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ANNEX III

EXPLANATORY NOTES

1. The Schedule of a Party to this Annex sets out:
 - (a) headnotes or introductory notes that limit or clarify the commitments of a Party with respect to the obligations described in paragraphs 1(b) and 1(c);
 - (b) in Section A, pursuant to Article 17.10.1 (Non-Conforming Measures), a Party's existing measures that are not subject to some or all of the obligations imposed by:
 - (i) Article 17.3 (National Treatment);
 - (ii) Article 17.4 (Most-Favored-Nation Treatment);
 - (iii) Article 17.5 (Market Access); or
 - (iv) Article 17.9 (Senior Management and Boards of Directors); and
 - (c) in Section B, pursuant to Article 17.10.2 (Non-Conforming Measures), the specific sectors, subsectors or activities for which a Party may maintain existing, or adopt new or more restrictive, measures that do not conform with obligations imposed by:
 - (i) Article 17.3 (National Treatment);
 - (ii) Article 17.4 (Most-Favored-Nation Treatment);
 - (iii) Article 17.5 (Market Access);
 - (iv) Article 17.6 (Cross-Border Trade Standstill); or
 - (v) Article 17.9 (Senior Management and Boards of Directors).
2. Each Schedule entry in Section A sets out the following elements:
 - (a) **Sector** refers to the sector for which the entry is made;
 - (b) **Sub-Sector**, where referenced, refers to the specific subsector for which the entry is made;

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- (c) **Obligations Concerned** specifies the obligations referred to in paragraph 1(b) that, pursuant to Article 17.10.1(a) (Non-Conforming Measures), do not apply to the listed measures as indicated in the headnote or introductory note for each Party's Schedule;
 - (d) **Level of Government** indicates the level of government maintaining the listed measures;
 - (e) **Measures** identifies the laws, regulations or other measures for which the entry is made. A measure cited in the **Measures** element:
 - (i) means the measure as amended, continued or renewed as of the date of entry into force of this Agreement; and
 - (ii) includes any subordinate measure adopted or maintained under the authority of and consistent with the measure; and
 - (f) **Description**, as indicated in the headnote or introductory note for each Party's Schedule, either sets out the non-conforming measure or provides a general non-binding description of the measure for which the entry is made.
3. Each Schedule entry in Section B sets out the following elements:
- (a) **Sector** refers to the sector for which the entry is made;
 - (b) **Sub-Sector**, where referenced, refers to the specific subsector for which the entry is made;
 - (c) **Obligations Concerned** specifies the obligations referred to in paragraph 1(c) that, pursuant to Article 17.10.2 (Non-Conforming Measures), do not apply to the sectors, subsectors or activities listed in the entry;
 - (d) **Level of Government** indicates the level of government maintaining the listed measures;
 - (e) **Description** sets out the scope or nature of the sectors, subsectors or activities covered by the entry to which the reservation applies; and
 - (f) **Existing Measures** identifies, for transparency purposes, a non-exhaustive list of existing measures that apply to the sectors, subsectors or activities covered by the entry.
4. Parties recognize that measures falling under exceptions applicable to this Chapter, such as those in Article 17.11 (Exceptions), need not be scheduled. Nevertheless, some Parties have listed measures that may fall within applicable exceptions. For greater certainty, the listing of

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a measure in a Party's Schedule to Annex III is without prejudice to whether that measure or any other measure:

- (a) adopted or maintained by the Party; or
- (b) adopted or maintained by any other Party;

is covered by exceptions such as those in Article 17.11 (Exceptions).