

**Article 2**  
**Scope and Coverage**

1. This Agreement shall apply to measures adopted or maintained by a Party relating to:

- (a) investors of any other Party; and
- (b) covered investments.

2. This Agreement does not apply to:

- (a) government procurement;
- (b) subsidies or grants provided by a Party;
- (c) any taxation measure, except under Article 10 (Transfers) and Article 12 (Expropriation and Compensation);
- (d) claims arising out of events which occurred, or claims which had been raised, prior to the entry into force of this Agreement;
- (e) services supplied in the exercise of governmental authority such as law enforcement, correctional services, income security or insurance, social security or insurance, social welfare, public

education, public training, health, and child care, provided that such services are supplied neither on a commercial basis, nor in competition with one or more service suppliers; or

- (f) measures adopted or maintained by a Party to the extent that they are covered by the Agreement on Trade in Services under the Framework Agreement.

3. Notwithstanding paragraph 2(f) of this Article, Article 5 (General Treatment of Investment), Article 10 (Transfer), Article 12 (Expropriation and Compensation), Article 13 (Compensation for Losses), Article 14 (Subrogation), and Article 18 (Investment Dispute Settlement between a Party and an Investor of any other Party) of this Agreement shall apply, *mutatis mutandis*, to any measure affecting the supply of service by a service supplier of a Party through commercial presence<sup>6</sup> in the territory of any other Party pursuant to the provisions of the Agreement on Trade in Services under the Framework Agreement, only to the extent that they relate to a covered investment.

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<sup>6</sup> Commercial presence shall have the same meaning as that in the Agreement on Trade in Services under the Framework Agreement.