1. Recognising the Republic of Korea’s constitutional mandate and security interests, and both Parties’ commitment to promoting peace and prosperity on the Korean Peninsula, and the importance of intra-Korean economic co-operation toward that global goal, the Parties hereby establish a Committee on Outward Processing Zones on the Korean Peninsula.

2. The Committee shall be comprised of officials of the Parties. The Committee shall meet within 12 months after the date of entry into force of this Agreement and at least once annually thereafter, or at any time as mutually agreed.

3. The Committee shall identify geographic areas that may be designated as 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.