

Annex I  
Reservations for Measures referred to  
in paragraph 1 of Article 6

1. The Schedule of a Contracting Party sets out, pursuant to paragraph 1 of Article 6, the reservations taken by that Contracting Party with respect to existing measures that do not conform with obligations imposed by:

- (a) Article 2 (National Treatment);
- (b) Article 3 (Most Favored Nation Treatment);
- (c) Article 5 (Performance Requirements); or
- (d) Article 10 (Senior Management and Boards of Directors).

2. Each reservation sets out the following elements:

- (a) "Sector" refers to the general sector in which the reservation is taken;
- (b) "Sub-Sector" refers to the specific sector in which the reservation is taken;
- (c) "Industry Classification" refers, where applicable, and only for transparency purposes, to the activity covered by the reservation according to domestic or international industry classification codes;
- (d) "Type of Reservation" specifies the obligations referred to in paragraph 1 for which the reservation is taken;
- (e) "Measures" identifies the existing laws, regulations or other measures for which the reservation is taken. 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" sets out, with regard to the obligations referred to in paragraph 1, the non-conforming aspects of the existing measures for which the reservation is taken.

3. In the interpretation of a reservation, all elements of the reservation shall be considered. A reservation shall be interpreted in the light of the relevant provisions of this Agreement against which the reservation is taken. The "Measures" element shall prevail over all other elements.

4. For the purposes of this Annex,

- (a) the term "JSIC" means Japan Standard Industrial Classification set out by the Ministry of Internal Affairs and Communications, and revised on November 6, 2007;
- (b) the term "CPC" means the Provisional Central Product Classification (Statistical paper Series M, No. 77, Department of International Economic and Social Affairs, Statistical Office of the United Nations, New York, 1991); and
- (c) the term "ISIC" means the International Standard Industrial Classification of All Economic Activities adopted, at its seventh session on August 27, 1948 and revised on May 22, 1989, by the Economic and Social Council of the United Nations.

Section 1  
Schedule of Japan

1	Sector:	Finance	
	Sub-Sector:	Banking	
	Industry Classification:	JSIC 622	Banks, except central bank
		JSIC 631	Financial institutions for small-businesses
	Type of Reservation:	National Treatment (Article 2)	
	Measures:	Deposit Insurance Law (Law No. 34 of 1971), Article 2	
	Description:	The deposit insurance system only covers financial institutions which have their head offices within the jurisdiction of Japan. The deposit insurance system does not cover deposits taken by branches of foreign banks.	

2      Sector:                      Heat Supply

         Sub-Sector:

         Industry                      JSIC 3511              Heat Supply

         Classification:

         Type of                      National Treatment (Article 2)

         Reservation:

         Measures:                      Foreign Exchange and Foreign Trade  
   Law (Law No. 228 of 1949), Article 27

   Cabinet Order on Foreign Direct  
   Investment (Cabinet Order No. 261 of  
   1980), Article 3

         Description:                      The prior notification requirement  
   under the Foreign Exchange and  
   Foreign Trade Law applies to foreign  
   investors who intend to make  
   investments in heat supply industry  
   in Japan.

3      Sector:                    Information and Communications

         Sub-Sector:            Telecommunications

         Industry                JSIC 3700            Head offices primarily  
Classification:                   engaged in managerial  
   operations

   JSIC 3711            Regional  
   telecommunications,  
   except wire broadcast  
   telephones

   JSIC 3731            Services incidental to  
   telecommunications

         Type of                    National Treatment (Article 2)  
Reservation:                    Senior Management and Boards of  
   Directors (Article 10)

         Measures:                Law Concerning Nippon Telegraph and  
   Telephone Corporation (Law No. 85 of  
   1984), Articles 6 and 10

         Description:            1.      Nippon Telegraph and Telephone  
   Corporation may not enter the name  
   and address in its register of  
   shareholders if the aggregate of the  
   ratio of the voting rights directly  
   and/or indirectly held by the persons  
   set forth in subparagraphs (a)  
   through (c) reaches or exceeds one  
   third:

   (a)    a natural person who does not  
          have Japanese nationality;

   (b)    a foreign government or its  
          representative; and

   (c)    a foreign legal person or a  
          foreign entity.

   2.      Any natural person who does not  
   have Japanese nationality may not  
   assume the office of director or  
   auditor of Nippon Telegraph and  
   Telephone Corporation, Nippon  
   Telegraph and Telephone East  
   Corporation and Nippon Telegraph and  
   Telephone West Corporation.

4	Sector:	Information and Communications	
	Sub-Sector:	Telecommunications and Internet Based Services	
	Industry Classification:	JSIC 3711	Regional telecommunications, except wire broadcast telephones
		JSIC 3712	Long-distance telecommunications
		JSIC 3719	Miscellaneous fixed telecommunications
		JSIC 3721	Mobile telecommunications
		JSIC 401	Internet based services
	Note:	The activities covered by the reservation under JSIC 3711, 3712, 3719, 3721 or 401 are limited to the activities which are subject to the registration obligation under Article 9 of the Telecommunications Business Law (Law No. 86 of 1984).	
	Type of Reservation:	National Treatment (Article 2)	
	Measures:	Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27	
		Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3	
	Description:	The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in telecommunications business and internet based services in Japan.	

5	Sector:	Manufacturing
	Sub-Sector:	Drugs and Medicines Manufacturing
	Industry Classification:	JSIC 1653      Biological preparations
	Type of Reservation:	National Treatment (Article 2)
	Measures:	Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27  Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3
	Description:	The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in biological preparations manufacturing industry in Japan. For greater certainty, "biological preparations manufacturing industry" deals with economic activities in an establishment which mainly produces vaccine, serum, toxoid, antitoxin and some preparations similar to the aforementioned products, or blood products.

6	Sector:	Manufacturing	
	Sub-Sector:	Leather and Leather Products Manufacturing	
	Industry Classification:	JSIC 1189	Textile apparel and accessories, n.e.c.
		JSIC 1694	Gelatine and adhesives
		JSIC 192	Rubber and plastic footwear and its findings
		JSIC 2011	Leather tanning and finishing
		JSIC 2021	Mechanical leather products, except gloves and mittens
		JSIC 2031	Cut stock and findings for boots and shoes
		JSIC 2041	Leather footwear
		JSIC 2051	Leather gloves and mittens
		JSIC 2061	Baggage
		JSIC 207	Handbags and small leather cases
		JSIC 2081	Fur skins
		JSIC 2099	Miscellaneous leather products
		JSIC 3253	Sporting and athletic goods
	Note 1:	The activities covered by the reservation under JSIC 1189 or 3253 are limited to the activities related to leather and leather products manufacturing.	



Note 2: The activities covered by the reservation under JSIC 1694 are limited to the activities related to animal glue (nikawa) and gelatine manufacturing.

Type of  
Reservation:

National Treatment (Article 2)

Measures:

Foreign Exchange and Foreign Trade  
Law (Law No. 228 of 1949), Article 27

Cabinet Order on Foreign Direct  
Investment (Cabinet Order No. 261 of  
1980), Article 3

Description:

The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in leather and leather products manufacturing industry in Japan.

7     Sector:                Matters Related to the Nationality of  
                                  a Ship

         Sub-Sector:

         Industry  
          Classification:

         Type of                National Treatment (Article 2)  
          Reservation:

                                 Senior Management and Boards of  
                                  Directors (Article 10)

         Measures:            Ship Law (Law No. 46 of 1899),  
                                  Article 1

         Description:        The Japanese nationality shall be  
                                  given to a ship whose owner is a  
                                  Japanese national, or a company  
                                  established under Japanese law, of  
                                  which all the representatives and not  
                                  less than two-thirds of the  
                                  executives administering the affairs  
                                  are Japanese nationals.



9      Sector:                      Oil Industry

Sub-Sector:

Industry Classification:	JSIC 053	Crude petroleum and natural gas production
	JSIC 1711	Petroleum refining
	JSIC 1721	Lubricating oils and greases (not made in petroleum refineries)
	JSIC 1741	Paving materials
	JSIC 1799	Miscellaneous petroleum and coal products
	JSIC 4711	Ordinary warehousing
	JSIC 4721	Refrigerated warehousing
	JSIC 5331	Petroleum
	JSIC 6051	Petrol stations (gasoline service stations)
	JSIC 6052	Fuel stores, except gasoline service stations
	JSIC 9299	Miscellaneous business services, n.e.c.

Note 1: The activities covered by the reservation under JSIC 1741, 1799, 4711, 4721 or 6052 are limited to the activities related to oil industry.

Note 2: The activities covered by the reservation under JSIC 9299 are limited to the activities related to liquefied petroleum gas industry.

Type of Reservation:                      National Treatment (Article 2)

Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27

Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in oil industry in Japan. All organic chemicals such as ethylene, ethylene glycol and polycarbonates are outside the scope of the oil industry. Therefore, prior notification under the Foreign Exchange and Foreign Trade Law is not required for the investment in the manufacture of these products.

10	Sector:	Agriculture, Forestry and Fisheries, and Related Services (except Fisheries within the Territorial Sea, Internal Waters, Exclusive Economic Zone and Continental Shelf provided for in the reservation No. 8 in the Schedule of Japan in Annex II)	
	Sub-Sector:		
	Industry Classification:	JSIC 01	Agriculture
		JSIC 02	Forestry
		JSIC 03	Fisheries, except aquaculture
		JSIC 04	Aquaculture
		JSIC 6324	Agricultural cooperatives
		JSIC 6325	Fishery and fishery processing cooperatives
		JSIC 871	Agriculture, forestry and fisheries cooperative associations, n.e.c.
	Type of Reservation:	National Treatment (Article 2)	
	Measures:	Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27	
		Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3	
	Description:	The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in agriculture, forestry and fisheries, and related services (except fisheries within the territorial sea, internal waters, exclusive economic zone and continental shelf provided for in the reservation No. 8 in the Schedule of Japan of Annex II) in Japan.	

11      Sector:                      Security Guard Services

         Sub-Sector:

         Industry                      JSIC 9231              Guard services

         Classification:

         Type of                      National Treatment (Article 2)

         Reservation:

         Measures:                      Foreign Exchange and Foreign  
   Trade Law (Law No. 228 of 1949),  
   Article 27

   Cabinet Order on Foreign Direct  
   Investment (Cabinet Order No. 261 of  
   1980), Article 3

         Description:                      The prior notification requirement  
   under the Foreign Exchange and  
   Foreign Trade Law applies to foreign  
   investors who intend to make  
   investments in security guard  
   services in Japan.

12	Sector:	Transport	
	Sub-Sector:	Air Transport	
	Industry Classification:	JSIC 4600	Head offices primarily engaged in managerial operations
		JSIC 4611	Air transport
	Type of Reservation:	National Treatment (Article 2)	
		Most Favored Nation Treatment (Article 3)	
		Senior Management and Boards of Directors (Article 10)	
	Measures:	Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27	
		Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3	
		Civil Aeronautics Law (Law No. 231 of 1952), Chapters 7 and 8	
	Description:	<p>1. The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in air transport business in Japan.</p> <p>2. Permission of the Minister of Land, Infrastructure, Transport and Tourism for conducting air transport business as a Japanese air carrier is not granted to the following natural persons or entities applying for the permission:</p> <p>(a) a natural person who does not have Japanese nationality;</p> <p>(b) a foreign country, or a foreign public entity or its equivalent;</p>	



- (c) a legal person or other entity constituted under the laws of any foreign country; and
- (d) a legal person represented by the natural persons or entities referred to in subparagraph (a), (b) or (c); a legal person of which more than one-third of the members of the board of directors are composed of the natural persons or entities referred to in subparagraph (a), (b) or (c); or a legal person of which more than one-third of the voting rights are held by the natural persons or entities referred to in subparagraph (a), (b) or (c).

In the event an air carrier falls into a natural person or an entity referred to in subparagraphs (a) through (d), the permission will lose its effect. The conditions for the permission also apply to companies, such as holding companies, which have substantial control over the air carriers.

3. A Japanese air carrier or a company having substantial control over such air carrier, such as a holding company, may reject the request from a natural person or an entity set forth in subparagraphs 2(a) through (c), who owns equity investments in such air carrier or company, to enter its name and address in the register of shareholders, in the event such air carrier or company falls into a legal person referred to in subparagraph 2(d) by accepting such request.

4. Foreign air carriers are required to obtain permission of the Minister of Land, Infrastructure, Transport and Tourism to conduct international air transport business.

5. Permission of the Minister of Land, Infrastructure, Transport and Tourism is required for the use of foreign aircraft for air transport of passengers or cargoes to and from Japan for remuneration.

6. A foreign aircraft may not be used for a flight between points within Japan.



- (d) a legal person represented by the natural persons or entities referred to in subparagraph (a), (b) or (c); a legal person of which more than one-third of the members of the board of directors are composed of the natural persons or entities referred to in subparagraph (a), (b) or (c); or a legal person of which more than one-third of the voting rights are held by the natural persons or entities referred to in subparagraph (a), (b) or (c).

In the event a person conducting aerial work business falls into a natural person or an entity referred to in subparagraphs (a) through (d), the permission will lose its effect. The conditions for the permission also apply to companies, such as holding companies, which have substantial control over the person conducting aerial work business.

3. A foreign aircraft may not be used for a flight between points within Japan.

14	Sector:	Transport
	Sub-Sector:	Air Transport (Registration of Aircraft in the National Register)
	Industry Classification:	
	Type of Reservation:	National Treatment (Article 2) Senior Management and Boards of Directors (Article 10)
	Measures:	Civil Aeronautics Law (Law No. 231 of 1952), Chapter 2
	Description:	<p>1. An aircraft owned by any of the following natural persons or entities may not be registered in the national register:</p> <ul style="list-style-type: none"> <li>(a) a natural person who does not have Japanese nationality;</li> <li>(b) a foreign country, or a foreign public entity or its equivalent;</li> <li>(c) a legal person or other entity constituted under the laws of any foreign country; and</li> <li>(d) a legal person represented by the natural persons or entities referred to in subparagraph (a), (b) or (c); a legal person of which more than one-third of the members of the board of directors are composed of the natural persons or entities referred to in subparagraph (a), (b) or (c); or a legal person of which more than one-third of the voting rights are held by the natural persons or entities referred to in subparagraph (a), (b) or (c).</li> </ul> <p>2. A foreign aircraft may not be registered in the national register.</p>

15	Sector:	Transport	
	Sub-Sector:	Freight Forwarding Business (excluding freight forwarding business using air transportation)	
	Industry Classification:	JSIC 4441	Collect-and-deliver freight transport
		JSIC 4821	Deliver freight transport, except collect-and-deliver freight transport
	Type of Reservation:	National Treatment (Article 2)	
		Most Favored Nation Treatment (Article 3)	
		Senior Management and Boards of Directors (Article 10)	
	Measures:	Freight Forwarding Business Law (Law No. 82 of 1989), Chapters 2 through 4	
		Enforcement Regulation of Freight Forwarding Business Law (Ministerial Ordinance of the Ministry of Transport No. 20 of 1990)	
	Description:	The following natural persons or entities are required to be registered with, or to obtain permission or approval of, the Minister of Land, Infrastructure, Transport and Tourism for conducting freight forwarding business using international shipping. Such registration shall be made, or such permission or approval shall be granted, on the basis of reciprocity:	
		(a) a natural person who does not have Japanese nationality;	
		(b) a foreign country, or a foreign public entity or its equivalent;	
		(c) a legal person or other entity constituted under the laws of any foreign country; and	

- (d) a legal person represented by the natural persons or entities referred to in subparagraph (a), (b) or (c); a legal person of which more than one-third of the members of the board of directors are composed of the natural persons or entities referred to in subparagraph (a), (b) or (c); or a legal person of which more than one-third of the voting rights are held by the natural persons or entities referred to in subparagraph (a), (b) or (c).

16	Sector:	Transport	
	Sub-Sector:	Freight Forwarding Business (only freight forwarding business using air transportation)	
	Industry Classification:	JSIC 4441	Collect-and-deliver freight transport
		JSIC 4821	Deliver freight transport, except collect-and-deliver freight transport
	Type of Reservation:	National Treatment (Article 2)	
		Most Favored Nation Treatment (Article 3)	
		Senior Management and Boards of Directors (Article 10)	
	Measures:	Freight Forwarding Business Law (Law No. 82 of 1989), Chapters 2 through 4	
		Enforcement Regulation of Freight Forwarding Business Law (Ministerial Ordinance of the Ministry of Transport No. 20 of 1990)	
	Description:	<p>1. The following natural persons or entities may not conduct freight forwarding business using air transportation between points within Japan:</p> <p>(a) a natural person who does not have Japanese nationality;</p> <p>(b) a foreign country, or foreign public entity or its equivalent;</p> <p>(c) a legal person or other entity constituted under the laws of any foreign country; and</p>	



- (d) a legal person represented by the natural persons or entities referred to in subparagraph (a), (b) or (c); a legal person of which more than one-third of the members of the board of directors are composed of the natural persons or entities referred to in subparagraph (a), (b) or (c); or a legal person of which more than one-third of the voting rights are held by the natural persons or entities referred to in subparagraph (a), (b) or (c).

2. The natural persons or entities referred to in subparagraphs 1(a) through (d) are required to be registered with, or to obtain permission or approval of, the Minister of Land, Infrastructure, Transport and Tourism for conducting freight forwarding business using international air transportation. Such registration shall be made, or such permission or approval shall be granted, on the basis of reciprocity.

17	Sector:	Transport				
	Sub-Sector:	Railway Transport				
	Industry Classification:	<table border="0"> <tr> <td style="padding-right: 20px;">JSIC 421</td> <td>Railway transport</td> </tr> <tr> <td>JSIC 4851</td> <td>Railway facilities services</td> </tr> </table>	JSIC 421	Railway transport	JSIC 4851	Railway facilities services
JSIC 421	Railway transport					
JSIC 4851	Railway facilities services					
	Type of Reservation:	National Treatment (Article 2)				
	Measures:	<p>Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27</p> <p>Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3</p>				
	Description:	<p>The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in railway transport industry in Japan. The manufacture of vehicles, parts and components for the railway transport industry is not included in railway transport industry. Therefore, prior notification under the Foreign Exchange and Foreign Trade Law is not required for the investments in the manufacture of these products.</p>				

18	Sector:	Transport
	Sub-Sector:	Road Passenger Transport
	Industry Classification:	JSIC 4311      Common omnibus operators
	Type of Reservation:	National Treatment (Article 2)
	Measures:	<p>Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27</p> <p>Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3</p>
	Description:	<p>The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in omnibus industry in Japan. The manufacture of vehicles, parts and components for omnibus industry is not included in omnibus industry. Therefore, prior notification under the Foreign Exchange and Foreign Trade Law is not required for the investments in the manufacture of these products.</p>

19	Sector:	Transport
	Sub-Sector:	Water Transport
	Industry Classification:	JSIC 452 Coastwise transport
		JSIC 453 Inland water transport
		JSIC 4542 Coastwise ship leasing
	Type of Reservation:	National Treatment (Article 2)
	Measures:	Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27
		Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3
	Description:	The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in water transport industry in Japan. For greater certainty, "water transport industry" refers to oceangoing/seagoing transport, coastwise transport (i.e. maritime transport between ports within Japan), inland water transport and ship leasing industry. However, oceangoing/seagoing transport industry and ship leasing industry excluding coastwise ship leasing industry are exempted from the prior notification requirement.

20      Sector:                      Transport

         Sub-Sector:                Water Transport

         Industry  
         Classification:

         Type of                      National Treatment (Article 2)  
         Reservation:

                                        Most Favored Nation Treatment  
                                        (Article 3)

         Measures:                   Ship Law (Law No. 46 of 1899),  
                                        Article 3

         Description:                Unless otherwise specified in laws  
   and regulations of Japan, or  
   international agreements to which  
   Japan is a party, ships not flying  
   the Japanese flag are prohibited from  
   entering Japanese ports which are not  
   open to foreign commerce and from  
   carrying cargoes or passengers  
   between Japanese ports.

21    Sector:                    Water Supply and Waterworks

      Sub-Sector:

      Industry                JSIC 3611            Water for end users,  
Classification:                    except industrial users

      Type of                National Treatment (Article 2)  
Reservation:

      Measures:                Foreign Exchange and Foreign Trade  
                                      Law (Law No. 228 of 1949), Article 27

                                      Cabinet Order on Foreign Direct  
                                      Investment (Cabinet Order No. 261 of  
                                      1980), Article 3

      Description:            The prior notification requirement  
                                      under the Foreign Exchange and  
                                      Foreign Trade Law applies to foreign  
                                      investors who intend to make  
                                      investments in water supply and  
                                      waterworks industry in Japan.

Section 2  
Schedule of Colombia

1	Sector:	All Sectors
	Sub-Sector:	
	Industry Classification:	
	Type of Reservation:	Performance Requirements (Article 5)  Senior Management and Board of Directors (Article 10)
	Measures:	<i>Código Sustantivo del Trabajo</i> , Art. 74 and 75
	Description:	Any employer that has more than 10 workers shall employ Colombians as part of its ordinary workforce in a proportion of no less than 90 per cent of its ordinary workers and of no less than 80 per cent of its skilled, specialized or managerial personnel or persons in a position of trust.  At the employer's request, these proportions may be reduced when it involves essential and strictly technical workers and only for the time necessary to train Colombian workers.

2      Sector:                      All Sectors

         Sub-Sector:

         Industry  
         Classification:

         Type of                      National Treatment (Article 2)  
         Reservation:

         Measures:                      Decreto 2080 de 2000, Art. 26 and 27

         Description:                      Foreign investors may make portfolio  
   investments in securities in Colombia  
   only through a foreign capital  
   investment fund (*fondo de inversión  
   de capital extranjero*).



3      Sector:                      All Sectors

         Sub-Sector:

         Industry  
Classification:

         Type of                      National Treatment (Article 2)  
Reservation:

   Senior Management and Boards of  
   Directors (Article 10)

         Measures:                      As set out in the Description  
   element, including Articles 3, 11 of  
   *Ley 226 de 1995*.

         Description:                      Colombia, when selling or disposing  
   of its equity interests in, or the  
   assets of, an existing state  
   enterprise or an existing  
   governmental entity, may prohibit or  
   impose limitations on the ownership  
   of such interests or assets, and on  
   the ability of owners of such  
   interests or assets to control any  
   resulting enterprise, by investors of  
   Japan or of a non-Contracting Party  
   or their investments. With respect to  
   such a sale or other disposition,  
   Colombia may adopt or maintain any  
   measure relating to the nationality  
   of senior management or members of  
   the board of directors.

   Relevant existing legislation  
   concerning this non-conforming  
   measure includes *Ley 226 de 1995*. In  
   this respect, if Colombia decides to  
   sell all or part of its interest in  
   an enterprise to a person other than  
   a Colombian state enterprise or other  
   Colombian government entity, it shall  
   first offer such interest  
   exclusively, and under the conditions  
   established in article 11 of *Ley 226  
de 1995*, to:

current, pensioned, and former employees (other than former employees terminated for just cause) of the enterprise and of other enterprises owned or controlled by the enterprise; associations of employees and former employees of the enterprise; employee unions; federations and confederations of trade unions; employee funds ("fondos de empleados"); pension and severance funds; and cooperative entities<sup>1</sup>

However, once such interest has been transferred or sold, Colombia does not reserve the right to control any subsequent transfer or other disposal of such interest.

For purposes of this reservation:

any measure maintained or adopted after the date of entry into force of this Agreement that, at the time of sale or other disposition, prohibits or imposes limitations on the ownership of equity interests or assets or imposes nationality requirements described in this reservation shall be deemed to be an existing measure; and "state enterprise" means an enterprise owned or controlled through ownership interests by Colombia and includes an enterprise established after the date of entry into force of this Agreement solely for the purposes of selling or disposing of equity interests in, or the assets of, an existing state enterprise or governmental entity.

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<sup>1</sup> For greater certainty, *Ley 454 de 1998* establishes the type of cooperative entities existing in Colombia. There are "cooperativas de ahorro y crédito", "cooperativas financieras" and "cooperativas multiactivas o integrales".

4	Sector:	Fishing and Services Related to Fishing	
	Sub-Sector:	Other Business Services Fishing, aquaculture and service activities incidental to fishing	
	Industry Classification:	CPC 882	Services incidental to fishing
		ISIC 0501	Fishing
	Type of Reservation:	National Treatment (Article 2) Most Favored Nation Treatment (Article 3)	
	Measures:	Decreto 2256 de 1991, Art. 27, 28 and 67  Acuerdo 005 de 2003, Sección II and VII	
	Description:	<p>A foreign flagged vessel may obtain a permit and engage in commercial fishing and related activities in Colombian territorial waters only in association with a Colombian enterprise that owns a permit. In this case, the costs of the permit and fishing license are higher for foreign-flagged vessels than for Colombian-flagged vessels.</p> <p>If the flag of a foreign-flagged vessel is that of a country that is a party to another bilateral agreement with Colombia, the terms of that other bilateral agreement shall determine whether or not the requirement to associate with a Colombian enterprise that owns a permit applies.</p>	

5      Sector:                      Private Security and Surveillance Services

         Sub-Sector:              Other Business Services

         Industry                  CPC 873                  Investigation and  
Classification:                                  security

         Type of                      National Treatment (Article 2)  
Reservation:

         Measures:                  *Decreto 356 de 1994, Art. 8, 12, 23  
and 25*

         Description:              Partners or members of private  
security and surveillance services  
enterprises must be Colombian  
nationals.

         Enterprises established prior to  
February 11, 1994 with foreign  
members or foreign capital may not  
increase the participation of foreign  
members. Cooperatives organized  
before that date may retain their  
juridical form.

6	Sector:	Journalism
	Sub-Sector:	News agency services
	Industry Classification:	CPC 6921 news agency services to newspapers and periodicals
	Type of Reservation:	Senior Management and Board of Directors (Article 10)
	Measures:	Ley 29 de 1944, Art. 13
	Description:	The director or general manager of a newspaper published in Colombia that focuses on Colombian politics must be a Colombian national.

7      Sector:                      Domiciliary Public Services

         Sub-Sector:

         Industry  
         Classification:

         Type of                      National Treatment (Article 2)  
         Reservation:

         Measures:                      *Ley 142 de 1994*, Artículos 1, 17, 18,  
   19 and 23

*Código de comercio*, Art. 471 and 472

         Description:                      An enterprise in which a locally  
   organized community holds a  
   controlling interest shall be given a  
   preference over enterprises with  
   otherwise equivalent bids in the  
   granting of a concession or license  
   for the provision of domiciliary  
   public services to that community.

   For the purposes of this reservation  
   entry, domiciliary public services  
   include the provision of water,  
   sewage, refuse disposal, electric  
   power, combustible gas distribution,  
   and basic public-switched telephone  
   services (PSTN) and any activities  
   supplemental thereto. Activities  
   supplemental to basic public-switched  
   telephone services means long-  
   distance public telephone and fixed  
   wireless local loop telephone  
   services in rural areas, but does not  
   include commercial mobile telephone  
   services.

8	Sector:	Cinematography
	Sub-Sector:	
	Industry Classification:	
	Type of Reservation:	Performance Requirements (Article 5)
	Measures:	Ley 814 de 2003, Art. 5, 14, 15, 18 y 19
	Description:	<p>The exhibition and distribution of foreign films is subject to the Cinematographic Development Fee, which is set at 8.5 per cent of the monthly net income derived from such exhibition and distribution.</p> <p>The fee applied to an exhibitor is reduced to 2.25 percent, when a foreign movie is exhibited together with a Colombian short film.</p> <p>Until 2013, the fee applied to a distributor is reduced to 5.5 percent if, during the preceding year, the percentage of Colombian full-length films it distributed to cinemas and other exhibitors equaled or exceeded the target percentage set by the government.</p>

9     Sector:               Radio Broadcasting Services

       Sub-Sector:

       Industry  
Classification:

Type of                 Senior Management and Board of  
Reservation:         Directors (Article 10)

Measures:             Ley 80 de 1993, Art. 35

                             Decreto 1447 de 1995, Art. 7, 9 y 18

Description:         The directors of informative or  
                             journalist programs must be a  
                             Colombian national.



- 10      Sector:                      Free-to-air Television  
   Audio-Visual Production Services
- Sub-Sector:
- Industry  
         Classification:
- Type of                      National Treatment (Article 2)  
         Reservation:                      Performance Requirements (Article 5)
- Measures:                      Ley 014 de 1991, Art. 37  
   Ley 680 de 2001, Art. 1 y 4  
   Ley 335 de 1996, Art. 13 y 24  
   Ley 182 de 1995, Art. 37 numeral 3,  
   Art. 47 y Art. 48  
   Acuerdo 002 de 1995, Art. 10  
   párrafo  
   Acuerdo 023 de 1997, Art. 8 Parágrafo  
   Acuerdo 024 de 1997, Art. 6 y 9  
   Acuerdo 020 de 1997, Art. 3 y 4
- Description:                      Foreign equity in any enterprise  
   holding a free-to-air television  
   concession is limited to 40 percent.
- National Television  
   Suppliers (operators and/or persons  
   granted the right to use programming  
   slots) of free-to-air national  
   television services must broadcast  
   nationally produced programming on  
   each channel as follows:
- (a)    a minimum of 70 per cent between  
   19:00 hours and 22:30 hours,
  - (b)    a minimum of 50 per cent between  
   22:30 hours and 24:00 hours,
  - (c)    a minimum of 50 per cent between  
   10:00 hours and 19:00 hours,
  - (d)    a minimum of 60 per cent for  
   Saturdays, Sundays, and holidays  
   between 19:00 hours and 22:30  
   hours

#### Regional and Local Television

Regional television may be supplied only by state-owned entities. Suppliers of regional and local free-to-air television services must broadcast a minimum of 50 percent nationally produced programming on each channel.

11      Sector:                      Subscription Television  
    Audio-visual Production Services

         Sub-Sector:

         Industry  
          Classification:

         Type of                      Performance Requirements (Article 5)  
          Reservation:

         Measures:                      Ley 680 de 2001, Art. 4 y 11  
    Ley 182 de 1995, Art. 42  
    Acuerdo 014 de 1997, Art.14, 16 y 30  
    Ley 335 de 1996, Art. 8  
    Acuerdo 032 de 1998, Art. 7 y 9

         Description:                      Enterprises that supply subscription  
    television services must make  
    available to subscribers, at no  
    additional cost, those free-to-air  
    Colombian national, regional, and  
    municipal television channels  
    available in the authorized area of  
    coverage. The transmission of  
    regional and municipal channels will  
    be subject to the technical capacity  
    of the subscription television  
    operator.

   Suppliers of satellite subscription  
    television only have the obligation  
    of including in their basic  
    programming the transmission of the  
    public interest channels of the  
    Colombian State. When rebroadcasting  
    free-to-air programming subject to a  
    domestic content quota, a  
    subscription television provider may  
    not modify the content of the  
    original signal.

Subscription television not including satellite

The concessionaire of subscription television that transmits commercials different from those of origin must comply with the minimum percentages of nationally produced programming required of suppliers of free-to-air national television services as described in the entry on free-to-air television and audio-visual production services of the schedule of Colombia of this Annex. Colombia interprets Article 16 of *Acuerdo 014 de 1997* as not requiring subscription television suppliers to comply with minimum percentages of nationally produced programming when commercials are inserted into programming outside the territory of Colombia. Colombia will continue to apply this interpretation, subject to Article 6.1 (d).

Suppliers of cable television services must produce and broadcast in Colombia a minimum of one hour of programming each day between 18:00 hours and 24:00 hours.

12      Sector:                      Waste-Related Services

         Sub-Sector:

         Industry  
         Classification:

         Type of                      National Treatment (Article 2)  
         Reservation:

         Measures:                      Decreto 2080 de 2000, Art. 6

         Description:                      Foreign investment is not permitted  
   in activities related to the  
   processing, disposition, and disposal  
   of toxic, hazardous or radioactive  
   waste not produced in Colombia.

13	Sector:	Transport services
	Sub-Sector:	Maritime Transportation Fluvial Transportation
	Industry Classification:	CPC 72              Water transport services
	Type of Reservation:	Performance Requirements (Article 5)  Senior Management and Board of Directors (Article 10)
	Measures:	Decreto 804 de 2001, Art. 2 and 4 numeral 4  Código de Comercio, Art. 1455  Decreto Ley 2324 de 1984, Art. 99, 101 and 124  Ley 658 de 2001, Art. 11  Decreto 1597 de 1998, Art. 23
	Description:	In Colombian flag vessels and foreign-flagged vessels (except those relating to fishing) that operate in Colombian jurisdictional waters for a period of time longer than six months, continuous or discontinuous, from the date of the issuing of the respective permit, the captain, officials and at least 80 per cent of the rest of the crew must be Colombians.

14	Sector:	Transport
	Sub-Sector:	Specialty Air Services
	Industry Classification:	
	Type of Reservation:	National Treatment (Article 2)  Most Favored Nation Treatment (Article 3)  Performance Requirements (Article 5)
	Measures:	<i>Código de Comercio</i> , Artículos 1795 y 1864
	Description:	<p>Only Colombian nationals or juridical persons organized under Colombian law may own and maintain real and effective control of an airplane registered to supply specialty air services in Colombia.</p> <p>All specialty air services companies established in Colombia as an agency or branch shall employ Colombian workers in a proportion of no less than 90 per cent for its operation in Colombia. This percentage shall not apply to foreign workers from countries that accord reciprocity to Colombian workers. The aeronautic authority may allow, under justified reasons and for the necessary time, the no application of the workforce limitation mentioned.</p>

15      Sector:                      Finance

         Sub-Sector:               Financial Services. Banking and other  
   financial services (excluding  
   insurance)

         Industry  
         Classification:

         Type of                      National Treatment (Article 2)  
         Reservation:

         Measures:                   *Decreto 2419 de 1999, Art. 1 (en  
   concordancia con la Ley 270 de 1996,  
   Art. 203*

*Decreto 1065 de 1999, Art. 16).*

         Description:                The sums of money subject to court or  
   police order, including *cauciones*<sup>2</sup>,  
   and funds consigned under leases must  
   be deposited in the *Banco Agrario de  
   Colombia. S.A.*, which may derive a  
   competitive advantage with respect to  
   its overall operations from all or  
   some portion of that exclusive right.

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<sup>2</sup>      A *caución*, under Colombian law, is a deposit of money made under court order – for example, by a civil defendant in return for the court lifting an injunction won by the plaintiff against certain assets of the defendant.



16	Sector:	Finance
	Sub-Sector:	Financial Services. Banking and other financial services (excluding insurance)
	Industry Classification:	
	Type of Reservation:	National Treatment (Article 2)
	Measures:	Estatuto Orgánico del Sistema Financiero
	Description:	<p>Colombia may grant advantages or exclusive rights to the following financial entities:</p> <ul style="list-style-type: none"> <li>- <i>Fondo para el Financiamiento del Sector Agropecuario (FINAGRO);</i></li> <li>- <i>Banco Agrario de Colombia;</i></li> <li>- <i>Fondo Nacional de Garantías;</i></li> <li>- <i>Financiera Eléctrica Nacional (FEN);</i></li> <li>- <i>Financiera de Desarrollo Territorial (FINDETER);</i></li> <li>- <i>Fiduciaria La Previsora;</i></li> <li>- <i>Instituto Colombiano de Crédito Educativo y Estudios Técnicos en el Exterior (ICETEX);</i></li> <li>- <i>Banco de Comercio Exterior (BANCOLDEX);</i></li> <li>- <i>Fondo Financiero de Proyectos de Desarrollo (FONADE).</i></li> </ul> <p>The advantages or exclusive rights may include, but are not limited to, the following:<sup>3</sup></p> <ul style="list-style-type: none"> <li>- exemption from certain taxation;</li> <li>- exemption from registration and periodic reporting requirements for the issuance of securities; and</li> <li>- purchase by the government of Colombia, through any public entity of Colombia, of obligations issued by the entities listed above.</li> </ul>

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<sup>3</sup> For greater certainty, and notwithstanding the location of this non-conforming measure within Annex I, the Parties understand that the advantages or exclusive rights that a Party may grant to the specified entities are not limited only to the cited examples.