(b) Most-Favoured-Nation Treatment

With respect to Investment liberalisation – Most-favoured-nation treatment and Cross-border trade in services – Most-favoured-nation treatment:

According differential treatment pursuant to any international investment treaties or other trade agreement in force or signed prior to the date of entry into force of this Agreement. According differential treatment to a country pursuant to any existing or future bilateral or multilateral agreement which:

(i) creates an internal market in services and investment;
(ii) grants the right of establishment; or
(iii) requires the approximation of legislation in one or more economic sectors.

An internal market on services and establishment means an area without internal frontiers in which the free movement of services, capital and persons is ensured.

The right of establishment means an obligation to abolish in substance all barriers to establishment among the parties to the regional economic integration agreement by the entry into force of that agreement. The right of establishment shall include the right of nationals of the parties to the regional economic integration agreement to set up and operate enterprises under the same conditions provided for nationals under the law of the country where such establishment takes place.

The approximation of legislation means:

(i) the alignment of the legislation of one or more of the parties to the regional economic integration agreement with the legislation of the other party or parties to that agreement; or

(ii) the incorporation of common legislation into the law of the parties to the regional economic integration agreement.

Such alignment or incorporation shall take place, and shall be deemed to have taken place, only at such time that it has been enacted in the law of the Party or parties to the regional economic integration agreement.

Existing measures:[1]
European Economic Area;
Stabilisation Agreements;
EU-Swiss Confederation bilateral agreements; and
Deep and Comprehensive Free Trade Agreements.

According differential treatment relating to the right of establishment to nationals or enterprises through existing or future bilateral agreements between the UK and any of the following countries or principalities: Andorra, Monaco, San Marino and the Vatican City State.

(c) Arms, ammunitions and war material

With respect to Investment liberalisation – Market access, National treatment, Most-favoured-nation treatment, Senior management and boards of directors, Prohibition of performance requirements and Cross-border trade in services – Market access, National treatment, Most-favoured-nation treatment:

Production or distribution of, or trade in, arms, munitions and war material. War material is limited to any product which is solely intended and made for military use in connection with the conduct of war or defence activities.

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[1] The agreements listed as "existing measures" under this reservation are agreements by which the UK remains bound in accordance with Article 129(1) of the Agreement on the Withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community, as of the date of signature of this Agreement. If at the date of entry into force of this Agreement, the UK is no longer bound by one or more of the said agreements, the respective agreements shall not be considered as "existing measures" under this reservation.