domestic securities companies by foreign securities companies is limited to less than 10% per company and less than 50% in the aggregate.

Establishment of a commercial presence is subject to the economic needs test.

Broking for foreigners is limited to listed stocks.

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<ul style="list-style-type: none"> - Ceilings and operating conditions are applied to the services listed in iv)~v). 	<p>4) None</p> <p>4) Top executive personnel of each establishment must reside in Korea.</p>	
(5) SECURITIES' INVESTMENT TRUST BUSINESSES		<p>1) Unbound</p> <p>2) Unbound</p> <p>{81193•}</p> <p>3) - Only representative offices of foreign securities investment trust companies are permitted.</p> <p>- Establishment of a commercial presence is subject to the economic needs test.</p> <p>- Equity participation in existing domestic securities investment trust companies by foreign securities investment trust companies is limited to less than 5% per foreign company and less than 10% in the aggregate.</p>	<p>4) Top executive personnel of each establishment must reside in Korea.</p>

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
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(6) INVESTMENT ADVISORY BUSINESSES

Investment Advisory Services	1) Unbound 2) Unbound	1) Unbound 2) Unbound
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[81332]

3) - Only representative offices of foreign investment advisory companies are permitted.

- Establishment of a commercial presence is subject to the economic needs test.

- Equity participation in existing domestic investment advisory services companies by foreign investment advisory companies is limited to less than 5% per foreign company and less than 10% in the aggregate.

4) None
4) Top executive personnel of each establishment must reside in Korea.

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
INSURANCE AND INSURANCE-RELATED SERVICES			
(7) LIFE INSURANCE BUSINESSES			
Life Insurance Services [81211]	<p>1) Unbound</p> <p>2) Unbound</p> <p>3) - In joint ventures, multiple foreign shareholders are not allowed, and the foreign share must exceed 50%. Local shareholders must meet qualification criteria.</p> <ul style="list-style-type: none"> - Establishment of a commercial presence is subject to the economic needs test. - Certain criteria apply to the establishment of sales offices of life insurance firms. - The recruiting and employment of insurance professionals, including sales personnel, are subject to restrictions. <p>4) None</p>		
			4) Top executive personnel of each establishment must reside in Korea.

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(8) NON-LIFE INSURANCE BUSINESSES			
Non-life Insurance Services	1) Unbound except for marine export cargo insurance [8129]	1) Unbound 2) Unbound 3) - Only representative offices and branches of foreign non-life insurance companies and foreign equity participation in existing domestic non-life insurance companies are permitted. - Establishment of a commercial presence is subject to the economic needs test. - Duopoly by specialized firms is maintained in fidelity and surety insurance. - Certain criteria apply to the establishment of sales offices of non-life insurance companies.	1) Unbound 2) Unbound 3) Quotting insurance rates on certain risks from overseas is subject to restrictions. 4) None 4) Top executive personnel of each establishment must reside in Korea.

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(9) REINSURANCE AND RETROCESSION BUSINESSES [81299*]			
Reinsurance and Retrocession Services	<p>1) None</p> <p>2) None</p> <p>3) Direct insurance companies may participate in the supply of services subject to the restrictions in section (8) regarding non-life insurance services.</p> <p>4) None</p>	<p>1) Ceding insurers are required to reinsurance with priority given to reinsurance companies established in Korea. The above requirement is not applied to aircraft insurance.</p> <p>2) None</p> <p>3) None</p> <p>4) Top executive personnel of each establishment must reside in Korea.</p>	

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
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(10) INSURANCE BROKING AND AGENCY BUSINESSES

Insurance Broking and Agency Services	1) Unbound 2) Unbound	1) Unbound 2) Unbound
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[81401*]

- 3) - Only exclusive agencies are allowed. In the case of non-life insurance, the dual agency is permitted.

- Establishment of a commercial presence is subject to the economic needs test.

- 4) None
4) Top executive personnel of each establishment must reside in Korea.

(11) CLAIM SETTLEMENT BUSINESSES

Claim Settlement Services	1) Unbound 2) Unbound 3) Unbound 4) None
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[81403*]

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(12) ACTUARIAL BUSINESSES			
Actuarial Services [81404]	1) Unbound 2) Unbound 3) Unbound 4) None	1) None 2) None 3) None 4) Top executive personnel of each establishment must reside in Korea.	

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
9. TOURISM AND TRAVEL RELATED SERVICES			
A. HOTELS AND RESTAURANTS			
Hotel Lodging Services [6411, 6412]	1) Unbound* 2) None 3) None 4) None	1) Unbound* 2) None 3) None 4) None	
B. TRAVEL AGENCY AND TOUR OPERATOR SERVICES			
Travel Agency Services [7471]	1) None 2) None 3) None 4) None	1) None 2) None 3) None 4) None	
C. TOURIST GUIDE SERVICES			
Tourist Guide Services [7472]	1) None 2) None 3) Only travel agencies are allowed to supply tourist guide services. 4) None	1) None 2) None 3) None 4) None	

Unbound* : Unbound due to lack of technical feasibility

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
11. TRANSPORT SERVICES	A. MARITIME TRANSPORT SERVICES		
International Transport Excluding Cabotage [7211*, 7212*]	1) a) Liner shipping: None, except for the cargo preference system which will be abolished on January 1, 1995. b) Bulk, tramp, and other international shipping : The cargo preference system applies to 8 items.	1) None 2) None 3) a) Establishment of a registered company for the purpose of operating a fleet under the national flag of Korea: Unbound b) Other forms of commercial presence: None	3) a) Unbound 4) a) Unbound b) None

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
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MARITIME AUXILIARY SERVICES

Storage and Warehouse Services in Ports Excluding Services for Agricultural, Fishery and Livestock Products	1) Unbound*	1) Unbound*	1) Unbound*
	2) None	2) None	2) None
	3) None	3) None	3) None
	4) None	4) None	4) None
[742*]			

Maritime Agency Services	1) None	1) None	1) None
	2) None	2) None	2) None
	3) In the case of a joint venture company or subsidiary, it must be established as a Chusik Illoesa(a joint stock corporation).	3) None	3) None
	4) None	4) None	4) None
[748*]			

748* : Agency services on behalf of maritime passenger transport businesses or maritime cargo transport businesses (including foreign transport businesses) under CPC 748.
Unbound* : Unbound due to lack of technical feasibility.

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Maritime Freight Forwarding Services [748*]	1) None 2) None 3) In the case of a joint venture company or subsidiary, it must be established as a Chusik Illoesa(a joint stock corporation). 4) None	1) None 2) None 3) None 4) None	
Shipping Brokerage Services [748**,749**]	1) None 2) None 3) In the case of a joint venture company or subsidiary, it must be established as a Chusik Illoesa(a joint stock corporation). 4) None	1) None 2) None 3) None 4) None	

748* : Freight forwarding services by vessels in the name of the forwarder (including any foreign forwarders under contract) under CPC 748

748, 749* : Broking services for maritime cargo transport or for the chartering, leasing, purchasing or selling of vessels under CPC 748 and 749**

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
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- Maintenance and Repair of Vessels^{1,2}
- 1) Unbound*
 - 2) None
 - 3) In the case of a joint venture company or subsidiary, it must be established as a Chusik Hoesa(a joint stock corporation).
 - 4) None

C. AIR TRANSPORT SERVICES

- d. Maintenance and Repair of Aircraft¹
(Definition is subject to further consideration)
- 1) Unbound*
 - 2) None
 - 3) Unbound until January 1, 1997. Joint venture companies with less than 50% foreign equity will be permitted based on the economic needs test from January 1, 1997.
 - 4) None

^{1,2} Services, such as repair and management of vessels, management of crew, and marine insurance, provided on behalf of a maritime passenger transport business, maritime cargo transport business, or vessel leasing business.
Unbound* : Unbound due to lack of technical feasibility.

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Computer Reservation Services ^{1.1}	<p>1) Access only through publicly switched networks is allowed.</p> <p>2) None</p> <p>3) None</p> <p>4) None</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) None</p>	
Selling and Marketing of Air Transport Services ^{2.1}	<p>1) Unbound*</p> <p>2) None</p> <p>3) Unbound until January 1, 1997. Joint venture companies with less than 50% foreign equity will be permitted from January 1, 1997.</p> <p>4) None</p>	<p>1) Unbound*</p> <p>2) None</p> <p>3) Representatives and more than 50% of the board of directors of joint venture companies must be nationals.</p> <p>4) None</p>	

^{1.1} As defined in para. 7(c) in the Annex on Air Transport Services

^{2.1} Services defined in provisions 34 (general air transport agency services) and 32 (air cargo transport agency services) of Article 2 of the Aviation Act. "General air transport agency" means an enterprise which undertakes to make contracts for the international transport of passengers or cargoes by aircraft (excluding the service of acting for other persons in the application procedure for visa or passport) on behalf of air transport services firms for compensation. "Air cargo transport agency" means an enterprise which undertakes to make contracts for cargo transport by aircraft on behalf of air transport services firms or general air transport agency services firms for compensation.

Unbound* : Unbound due to lack of technical feasibility.

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
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F. ROAD TRANSPORT SERVICES

- Transportation of Containerized Freight Excluding Cabotage [71233*]
- 1) Unbound
 - 1) Unbound
 - 2) None
 - 3) - Only international shipping companies are allowed to supply services.
 - 3) Cargoes are confined to containerized cargoes to be exported or imported.
 - Business areas are restricted to Pusan, Kyungnam and Kyungbuk Provinces until April 1, 1994. Nation-wide operation will be permitted from that date.
 - 4) None

H. SERVICES AUXILIARY TO ALL MODES OF TRANSPORT

- b. Storage and Warehouse Services Other Than Those in Ports Excluding Services for Agricultural, Fishery and Livestock Products [742*]
- 1) Unbound*
 - 2) None
 - 3) None
 - 4) None

Unbound* : Unbound due to lack of technical feasibility.

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
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1. OTHER TRANSPORT SERVICES

COMBINED TRANSPORT SERVICES

- Freight Forwarding for Rail Transport^{1.1}
- 1) Unbound
 - 2) None
 - 3) - Only international shipping companies are allowed to supply services, and the establishment of commercial presence is subject to the economic needs test.
 - Business areas are restricted to Pusan and the Pukok area.
- Pusan: freight handling and ancillary transportation;
- Pugok: freight handling.
- 4) None

1.1 "Freight Forwarding for Rail Transport" means such auxiliary services to be carried out at the ends of railway transport; these services include collecting containerized cargo, contracting with Korean National Railroad for transport of the freight on trains, loading/unloading, and delivery of freight.