

**ANNEX II
SCHEDULE OF NICARAGUA**

Explanatory Notes

1. The Schedule of Nicaragua of this Annex sets out, pursuant to Articles 11.10 (Non-Conforming Measures) and 8.6 (Non-Conforming Measures), the specific sectors, sub sectors, or activities for which Nicaragua may maintain existing, or adopt new or more restrictive, measures that do not conform with obligations imposed by:

- (a) Articles 11.2 (National Treatment) or 8.2 (National Treatment);
- (b) Articles 11.3 (Most-Favored-Nation Treatment) or 8.3 (Most-Favored-Nation Treatment);
- (c) Article 8.5 (Local Presence)
- (d) Article 11.8 (Performance Requirements);
- (e) Article 11.9 (Senior Management and Boards of Directors); or
- (f) Article 8.4 (Market Access).

2. Each Schedule entry sets out the following elements:

- (a) **Sector** refers to the sector for which the entry is made;
- (b) **Obligations Concerned** specifies the obligation(s) referred to in paragraph 1 that, pursuant to Articles 11.10 (Non-Conforming Measures) and 8.6 (Non-Conforming Measures), do not apply to the sectors, subsectors, or activities listed in the entry;
- (c) **Description** sets out the scope of the sectors, subsectors, or activities covered by the entry; and
- (d) **Existing Measures** identifies, for transparency purposes, existing measures that apply to the sectors, subsectors, or activities covered by the entry.

3. In accordance with Article 11.10 (Non-Conforming Measures) and 8.6 (Non-Conforming Measures), the articles of this Agreement specified in the Obligations Concerned element of an entry do not apply to the sectors, subsectors, and activities identified in the Description element of that entry.

Annex II Entry 1 – All Sectors

Sector:	All Sectors
Obligations Affected:	National Treatment (Articles 8.2 and 11.2) Senior Management and Boards of Directors (Article 11.9)
Government Level:	Central
Measures:	
Description:	<u>Investment and Cross Border Trade in Services</u>

Nicaragua reserves the right to limit the transfer or disposition of any participation in the capital of an existing State company, in order that only Nicaraguan nationals may receive said participation. However, the preceding sentence pertains only to the initial transfer or disposition of such interest. Nicaragua does not reserve this right with respect to subsequent transfers or dispositions of such interest.

Nicaragua reserves the right to limit the control of any new company created by the transfer or alienation of any participation in the capital described in the previous paragraph through means other than limitations on the domain of interest. Nicaragua also reserves the right to adopt or maintain any measure related to the nationality of senior managers and members of the board of directors of said new enterprise.

Annex II Entry 2 – Minority Affairs and Indigenous Peoples

Sector:	Minority Affairs and Indigenous Peoples
Obligations Affected:	National Treatment (Articles 8.2 and 11.2) Most Favored Nation Treatment (Articles 8.3 and 11.3) Local Presence (Article 8.5) Performance Requirements (Article 11.8) Senior Management and Boards of Directors (Article 11.9)
Government Level:	Central
Measures:	Political Constitution of the Republic of Nicaragua with its Incorporated reforms, published in La Gaceta, Diario Oficial, No. 32 of February 18, 2014, Consolidated Text, published in La Gaceta, Diario Oficial, No. 181 of September 28, 2022.
Description:	Investment and Cross-Border Trade in Services Nicaragua reserves the right to adopt or maintain any measure granting rights or preferences to socially or economically disadvantaged minorities and indigenous populations.

Annex II Entry 3 – Communications

Sector:	Communications
Obligations Affected:	Most Favored Nation Treatment (Articles 8.3 and 11.3)
Government Level:	Central
Measures:	<p>Law No. 200, General Law on Telecommunications and Postal Services and its Consolidated Text, published in La Gaceta, Diario Oficial, No. 242 of December 18, 2019.</p> <p>Political Constitution of the Republic of Nicaragua, published in La Gaceta, Diario Oficial, No. 32 of February 18, 2014, Consolidated Text, published in La Gaceta, Diario Oficial, No.181 of September 28, 2022.</p> <p>Executive Decree No. 19-96, Regulation of Law No. 200, General Law on Telecommunications and Postal Services, published in La Gaceta, Diario Oficial, No. 177 of September 19, 1996, and its consolidated Text, published in La Gaceta, Diario Oficial, No. 242 of December 18, 2019.</p>
Description:	<p>Investment and Cross-Border Trade in Services</p> <p>Nicaragua reserves the right to adopt or maintain any measure that grants differential treatment to people from other countries due to the application of reciprocal measures or through international agreements that involve sharing the radioelectric spectrum, guaranteeing access to the market or national treatment with respect to the one-way satellite transmission of “direct-to-home” (DTH) and “direct broadcasting” (DBS) television services and digital audio services.</p>

Annex II Entry 4 – All Sectors

Sector:	All Sectors
Obligations Affected:	Most Favored Nation Treatment (Articles 8.3 and 11.3)
Government Level:	Central
Measures:	
Description:	<p>Investment and Cross-Border Trade in Services</p> <p>Nicaragua reserves the right to adopt or maintain any measure that accords differential treatment to countries under any bilateral or multilateral international agreement in force or signed prior to the date of entry into force of this Agreement.</p> <p>Nicaragua reserves the right to adopt or maintain any measure that accords differential treatment to countries under any bilateral or multilateral international agreement in force or signed after the date of entry into force of this Agreement involving:</p> <ul style="list-style-type: none">(a) aviation;(b) fishing; or(c) maritime matter, including salvage.

Annex II Entry 5 – Coastal Lands, Islands and River Banks

Sector:	Coastal Lands, Islands and River Banks
Obligations Affected:	National Treatment (Article 11.2)
Government Level:	Central
Measures:	<p>Political Constitution of the Republic of Nicaragua with its Incorporated reforms, published in La Gaceta, Diario Oficial, No. 32 of February 18, 2014, Consolidated Text, published in La Gaceta, Diario Oficial, No. 181 of September 28, 2022.</p> <p>Law No. 913, Law amending Law No. 690, Law for the Development of Coastal Zones, published in La Gaceta, Diario Oficial, No. 193 of October 13, 2015.</p> <p>Law No. 690, Law for the Development of Coastal Zones, published in La Gaceta, Diario Oficial, No. 141 of July 29, 2009.</p> <p>Decree No. 78-2009, Regulation of Law No. Law for the Development of Coastal Zones, published in La Gaceta, Diario Oficial, No. 180 of September 24, 2009.</p>
Description:	<p>Investment</p> <p>Nicaragua reserves the right to adopt or maintain any measure with respect to coastal lands, islands and river banks under possession of Nicaragua.</p>

Annex II Entry 6 – Social Services

	Social Services
Sector:	
Obligations Affected:	National Treatment (Articles 8.2 and 11.2) Most Favored Nation Treatment (Articles 8.3 and 11.3) Local Presence (Article 8.5) Performance Requirements (Article 11.8) Senior Management and Boards of Directors (Article 11.9)
	Central
Government Level:	
Measures:	Political Constitution of the Republic of Nicaragua with its Incorporated Reforms, published in La Gaceta, Diario Oficial, No. 32 of February 18, 2014 and its Consolidated Text, published in La Gaceta, Diario Oficial, No. 181 of September 28, 2022.
Description:	Investment and Cross-Border Trade in Services Nicaragua reserves the right to adopt or maintain any measure with respect to the enforcement of laws and correctional services, and the following services to the extent that they are social services established or maintained for a public purpose: unemployment insurance, social security and social insurance and security social welfare, public education, public training, health and child care.

Annex II Entry 7 – All Sectors

Sector:	All Sectors
Obligations Affected:	Most Favored Nation Treatment (Articles 8.3 and 11.3) Local Presence (Article 8.5) Performance Requirements (Article 11.8) Senior Management and Boards of Directors (Article 11.9)
Government Level:	Central
Measures:	Political Constitution of the Republic of Nicaragua with its Incorporated Reforms, published in La Gaceta, Diario Oficial, No. 32 of February 18, 2014, and its Consolidated Text, published in La Gaceta, Diario Oficial, No. 181 of September 28, 2022.
Description:	Investment and Cross-Border Trade in Services Nicaragua reserves the right to adopt or maintain any measure regarding the establishment, acquisition, expansion, management, conduct, or operation of Small and Medium Enterprise (SMEs). Nicaragua reserves the right to adopt or maintain any measure that grants rights or preferences to small and medium enterprises.

Annex II Entry 8 – Energy

Sector	Energy
Obligations Affected:	National Treatment (Articles 8.2 and 11.2) Most Favored Nation Treatment (Articles 8.3 and 11.3) Performance Requirements (Article 11.8) Senior Management and Boards of Directors (Article 11.9)
Government Level:	Central
Measures:	Political Constitution of the Republic of Nicaragua with its Incorporated Reforms, published in La Gaceta, Diario Oficial, No. 32 of February 18, 2014 and its Consolidated Text, published in La Gaceta, Diario Oficial, No. 181 of September 28, 2022.
Description:	Investment and Cross-Border Trade in Services Nicaragua reserves the right to adopt or maintain any measure related to the establishment, acquisition, expansion, management, conduction or operations of any company in the field of generation, distribution, and commercialization of electricity.

Annex II Entry 9 – Fossil Fuels

Sector	Fossil Fuels
Obligations Affected:	National Treatment (Article 8.2) Most Favored Nation Treatment (Article 8.3) Local presence (Article 8.5)
Government Level:	Central
Measures:	Political Constitution of the Republic of Nicaragua with its Incorporated Reforms, published in La Gaceta, Diario Oficial, No. 32 of February 18, 2014 and its Consolidated Text, Political Constitution of the Republic of Nicaragua, published in La Gaceta, Diario Oficial, No. 181 of September 28, 2022.
Description:	Cross-Border Trade in Services Nicaragua reserves the right to adopt or maintain any measure related to the establishment, acquisition, expansion, management, conduction or operations of any company in the field of exploration and exploitation of fossil fuels and its supply.