

**Annex 20-B**

**Committee on Outward Processing Zones on the Korean Peninsula**

1. Recognising Korea's constitutional mandate and security interests, and the corresponding interests of Canada, and both Parties' commitment to promoting peace and prosperity on the Korean Peninsula, and the importance of intra-Korean economic co-operation toward that goal, the Parties hereby establish a Committee on Outward Processing Zones on the Korean Peninsula. The Committee shall review whether the conditions on the Korean Peninsula are appropriate for further economic development through the establishment and development of outward processing zones.
2. The Committee shall be composed of officials of the Parties. The Committee shall meet on or before the first anniversary of the entry into force of this Agreement and at least once annually thereafter, or at a time as mutually agreed.
3. The Committee shall identify geographic areas that may be designated outward processing zones. The Committee shall determine whether any such outward processing zone has met the criteria established by the Committee. The Committee shall also establish a maximum threshold for the value of the total input of the originating final good that may be added within the geographic area of the outward processing zone.