



25th July, 2005

Mr. Han-soo Kim
Director General
Free Trade Agreement Bureau
Ministry of Foreign Affairs and Trade
Republic of Korea

Dear Mr. Kim:

I have the honour to refer to the Free Trade Agreement between the Republic of Korea and Singapore ("the Agreement") to be signed in Seoul on 4th August, 2005.

Resulting from the above Agreement, I have the honour of confirming the understanding of both Parties in relation to Chapter 9 (Cross-border Trade in Services) of the Agreement, that at the first review meeting of the Agreement provided under Article 22.1, the two Parties shall discuss the applicability of Article 9.5 of the Agreement to measures by a Party affecting the supply of a service in its territory by investors of the other Party or investment of investors of the other Party.

It was also the understanding of both Parties that the terms "investors of the other Party" and "investments of investors of the other Party" are to be interpreted in accordance with the definitions in Article 9.1 of the Agreement.

I would be grateful if you would confirm that the understanding of my Government as stated above is shared by your Government and that this understanding shall be treated as an integral part of the Agreement.

Sincerely,

Chan Lai Fung
Deputy Secretary (Trade)
Ministry of Trade and Industry
Republic of Singapore