

ANNEX ON ENVIRONMENTAL SERVICES

Article 1) Scope and Definition

- a) This Annex applies to measures by Parties affecting trade in environmental services. For the purposes of this Annex, environmental services means services classified under CPC Prov. 94 (sewage and refuse disposal, sanitation and other environmental protection services).
- b) For greater certainty, this Annex does not apply to measures by Parties affecting the collection, purification, and distribution of water for private and industrial use as classified in CPC Prov. 18000.
- c) For greater certainty, this Annex does not apply to public utilities supplying environmental services.

Article 2) Right to Regulate

Parties recognize the right to regulate, and to introduce new regulations, on the supply of environmental services within their territories in order to meet public policy objectives.

Article 3) Scheduling of National Treatment Commitments for Environmental Services

With respect to measures affecting trade in services as defined in Article I-1(2) (a) through (c), no Party may set out a condition or qualification affecting the supply of an environmental service in Section A of Part 1 of its Schedule.

Article 4) Scheduling of Market Access Commitments for Environmental Services

- a) With respect to measures affecting trade in services as defined in Article I-1(2) (a) through (c), each Party shall set out in Part II of its Schedule relating to Article I-3 (Market Access) either full or partial commitments for the supply of each environmental service classified under CPC Prov. 94.
- b) Any terms, limitations and conditions on market access affecting the supply of environmental services shall be those measures that a Party maintains on the date this Agreement takes effect, or the continuation or prompt renewal of any such measures.

Article 5) Supply of Environmental Services by Natural Persons

With respect to measures affecting trade in services as defined in Article I-1(2) (d):

- a) Each Party shall set out commitments relating to Article I-3 (Market Access) and Article I-4 (National Treatment) for intra-corporate transferees supplying environmental services.
- b) Each Party shall endeavour to set out commitments in its Schedule relating to Article I-3 (Market Access) and Article I-4 (National Treatment) for contractual service suppliers and independent professionals supplying environmental services.

Article 6) Most-Favoured-Nation Treatment Exemptions for Environmental Services

With respect to measures affecting trade in services as defined in Article I-1(2) (a) through (d), no Party may take an exemption to Article [X] (Most-Favoured-Nation Treatment) for the supply of each environmental service classified under CPC Prov. 94