

FREE TRADE AGREEMENT

BETWEEN

CANADA

AND

THE REPUBLIC OF KOREA

CANADA (“Canada”)AND THE REPUBLIC OF KOREA (“ Korea”), hereinafter referred to as “the Parties”, resolved to:

STRENGTHEN the special bonds of friendship and cooperation among their peoples;

CONTRIBUTE to the harmonious development and expansion of world and regional trade and to provide a catalyst to broader international cooperation;

BUILD on their respective rights and obligations under the WTO Agreement and other multilateral, regional, and bilateral instruments of cooperation to which both Parties are party;

PROMOTE regional integration in the Asia-Pacific region,

CREATE an expanded and secure market for the goods and services in their territories, as well as new employment opportunities and improve working conditions and living standards in their respective territories;

RECOGNISE that the promotion and the protection of investments of investors of a Party in the territory of the other Party will be conducive to the stimulation of mutually beneficial business activity;

REDUCE distortions to trade;

ESTABLISH clear, transparent and mutually advantageous rules to govern their trade;

ENSURE a predictable commercial framework for business planning and investment;

ENHANCE the competitiveness of their enterprises in global markets;

UNDERTAKE each of the preceding in a manner that is consistent with environmental protection and conservation, reflecting their desire to enhance the enforcement of environmental laws and regulations, and strengthen cooperation on environmental matters;

PROTECT, enhance, and enforce basic workers' rights, and strengthen cooperation on labour matters;

PROMOTE sustainable development;

PRESERVE their flexibility to safeguard the public welfare;

PROMOTE cultural cooperation and recognize that the Parties have the right to preserve, develop, and implement their cultural policies and to support their cultural industries for the purpose of strengthening the diversity of cultural expressions;

AFFIRM their commitment to respect the values and principles of democracy and to protect and promote human rights and fundamental freedoms identified in the Universal Declaration of Human Rights;

HAVE AGREED as follows:

2. For greater certainty, the provisions of Chapter Twenty-One (Dispute Settlement) may be invoked in respect of measures affecting the observance of this Agreement taken by subnational governments within the territory of each Party. If a Panel established under Article 21.6 (Establishment of a Panel) has ruled that a provision of this Agreement has not been observed, the responsible Party shall take such reasonable measures as may be available to it to ensure its observance. The provisions relating to suspension of benefits or other obligations apply in cases where it has not been possible to secure such observance.

Article 1.5: Reference to Other Agreements

Where this Agreement refers to or incorporates by reference other agreements or legal instruments in whole or in part, those references include related footnotes, interpretative and explanatory notes, protocols, annexes, appendices, and other documents that are integral parts of the agreements or legal instruments.

Article 1.6: Cultural Cooperation

1. The Parties agree to promote cultural cooperation in order to increase mutual content for the global market. In this regard, the Parties endeavor to promote cultural exchanges and carry out joint initiatives in various cultural spheres, such as audiovisual coproductions.

2. Recognizing that audiovisual coproduction agreements can significantly contribute to the development of the audiovisual industry and to an intensification of cultural and economic exchange, the Parties agree to consider negotiation of an audiovisual coproduction agreement. Such a future audiovisual coproduction agreement shall form an integral part of this Agreement.

3. The audiovisual coproduction agreement referred to in paragraph 2 would be negotiated between the competent authorities of the Parties, which are the Department of Canadian Heritage for Canada and the Ministry of Culture, Sports and Tourism for the Korea Communications Commission for Korea, or their respective successors.

4. Article 23.2 (Amendments) does not apply to the audiovisual coproduction agreement referred to in paragraph 2. Any amendments to that agreement shall be done by mutual consent of the competent authorities of the Parties.

5. The dispute settlement provisions of Chapter Eight (Investment) and Twenty-One (Dispute Settlement) do not apply to matters covered by this Article, including an agreement negotiated pursuant to paragraph 2.

Article 1.7: Bilateral Trade and Investment Promotion in the Automotive Sector

The Parties shall cooperate to promote bilateral trade and investment in the automotive sector, which allows the Parties to realize the benefits of global production and supply chains.

Section B General Definitions

Article 1.8: Definitions of General Application

For the purposes of this Agreement, unless otherwise specified:

Commission means the Joint Commission established under Article 20.1 (Joint Commission);

customs duty includes any customs or import duty and a charge of any kind imposed or in connection with the importation of a good, including a form of surtax or surcharge in connection with such importation, but does not include

- (a) a charge equivalent to an internal tax imposed consistently with Article III: 2 of the GATT 1994, or any equivalent provision of a successor agreement to which both Parties party in respect of like, directly competitive or substitutable goods of the Party, or in respect of goods from which the imported good has been manufactured or produced in whole or in part;

- (b) an antidumping or countervailing duty that is applied pursuant to a Party's domestic law and consistent with WTO obligations and the provisions of this Agreement;
- (c) a fee or other charge in connection with importation commensurate with the cost of services rendered; and
- (d) a premium offered or collected on an imported good arising out of any tendering system in respect of the administration of quantitative import restrictions and tariff rate quotas

Customs Valuation Agreement means the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994, contained in Annex 1A to the WTO Agreement

days means calendar days, including weekends and holidays;

Dispute Settlement Understanding (DSU) means the Understanding on Rules and Procedures Governing the Settlement of Disputes, contained in Annex 2 to the WTO Agreement

enterprise means an entity constituted or organized under applicable law, whether or not for profit, and whether privately or governmentally owned or controlled, including a corporation, trust, partnership, sole proprietorship, joint venture, or other association;

existing means in effect on the date of entry into force of this Agreement;

GATS means the General Agreement on Trade in Services, contained in Annex B to the WTO Agreement

GATT 1994 means the General Agreement on Tariffs and Trade 1994, contained in Annex 1A to the WTO Agreement

GPA means the Agreement on Government Procurement, contained in Annex 4 to the WTO Agreement

Harmonized System (HS) means the Harmonized Commodity Description and Coding System including its General Rules of Interpretation, Section Notes, Chapter Notes and subheading Notes;

heading means any fourdigit number, or the first four digits of a number, used in the nomenclature of the Harmonized System;

measure

Universal Declaration of Human Rights means the Universal Declaration of Human Rights, adopted by the General Assembly of the United Nations on 10 December 1948

WTO means the World Trade Organization; and

WTO Agreement means the Marrakesh Agreement Establishing the World Trade Organization, done on 15 April 1994 or any successor agreement to which both Parties are party

Article 1.9: Country-Specific Definitions

For the purposes of this Agreement, unless otherwise specified:

national government means:

- (a) for Canada, the Government of Canada; and
- (b) for Korea, the Government of the Republic of Korea

sub-national government means

- (a) for

Annex 1-A

Multilateral Environmental Agreements

- (a) The Convention on International Trade in Endangered Species of Wild Fauna and Flora done at Washington on 3 March 1973, as amended on