ANNEX III

SCHEDULE OF RESERVATIONS AND NON-CONFORMING MEASURES FOR INVESTMENT

THE PHILIPPINES

LIST A

EXPLANATORY NOTES

1. This List sets out, pursuant to Article 10.8 (Reservations and Non-Conforming Measures), measures that do not conform to the obligations under:

   (a) Article 10.3 (National Treatment);

   (b) Article 10.4 (Most-Favoured-Nation Treatment);

   (c) Article 10.6 (Prohibition of Performance Requirements); and

   (d) Article 10.7 (Senior Management and Board of Directors).

2. This List and List B follow the negative list with two list approach as follows:

   (a) This List sets out commitments in relation to existing non-conforming measures which will be subject to standstill obligations but not subject to ratchet mechanism; and

   (b) List B sets out policy flexibility in relation to measures in sectors, subsectors and activities.

3. The Philippines may add, withdraw or modify any of its reservations as set out in this List for a period of 24 months from the date of entry into force of this Schedule, provided that the non-conforming measure is in existence as of the date of entry into force of this Agreement. Any addition, withdrawal or modification in this List will be submitted to the Depositary who will notify the other Parties, including the relevant laws and regulations. Such reservation shall be deemed to form part of this Schedule upon such notification.

4. Each reservation shall set out the following elements, where applicable:

   (a) **Sector** refers to the sectors in which a reservation is taken;

   (b) **Subsector** refers to specific industries, products, or activities in which a reservation is taken;

   (c) **Industry Classification** refers to the activities covered by the reservation according to International Standard Industrial Classification (hereinafter referred to as “ISIC”) Revision 3 for manufacturing, agriculture, fishery, forestry, mining and quarrying. If the reservation does not exactly conform to the ISIC, the Philippines specified the coverage of the reservation, as necessary and appropriate;

   (d) **Level of Government** specifies the level of government maintaining the measure for which a reservation is taken;

   (e) **Type of Obligation** refers to the obligation of National Treatment, Most-Favoured-Nation Treatment, Prohibition of Performance Requirements, and Senior Management and Board of Directors, as the case may be, which do not apply to the listed measure;