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Council for Trade in Services

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**NOTIFICATION OF ICELAND'S PREFERENTIAL TREATMENT TO SERVICES AND
SERVICE SUPPLIERS OF LEAST DEVELOPED COUNTRIES**

The following notification from the delegation of Iceland, dated 9 October 2015, is being circulated to the Members of the Council for Trade in Services.

The Permanent Mission of Iceland to the World Trade Organization in Geneva has the honour to notify to the World Trade Organization Council for Trade in Services the preferential treatment which Iceland has made available to services and services suppliers of least-developed countries in accordance with the decision by Ministers at the WTO's Eighth Ministerial Conference on Preferential Treatment to Services and Service Suppliers of Least-Developed Countries (WT/L/847), and the decision by Ministers at the WTO's Ninth Ministerial Conference on Operationalization of the Waiver Concerning Preferential Treatment to Services and Service Suppliers of Least-Developed Countries (WT/L/918).

The preferential treatment is made in sectors and modes of supply that are of particular export interest to least-developed countries. These interests were set out in The Collective Request Pursuant to the Bali Decision on the Operationalization of the Waiver Concerning Preferential Treatment to Services and Service Suppliers of Least Developed Countries (S/C/W/356), as well as more specific export interests communicated bilaterally to the Mission of Iceland.

Iceland makes available the preferential treatment as set out in the below schedule, which is equivalent to Iceland's schedule of commitments in its most recently concluded free trade agreements. In addition, further preferential treatment has been marked in bold/cross-out for ease of reference.

The preferential treatment will take effect from 15 October 2015, and Iceland intends to maintain these preferences for the period of the Waiver.

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Unless otherwise indicated, the classification of services sectors are based on the 1991 Provisional Central Product Classification of the United Nations Statistical Office.			
I. HORIZONTAL COMMITMENTS			
ALL SECTORS INCLUDED IN THIS SCHEDULE			
All sectors: Establishment - General authorisation procedures for acquisition	<p>3) All foreign investment of a foreign state or juridical persons owned by a foreign state requires a special concession by the relevant Ministry.</p> <p>3) None</p>	<p>3) All foreign investment of a foreign state or juridical persons owned by a foreign state requires a special concession by the relevant Ministry.</p> <p>3) Non-residents cannot conclude an agreement on leasing real estate without the permission of the relevant Ministry if the lease period exceeds three years and is not for in conducting its normal business activities. Non-residents may only acquire real estate in conjunction to their business activities and can only obtain ordinary proprietary rights linked to the real estate. Non-residents are thus excluded from obtaining full property rights of real estate if unusual rights are linked to it, such as exploitation rights as regards waterfall, geothermal energy, etc. Contract concerning ownership and long-term use of real-estate by non-residents are not valid until the relevant Ministry has endorsed it in writing.</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
All sectors: Treatment of branches and agencies	3) None	3) Treatment accorded to subsidiaries of third-country companies formed in accordance with the law of an EEA Member State or an EFTA Member State and having their registered office, central administration or principal place of business within an EEA Member State or an EFTA Member State may be extended to branches or agencies established in an EEA Member State or an EFTA Member State by a third-country company if they show that they possess an effective and continuous link with the economy of one of the EEA Member States or an EFTA Member State.	
All sectors: Formation of legal entity - limited liability company	3) None	3) The majority of founders, the manager(s) and at least half the board of directors, of a private limited company or a public limited company must be resident in Iceland. The relevant Minister can grant exemptions from these restrictions. At least one of the auditors of an Icelandic limited liability company must be resident in Iceland or a competent resident CPA company.	
All sectors: Movement of personnel	4) Unbound except for the temporary stay and without requiring compliance with labour market tests of categories A, B and C below:	4) Unbound except for measures concerning the categories of natural persons referred to in the market access column.	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>A. INTRA-CORPORATE TRANSFEREES Managers, executives and specialists as intra-corporate transferees, provided that the service supplier is the corporation to which these are attached.</p> <p>Definitions:</p> <p><u>Executives</u>: persons who primarily direct the management of the organization covered by the agreement and establish its goals and generally have a wide decision-making authority. Executives would not necessarily perform tasks related to the actual provision of the service.</p> <p><u>Managers</u>: persons who direct the Organization covered by the agreement or its department and are in a senior level responsible of the service providing functions of the organization by supervising and controlling and having also authority to hire and fire personnel or recommend such and other personnel actions.</p> <p><u>Specialists</u>: persons within the organization who possess knowledge at an advanced level of expertise or otherwise essential or proprietary to the organization's service, research equipment, techniques or management.</p> <p>Access is subject to the following conditions:</p> <ul style="list-style-type: none"> - Temporary residence and work permit must be obtained 		

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<ul style="list-style-type: none"> - Work permits which are granted for the first time shall not be granted for more than one year. - A permit may be extended for up to one further year providing certain conditions are met. - All other requirements regarding entry, stay, wages, working conditions and social security benefits shall continue to apply. 		
	<p>B. BUSINESS VISITORS</p> <p>Definition:</p> <p>Natural persons who as representatives of a services provider are seeking entry and temporary stay for the purpose of negotiating for the sale of services or entering into agreements to sell services for that service supplier, and where those representatives will not be engaged in making direct sales to the general public.</p> <p>Access is subject to the following conditions:</p> <ul style="list-style-type: none"> - Temporary entry, stay and work limited to a three month period. 		

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>C. CONTRACTUAL SERVICE SUPPLIERS</p> <p>Definition:</p> <p>Natural persons employed by a foreign juridical person with no commercial presence in Iceland, and on the basis of a service agreement necessary to fulfil a contract.</p> <p>Access is subject to the following conditions:</p> <ul style="list-style-type: none"> - Applies to natural persons employed by a juridical person (service supplier) that is located outside of Iceland and has no commercial presence in Iceland, such as a branch or subsidiary. - A signed service contract must exist between the service supplier and a juridical person engaged in substantive business in Iceland. - The service contract must include a statement to the effect that a condition for the transaction under the contract is that an employee of the service supplier is to provide the service. - The natural person providing the service on behalf of the service supplier must have specialized skills or qualifications of direct relevance to the service activity necessary to fulfil the contract. 		<p>a.</p>

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<ul style="list-style-type: none"> - The entry and temporary stay shall not exceed a period longer than six months on the basis of the same service contract. - The entry and temporary stay shall be subject to a residence and work permit that must be obtained before the natural person enters Iceland. - All other requirements regarding entry, stay, wages, working conditions and social security benefits shall continue to apply. 		
All sectors: Subsidies (The issue of a definition of subsidies remains to be determined in the context of negotiations under Article XV of the GATS).	3) None 4) None	3) Eligibility for subsidies may be limited to juridical persons established within the territory of Iceland. related to research and development are unbound. 4) Subsidies available only to natural persons may be limited to Icelandic citizens.	
II. SECTOR SPECIFIC COMMITMENTS			
1. BUSINESS SERVICES A. <u>Professional Services</u> Legal Services (Applicable parts of CPC 861)			

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
- Legal advice activities on home country law	1) None 2) None 3) Members of the General Bar Association of Iceland have an exclusive right to represent clients before courts in Iceland. 4) Unbound except as indicated in the horizontal section.	1) Unbound 2) None 3) Unbound 4) Unbound except as indicated in the horizontal section. Icelandic law exam or an equivalent thereto.	
- Legal advice on international law and foreign legal consultancy	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section.	
(b) Accounting, auditing and book keeping services (CPC 862)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section Icelandic exam for certified accountants (CPA's) required or and equivalent thereto	
(c) Taxation services (CPC 863)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section.	
(d) Architectural services (CPC 8671)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section.	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(e) Engineering services (CPC 8672)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section.	
(f) Integrated Engineering services (CPC 8673)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section.	
(g) Urban planning and landscape architectural services (CPC 8674)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section.	
(i) Veterinary services (CPC 932)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section. Number of veterinarians in rural districts is limited.	1) None 2) None 3) Ability in the Icelandic language required. 4) Unbound except as indicated in the horizontal section. Ability in the Icelandic language required.	
B. <u>Computer and Related Services</u> - CPC 84 according to the attached description of sectoral coverage	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
C. <u>Research and development Services</u>			
(a) R&D services on Natural Sciences (CPC 851)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1),2) A license is needed for the importation of research equipment. Natural history specimens must not be exported from the country unless permitted by the Icelandic Institute of Natural History ("Náttúrufræðistofnun Íslands"). 3) None. 4) Unbound except as indicated in the horizontal section	
(b) R&D services on social sciences and humanities (CPC 852)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1),2) Archaeological finds must not be exported from the country unless permitted by the Museum Council ("Safnaráð") 3) All archaeological research whether by Icelandic or foreign researchers is subject to a permit granted by the Archaeological Preservation Agency ("Fornleifanefnd ríkisins") 4) Unbound except as indicated in the horizontal section. All archaeological research whether by Icelandic or foreign researchers is subject to a permit granted by the Archaeological Preservation Agency ("Fornleifanefnd ríkisins")	
(c) Interdisciplinary R&D Services (CPC 853)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>D. <u>Real Estate Services</u></p> <p>(a) Real estate services involving own or leased property (CPC 821)</p> <p>(b) On a Fee or Contract basis (CPC 822)</p>	<p>1) None</p> <p>2) None</p> <p>3) None Deposits or liability insurance to cover loss caused to clients. All licenses to provide services on sales of real estate are personal authorizations.</p> <p>4) Unbound except as indicated in the horizontal section</p> <p>1) None</p> <p>2) None</p> <p>3) None Deposits or liability insurance to cover loss caused to clients. All licenses to provide services on sales of real estate are personal authorizations.</p> <p>4) Unbound except as indicated in the horizontal section</p>	<p>1) None</p> <p>2) None</p> <p>3) Condition of one year previous residency in order to obtain licence to provide services in residential building and land sales, and other related intermediary services for purchase and sale of real-estate</p> <p>4) Unbound except as indicated in the horizontal section. Condition of one year previous residency in order to obtain licence to provide services in residential building and land sales, and other related intermediary services for purchase and sale of real-estate</p> <p>1) None</p> <p>2) None</p> <p>3) Condition of one year previous residency in order to obtain licence to provide services in residential building and land sales, and other related intermediary services for purchase and sale of real-estate</p> <p>4) Unbound except as indicated in the horizontal section. Condition of one year previous residency in order to obtain licence to provide services in residential building and land sales, and other related intermediary services for purchase and sale of real-estate</p>	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
E. <u>Rental/Leasing Services without Operators</u>	1) None 2) None 3) Leasing services must be provided either by corporation with a limited liability (leasing companies) or registered commercial banks or savings banks 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None Majority of the board of a leasing company shall be resident in Iceland. The manager shall be resident in Iceland and a citizen of a Nordic Country. 4) Unbound except as indicated in the horizontal section	
(a) Relating to ships (CPC 83103)	1) None 2) None 3) To be registered in the ship register the ship must be owned by Icelandic natural or juridical persons who are resident in Iceland. Further nationality restrictions on fishing vessels. 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(b) Relating to aircraft (CPC 83104)	1) None 2) None 3) To be registered in the aircraft register the aircraft must be owned by Icelandic natural or juridical persons resident in Iceland 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(c) Relating to other transport equipment (CPC 83101 + 83102 + 83105)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None Residency requirement for car rental services 4) Unbound except as indicated in the horizontal section. Residency requirement for car rental services	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(d) Relating to other machinery and equipment (CPC 83106 - 83109)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(e) Other (CPC 832)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
F. <u>Other Business Services</u>			
(a) Advertising services (CPC 871)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(b) Market research and public opinion polling services (CPC 864)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(c) Management consulting Services (CPC 865)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(d) Services related to man. consulting (CPC 866)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(e) Technical testing and analysis services (CPC 8676)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(f) Services incidental to agriculture, hunting and forestry (CPC 881)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(i) Services incidental to Manufacturing (CPC 884 + 885/except for 88442)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(k) Placement and supply services of personnel (CPC 872)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(m) Related scientific and technical consulting services (CPC 8675)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(n) Maintenance and repair of equipment (CPC 633+8861-8866; not including maritime vessels, aircraft or other transport equipment)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(o) Building-cleaning services (CPC 874) This includes washing, cleaning and dyeing services	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(p) Photographic services (CPC 875)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(q) Packaging services (CPC 876)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(r) Printing and publishing (CPC 88442)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None, Residency requirement for publishing of newspapers or magazines within the national territory. Residency requirement for editors 4) Unbound except as indicated in the horizontal section	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(s) Convention services (CPC 87909)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(t) Telephone Answering Services (CPC 87903)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(u) Specialty Design Services (CPC 87907)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
2. COMMUNICATION SERVICES C. <u>Telecommunication Services</u> (a) Voice telephony (b) Packet-switched data transmission services (c) Circuit-switched data transmission services (d) Telex services (e) Telegraph services	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	Iceland undertakes additional commitments as contained in the attachment, all parts of which are equally binding.

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(f) Facsimile services (g) Leased circuit services (o) Other - Mobile and personal communications services and systems Value-added services* Electronic mail, Voice mail, On-line information and Data Base Retrieval, EDI, Code and Protocol Conversion	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
3. CONSTRUCTION AND RELATED ENGINEERING SERVICES A. <u>General Construction Work for Buildings</u> (CPC 512) B. <u>General Construction Work for Civil Engineering</u> (CPC 513)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section. 1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section 1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	

* Excludes voice telephony, telegraph, telex, packet and circuit switched data services, mobile radiotelephony, paging and satellite services.

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
C. <u>Installation and Assembly Work</u> (CPC 514+516)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
D. <u>Building Completion and Finishing Work</u> (CPC 517)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
4. DISTRIBUTION SERVICES (excluding trade in arms, alcoholic beverages, tobacco and pharmaceutical products)			
A. <u>Commissions Agents' Services</u> (CPC 621)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
B. <u>Wholesale Trade Services</u> (CPC 622)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
C. <u>Retailing Services</u> (CPC 631+632 + 6111 + 6113 + 6121)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
D. <u>Franchising</u> (CPC 8929)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
6. ENVIRONMENTAL SERVICES A. <u>Sewage Services</u> (CPC 9401) B. <u>Refuse Disposal Waste</u> (CPC 9402) C. <u>Sanitation and Similar Services</u> (CPC 9403)	1) Unbound* 2) None 3) Environmental operation license required 4) Unbound except as indicated in the horizontal section 1) Unbound* 2) None 3) Environmental operating license required 4) Unbound except as indicated in the horizontal section 1) Unbound* 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) Unbound* 2) None 3) None 4) Unbound except as indicated in the horizontal section 1) Unbound* 2) None 3) None 4) Unbound except as indicated in the horizontal section 1) Unbound* 2) None 3) None 4) Unbound except as indicated in the horizontal section	

* Unbound due to lack of technical feasibility

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
D. <u>Other</u> (CPC 9409)	1) Unbound* 2) None 3) Environmental operating license required 4) Unbound except as indicated in the horizontal section.	1) Unbound* 2) None 3) None 4) Unbound except as indicated in the horizontal section	
7. FINANCIAL SERVICES (i) Iceland undertakes commitments on financial services in accordance with the "Understanding on Commitments in Financial Services" (the Understanding). (ii) Market access commitments with respect to modes 1) and 2) and bound in this Schedule to the extent of the obligations in B.3 and B.4 of the Understanding.			
A. <u>Insurance and Insurance related Services</u>	1) The supply of direct insurance is reserved for insurance undertakings authorized in Iceland. The supply of insurance mediation is reserved for insurance intermediaries authorized in Iceland. 2) None 3) Insurance undertakings require authorization to establish branch offices in Iceland.	1) None 2) None 3) The majority of the founders of an insurance undertaking must be Icelandic residents or legal entities registered in Iceland. Managers and board members of insurance undertakings shall be resident in Iceland. The Minister of Economic Affairs may grant exemptions from this requirement.	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>Any investor, whether resident or non-resident, who acquires or intends to acquire a qualifying holding in an insurance undertaking must give advance notice to the Financial Supervisory Authority. The Authority may refuse the acquisition or the exercise of ownership if it believes that the acquisition will affect the sound functioning of the enterprise.</p> <p>4) Unbound except as indicated in the horizontal section.</p>	<p>Branch offices of foreign insurance undertakings must be managed by a resident agent.</p> <p>Insurance intermediaries must be resident in Iceland. The Minister of Economic Affairs may grant exemptions from this requirement.</p> <p>4) Unbound except as indicated in the horizontal section</p>	
<p>B. <u>Banking and Other Financial Services</u> (excluding insurance)</p>	<p>1) None</p> <p>2) None</p> <p>3) Credit institutions and undertakings engaged in securities services established outside of Iceland can establish a branch or a representative office, subject to authorization by the Financial Supervisory Authority, FME. Credit institutions and undertakings engaged in securities services can only be established as companies with limited liability.</p> <p>Commercial banks and savings banks have exclusive rights to accept deposits and other repayable funds from the public.</p>	<p>1) Domestic financial institutions shall inform the Central Bank of Iceland of the balances of service providers' accounts held by non-residents.</p> <p>2) None</p> <p>3) A founder of a credit institution shall be a natural or legal person resident in Iceland. The Minister of Economic Affairs can grant exemptions from this requirement.</p> <p>Managers and the majority of the board members of credit institutions and undertakings engaged in securities services and UCITS shall be resident in Iceland. The Minister of Economic Affairs may grant citizens of non-EEA Member States or non-EFTA Member States the same exemptions.</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>Public issue of securities shall be conducted by securities undertakings or other parties authorized to provide such services.</p> <p>4) Unbound except as indicated in the horizontal section.</p>	<p>Service providers shall inform the Ministry of Economic Affairs of investments made by non-residents in business enterprises in Iceland and the Central Bank of Iceland of investments made by non-residents in securities in Iceland.</p> <p>4) Unbound except as indicated in the horizontal section</p>	
<p>9. TOURISM AND TRAVEL RELATED SERVICES</p> <p>A. <u>Hotels and Restaurants (including catering)</u> (CPC 641-643)</p> <p>B. <u>Travel Agencies and Tour Operators</u> (CPC 7471)</p> <p>C. <u>Tourist Guides Services</u> (CPC 7472)</p>	<p>1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section</p> <p>1) None 2) None 3) None Deposits or liability insurance to cover loss caused to clients due to bankruptcy 4) Unbound except as indicated in the horizontal section</p> <p>1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section</p>	<p>1) None 2) None 3) Condition of licences is residency. 4) Unbound except as indicated in the horizontal section. Condition of licences is residency.</p> <p>1) None 2) None 3) Condition of licences is residency.</p> <p>4) Unbound except as indicated in the horizontal section.</p> <p>1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section.</p> <p>The right to exercise the profession is reserved for resident tourist guides.</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
		Non-resident tourist guides may be granted temporary work permit on ad hoc basis.	
10. RECREATIONAL CULTURAL AND SPORTING SERVICES (other than audiovisual services) A. <u>Entertainment Services</u> (including theatre, live bands and circus services) (CPC 9619) B. <u>News Agency Services</u> (CPC 962) C. <u>Libraries, Archives, Museums and other Cultural Services</u> (CPC 963)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section 1),2),3) None other than access to management functions is subject to discretionary authorizations by competent authorities 4) Unbound except as indicated in the horizontal section 1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) Targeted financial support to specific local, regional or national activities. 4) Unbound except as indicated in the horizontal section 1) None 2) None 3) None 4) Condition of residency for the editor of a paper or magazine. Unbound except as indicated in the horizontal section 1) None 2) None 3) Targeted financial support to specific local, regional or national activities 4) Unbound except as indicated in the horizontal section	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>D. <u>Sporting and other Recreational Services</u> (CPC 964)</p> <p>Hairdressing and other beauty services (CPC 9702)</p>	<p>1) None 2) None 3) Gambling, coin machines and like activities are subject to licensing. Professional boxing is prohibited by law. 4) Unbound except as indicated in the horizontal section</p> <p>1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section</p>	<p>1) None 2) None 3) Targeted financial support to specific local, regional or national activities 4) Unbound except as indicated in the horizontal section</p> <p>1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section</p>	
<p>11. TRANSPORT SERVICES</p> <p>A. <u>Maritime Transport Services</u> International transport (freight and passengers) CPC 7211 and 7212 <u>including</u> Cabotage transport 1)</p>	<p>1) None 2) None 3)(a) Establishment of a registered company for the purpose of operating a fleet under Icelandic flag: Unbound except as indicated in the horizontal section. (b) Other forms of commercial presence 2) None. 4)(a) Ships' crew: Unbound except as indicated in the horizontal section. (b) Key personnel employed in relation to a commercial presence as defined under mode 3(b) above: Unbound except as indicated in the horizontal section.</p>	<p>1) None 2) None 3)(a) Unbound (b) None 4)(a) Unbound (b) Unbound</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<u>Maritime Auxiliary Services</u> - Maritime Cargo Handling Services 3)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
- Storage and Warehousing Services (CPC 742); Customs Clearance Services 4); Container Station and Depot 5)	1) Unbound* 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) Unbound* 2) None 3) None 4) Unbound except as indicated in the horizontal section	
- Maritime Agency Services 6); Freight Forwarding Services 7)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
- Other Supporting and Auxiliary Transport Services 8)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	

* A commitment on this mode of delivery is not feasible.

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Auxiliary Services as required by Maritime Transport Operators:			<p>The following services are made available to international maritime transport suppliers on reasonable and non-discriminatory terms and conditions:</p> <ol style="list-style-type: none"> 1. Pilotage 2. Towing and tug assistance 3. Provisioning, fuelling, watering 4. Garbage collecting, ballast waste disposal 5. Port Captain's services 6. Navigation aids 7. Shore-based operational services essential to ship operations, incl. communications, water, electrical supplies 8. Emergency repair facilities 9. Anchorage, berth, berthing services 10. Container handling, storage and warehousing, freight transport.

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
			Where road, coastal shipping and related auxiliary services are not otherwise fully covered in this schedule, a multimodal transport operator shall have the ability to rent, hire or charter trucks and related equipment for the purpose of inland forwarding of international cargoes carried by sea, or have access to and use of such multimodal activities for the purpose of providing multimodal transport services.
C. <u>Air Transport Services</u>			
Maintenance and repair of aircraft and parts thereof	1) Unbound* 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) Unbound* 2) None 3) None 4) Unbound except as indicated in the horizontal section	
Sales and marketing	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	

* Unbound due to lack of technical feasibility

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Computer Reservations System	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
F. <u>Road Transport Services</u> (a) Passenger transportation (CPC 7121 + 7122) (b) Freight transportation (CPC 7123) (c) Rental of commercial vehicles with operator (CPC 7124) (d) Maintenance and repair of road transport equipment (CPC 6112+8867)	1) None 2) None 3),4) Authorization required for commercial land transport services. Numerical quotas may be imposed as well as exclusive licenses for certain areas or routes. 4) Unbound except as indicated in the horizontal section 1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section 1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section 1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section 1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section 1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(e) Supporting services for road transport services (CPC 744)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
H. <u>Services auxiliary to all modes of transport</u> (a) Cargo handling services (CPC 742) (b) Storage and warehousing services (CPC 742) (c) Freight transport agency services (CPC 748) d) Other (CPC 749)	1) Unbound* 2) None 3) None 4) Unbound except as indicated in the horizontal section 1) Unbound* 2) None 3) None 4) Unbound except as indicated in the horizontal section 1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section 1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) Unbound* 2) None 3) None 4) Unbound except as indicated in the horizontal section 1) Unbound* 2) None 3) None 4) Unbound except as indicated in the horizontal section 1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section 1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	

* Unbound due to lack of technical feasibility

ATTACHMENT 1

ADDITIONAL COMMITMENTS ON TELECOMMUNICATIONS (BASIC OR PUBLIC)

Article 1

Definitions

For the purpose of this Attachment:

- (a) "regulatory authority" means the body or bodies responsible for the regulation of telecommunications in relation to the issues mentioned in this Attachment ;
- (b) "essential facilities" means facilities of a public telecommunications network or service that:
 - (i) are exclusively or predominantly provided by a single or limited number of suppliers; and
 - (ii) cannot feasibly be economically or technically substituted in order to supply a service; and
- (c) "major supplier" means a supplier which has the ability to materially affect the terms of participation (having regard to price and supply) in the relevant market for telecommunications services as a result of:
 - (i) control over essential facilities; or
 - (ii) the use of its position in the market.

Article 2

Competitive Safeguards

- 1. Iceland shall maintain appropriate measures for the purpose of preventing suppliers who, alone or together, are a major supplier from engaging in or continuing anti-competitive practices.
- 2. The anti-competitive practices referred to in paragraph 1 shall include, in particular:
 - (a) engaging in anti-competitive cross-subsidisation;
 - (b) using information obtained from competitors with anti-competitive results; and
 - (c) not making available to other service suppliers on a timely basis technical information about essential facilities and commercially relevant information which are necessary for them to supply services. ¹

Article 3

Interconnection

- 1. This Article applies to linking with suppliers providing public telecommunications networks or services in order to allow the users of one supplier to communicate with users of another supplier and to access services supplied by another supplier, where specific commitments are undertaken.
- 2. Where suppliers are unable to resolve disputes regarding the negotiation of an interconnection agreement with a major supplier within a reasonable time, Iceland shall ensure that the suppliers have recourse to assistance from an independent domestic body, which may be

¹ This subparagraph shall apply without prejudice of the applicable legislation with regard to confidential information.

a regulatory authority as referred to in Article 6, to resolve disputes regarding appropriate terms, conditions and rates for interconnection within a reasonable period of time.

Article 4

Universal Service

1. Iceland has the right to define the kind of universal service obligation it wishes to have.
2. Such obligations will not be regarded as anti-competitive per se, provided they are administered in a transparent, non-discriminatory and competitively neutral manner and are not more burdensome than necessary for the kind of universal service defined by Iceland.

Article 5

Licensing and Other Authorisations Procedures

1. Where a licence, concession, permit, registration, or other type of authorisation is required for the supply of a telecommunications service, the competent authority of Iceland shall make the following publicly available:
 - (a) its terms and conditions; and
 - (b) the period of time normally required to reach a decision concerning an application for it.
2. The reasons for the denial of a licence, concession, permit, registration, or other type of authorisation will be made known to the applicant upon request.

Article 6

Regulatory Authority

1. Iceland's regulatory authority for telecommunications services shall be separate from, and not accountable to, any supplier of telecommunications services.
2. Iceland shall ensure that the decisions of, and the procedures used by, its regulatory authority are impartial with respect to all market participants.
3. Iceland shall ensure that suppliers of another Party affected by the decision of the regulatory authority of Iceland have recourse to an administrative body or a court independent of any supplier, in accordance with its laws and regulations.

Article 7

Scarce Resources

Iceland shall carry out its procedures for the allocation and use of scarce resources, including frequencies, numbers and rights of way, in an objective, timely, transparent and non-discriminatory manner. Iceland shall make publicly available the current state of allocated frequency bands².

² It is understood that this Article does not require to make publicly available detailed identification of frequencies allocated for specific government uses.

ATTACHMENT 2

UNDERSTANDING ON THE SCOPE OF COVERAGE OF CPC 84 COMPUTER AND RELATED SERVICES

1. CPC 84 covers all computer and related services.
2. Technological developments have led to the increased offering of these services as a bundle or package of related services that can include some or all of the basic functions listed in paragraph 3. For example, services such as web or domain hosting, data mining services and grid computing each consist of a combination of basic computer services functions.
3. Computer and related services, regardless of whether they are delivered via a network, including the Internet, include all services that provide any of the following or any combination thereof:
 - consulting, adaptation, strategy, analysis, planning, specification, design, development, installation, implementation, integration, testing, debugging, updating, support, technical assistance, or management of or for computers or computer systems;
 - consulting, strategy, analysis, planning, specification, design, development, installation, implementation, integration, testing, debugging, updating, adaptation, maintenance, support, technical assistance, management or use of or for software
 - ¹;
 - data processing, data storage, data hosting or database services;
 - maintenance and repair services for office machinery and equipment, including computers; and
 - training services for staff of clients, related to software, computers or computer systems, and not elsewhere classified.
4. In many cases, computer and related services enable the provision of other services² by both electronic and other means. However, in such cases, there is an important distinction between the computer and related service (e.g., web-hosting or application hosting) and the other service² enabled by the computer and related service. The other service, regardless of whether it is enabled by a computer and related service, is not covered by CPC 84.

¹ The term "software" may be defined as the sets of instructions required to make computers work and communicate. A number of different programmes may be developed for specific applications (application software), and the customer may have a choice of using ready-made programmes off the shelf (packaged software), developing specific programmes for particular requirements (customized software) or using a combination of the two.

² E.g., W/120.1.A.b. (accounting, auditing and bookkeeping services), W/120.1.A.d. (architectural services), W/120.1.A.h. (medical and dental services), W/120.2.D (audiovisual services), W/120.5. (educational services).

ATTACHMENT 3**NOTES TO MARITIME TRANSPORT**

"Reasonable and non-discriminatory terms and conditions" means, for the purpose of multimodal transport operations, the ability of the multimodal transport operator to arrange for the conveyance of its merchandise on a timely basis, including priority over other merchandise which has entered the port at a later date. A "multimodal transport operator" means the person on whose behalf the bill of lading/multimodal transport document, or any other document evidencing a contract of multimodal carriage of goods, is issued and who is responsible for the carriage of goods pursuant to the contract of carriage.

1) "Cabotage" is defined as maritime transport of goods and passengers between ports in Iceland.

2) "Other forms of commercial presence for the supply of international maritime transport services" means the ability for international maritime transport service suppliers of the other Members to undertake locally all activities, which are necessary for the supply to their customers of a partially or fully integrated transport service, within which the maritime transport constitutes a substantial element. (This commitment shall however not be construed as limiting in any manner the commitments undertaken under the cross-border mode of delivery).

These activities include, but are not limited to:

(a) marketing and sales of maritime transport and related services through direct contact with customers, from quotation to invoicing, these services being those operated or offered by the service supplier itself or by service suppliers with which the service seller has established standing business arrangements;

(b) the acquisition, on their own account or on behalf of their customers (and the resale to their customers) of any transport and related services, including inland transport services by any mode, particularly inland waterways, road and rail, necessary for the supply of the integrated service;

(c) the preparation of documentation concerning transport documents, customs documents, or other documents related to the origin and character of the goods transported;

(d) the provision of business information by any means, including computerised information systems and electronic data interchange (subject to the provisions of the annex on telecommunications);

(e) the setting of any business arrangements (including participation in the stock of a company) and the appointment of personnel recruited locally (or, in the case of foreign personnel, subject to the horizontal commitment on movement of personnel) with any locally established shipping agency;

(f) acting on behalf of the companies, organising the call of the ship or taking over cargoes when required.

3) "Maritime cargo handling services" means activities exercised by stevedore companies, including terminal operators, but not including the direct activities of dockers, when this workforce is organized independently of the stevedoring or terminal operator companies. The activities covered include the organisation and supervision of:

- the loading/discharging of cargo to/from a ship;
- the lashing/unlashing of cargo;
- the reception/delivery and safekeeping of cargoes before shipment or after discharge.

4) "Customs clearance services" (alternatively "customs house brokers' services") means activities consisting in carrying out on behalf of another party customs formalities concerning import, export or through transport of cargoes, whether this service is the main activity of the service provider or a usual complement of its main activity.

5) "Container station and depot services" means activities consisting in storing containers, whether in port areas or inland, with a view to their stuffing/stripping, repairing, and making them available for shipments.

6) "Maritime agency services" means the activities consisting in representing, within a given geographic area, as an agent the business interests of one or more shipping lines of shipping companies, for the following purposes:

- marketing and sales of maritime transport and related services, from quotation to invoicing, and issuance of bills of lading on behalf of the companies; acquisition and resale of the necessary related services, preparation of documentation, and provision of business information;
- acting on behalf of the companies organising the call of the ship or taking over cargoes when required.

7) "Freight forwarding services" means the activity consisting of organising and monitoring shipment operations on behalf of shippers, through the acquisition of transport and related services, preparation of documentation and provision of business information.

8) "Other supporting and auxiliary transport services" means freight brokerage services; bill auditing and freight rate information services; transportation document preparation services; packing and crating and unpacking and de-crating services; freight inspection, weighing and sampling services; and freight receiving and acceptance services (including local pick-up and delivery).
