COMMUNICATION FROM THE EUROPEAN COMMUNITIES

Preliminary Conditional Offer of Initial Commitments
by the European Communities on Trade in Services

Revision

The attached communication is circulated at the request of the European Communities to the members of the Group of Negotiations on Services.

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PRELIMINARY CONDITIONAL OFFER OF INITIAL COMMITMENTS
BY THE EUROPEAN COMMUNITIES ON TRADE IN SERVICES

The Community is putting forward the attached offer on initial commitments for negotiation in the framework of the future General Agreement on Trade in Services (GATS). It is made with a view to the simultaneous entry into force of the entire package of GATS, sectoral annexes and initial commitments.

This offer is conditional on the outcome of the current negotiations on the GATS and its associated sectoral annexes. The Community reserves its rights to withdraw its offer should no satisfactory result be reached in this respect.

The assessment of this result will be based on the following considerations:

The GATS itself must be based on effective application of the MFN principle, universal sectoral coverage, and the binding of all regulatory bodies, whether national or sub-national, governmental or non-governmental. A firm commitment must also be made by parties not to take any measures during the remainder of the Uruguay Round which would improve their negotiating positions. The Community has also expressed specific concerns regarding the treatment of activities involving the exercise of public authority and the temporary movement of equipment necessary for the provision of a service.

The points which the Community has made in a number of sectors, as expressed in various written and oral submissions to the GNS and its working groups, should be adequately addressed whether through sectoral annexes or otherwise, in relation to financial services, telecommunications, transport and audiovisual services. In addition, the Community assumes that a satisfactory Annex on the temporary movement of natural persons providing services will also be included in the GATS.

The content of the offer itself is conditional and the Community reserves the right to modify, extend or reduce it. The Community's readiness to confirm the offer will be dependent on the willingness of its negotiating partners to assume, taking into account their individual levels of development, a level of commitment comparable to that proposed by the Community, in terms both of the sectors in which commitments are made and of the depth of liberalisation therein. The Community also expects that its partners will, in common with its own approach, be ready to undertake commitments which represent a step towards liberalisation rather than a potential deliberalisation. The Community (will be/has submitted) requests to its partners on this basis.

The Community and its Member States have in their legislation a number of measures making access to their markets in certain sectors dependent on reciprocal possibilities in third country markets. Some of these measures are indicated in the attachment to this note. The fact that the GATS is based on an obligation of unconditional MFN would, in the absence of an MFN derogation, require the renunciation of possible future recourse to such measures in relation to other GATS parties. The Community is ready to envisage such a renunciation, which would in itself constitute a substantial liberalisation. However, its readiness to do so would be dependent both on the establishment of adequate mechanisms within the framework, to ensure an appropriate balance of commitments both overall and in certain sectors, and on the assumption by others of a satisfactory level of commitment.
In many sectors the offer constitutes a binding of the régime currently in force. Inconsistencies with Articles XVI and XVII which are listed are therefore those which currently apply. The Community is ready to give further clarifications on request.

The offer has been established on the basis of the understanding reached in the GNS on 25 July 1991 on the issue of the scheduling of commitments, as set out in particular in Amb. HAWES' comments on the draft Articles XVI and XVII. The Community reserves its rights to correct the offer to take into account any further evolution of negotiations on these Articles which might modify this understanding.

NOTE

The nomenclature used is that set out in MTN.GNS/W/120, with some limited variations, and the introduction of some further sub-divisions.
RECIPIROCITY MEASURES
(Illustrative list)

FRANCE

- "Legal services", "Tax advisory services" - Acceptance to the profession of "avocat" is conditional on the equivalent possibility for French "avocats" to undertake the corresponding activity.

- "Auditing services" - statutory audit activities: acceptance to profession is conditional on the equivalent possibility for the French to undertake corresponding activities.

- "Architectural services": acceptance to the profession is conditional on recognition of qualification and equivalent possibility for the French to undertake the corresponding activity.

- "Rental/leasing services without operators - relating to other transport equipment": access is conditional on equivalent possibility for the French to undertake the corresponding activities.

- "Rental services with operators - rental of commercial road vehicles with operator": access is conditional on equivalent possibility for the French to undertake the corresponding activity.

- "Tourist guides services" - access is conditional on the possibility for the French to undertake the corresponding activity.

- "News and press agencies"
  - "news" : in the absence of a reciprocity agreement, foreign participation in press companies publishing publications in the French language may not exceed 20% of the capital or of voting rights in the company.
  - "press agencies": access is conditional on the possibility for the French press agencies to undertake the corresponding activity.

- "Freight transport agency services" - access is conditional on equivalent possibility for the French to undertake the corresponding activities.

- "Land transport - provision of combined transport services" - access is conditional on equivalent possibility for the French to undertake the corresponding activities.

ITALY

- Purchase of real estate : reciprocity required for natural persons.

- General provision for application of reciprocity to industrial, commercial and artisanal activities.
FINANCIAL SERVICES

Banking

In France, Greece, Ireland, Netherlands, Spain and the United Kingdom, the establishment of foreign banks and/or financial companies in the form of subsidiaries or branches may be subject to reciprocity requirements; in Denmark, Germany and Italy the establishment of branches in the banking sector may be subject to a reciprocity requirement. In addition some other Member States (e.g. France, Greece, Netherlands, the United Kingdom) have in their legislation provisions which enable them to impose other restrictions on the operation of foreign banks and financial companies or to deny them certain benefits such as those arising from mutual recognition of regulations and practices, if the country of origin of the firm discriminates against its firms or does not offer them competitive opportunities equivalent to those offered by these Member States to foreign banks or financial institutions. According to Community legislation, the establishment of a banking subsidiary of a bank from a third country in the Community may be subject to the condition that the third country of origin grants Community banks the right of establishment and a de facto national treatment.

Insurance

In Belgium, Denmark, France, Germany (only for branches), Greece, Ireland (only for branches), Italy, Spain and the United Kingdom, the establishment of foreign insurance companies may be subject to a reciprocity requirement. According to Community legislation, the establishment of a life or non-life insurance subsidiary of an insurance company from a third country may be subject to the condition that the third country of origin grants Community insurance companies the right of establishment and a de facto national treatment.
1) Cross border trade; 2) Movement of consumers; 3) Movement of personnel; 4) Commercial presence

<table>
<thead>
<tr>
<th>Sector/Sub-sector</th>
<th>Measures inconsistent with Article XVI</th>
<th>Measures inconsistent with Article XVII</th>
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**ALL SECTORS (**)**

**LIMITATIONS**

3) All Member States: This offer does not cover temporary movement of personnel other than specified in the "all sectors" offer.

F: Access to industrial, commercial and artisanal activities is subject to a temporary residence permit and authorisation to pursue the activity if the person is not resident.

4) In all EC Member States services considered as public utilities at a national or local level may be subject to public monopolies or to exclusive rights granted to private operators on the basis of public procurement procedures.

D: The Lender may establish limitations on real estate purchase by non-EC natural and juridical persons. At present such limitations exist in a limited way in some Lenders.

DK: Limitations on real estate purchase by non-resident physical and legal entities.

E: In certain sectors investments require specific authorisation of the Council of Ministers and in some cases limits exist for the percentage of share capital allowed for nationals of third countries (with certain exceptions this is usually limited to 25%). Except in the Canary Islands, the acquisition of property by nationals of third countries in coastal areas is restricted in principle, to 15% of the total surface area of each zone.

(*) The offer shall apply to the territories in which the Treaty establishing the European Economic Community is applied and under the conditions laid down in that Treaty.

(**) It is understood that the limitations and offers "all sectors" are applicable to each sector/sub-sector individually.
- LIMITATIONS (cont.) 4) (cont.)

GR: purchase of real estate by foreign, natural or juridical persons, limited in frontier zones.

F: direct investments realised by companies controlled by persons not part of the E.C. are subject to a prior declaration. Tacit authorisation is given by the Ministry of Economy, Finances and the Budget, within a period of one month, unless the right of postponement for reasons of national interest is exercised. Access to industrial, commercial and artisanal activities is subject to a temporary residence permit and authorisation to pursue the activity if the person is not resident.

P: except in tourism sector, authorisation required for the subscription or acquisition of more than 20% of the capital share of Portuguese companies, by natural or juridical persons non residents or not having their corporate base within the EC.

P: foreign participation in newly privatized companies may be limited to a variable amount, determined by the Government of Portugal on a case-by-case basis, of the equity offered to the public.

IRL: prior written consent of the Land Commission is necessary for the acquisition of any interest in Irish land by domestic or foreign companies, or foreign nationals. Where such land is for industrial use, this requirement is waived subject to a certificate to this effect from the Minister for Industry and Commerce. This law does not apply to land within the boundaries of cities and towns.

I: restrictions on purchase of real estate by foreign nationals.
2) Restrictions on the export of foreign currency (E, IRL, GR, P) eliminated at end of 1991 (E), end of 1992 (IRL) and at the latest end of 1995 (GR, P).

3) Unless otherwise specified in individual sectors/sub-sectors, temporary movement of the following categories of natural persons providing services, is permitted in a Member State without requiring compliance with economic needs test:

(i) The temporary movement, as intra-corporate transferees, of natural persons in the following categories, provided that such persons have been employed by the company concerned for at least the year immediately preceding such movement:

(a) Senior employees of an organisation who primarily direct the management of the organisation, receiving general supervision or direction principally from the board of directors or stockholders of the business, including:
- directly the organisation or a department or sub-division of the organisation;
- supervising and controlling the work of other supervisory, professional or managerial employees;
- having the authority personally to hire and fire or recommend hiring, firing or other personnel actions.

(b) Persons employed by an organisation who possess high or uncommon:
- qualifications referring to a type of work or trade requiring specific technical knowledge;
- knowledge essential to the organisation's service, research equipment, techniques or management.

These may include, but are not limited to, members of accredited professions.
3) (cont.) (II) the temporary movement of natural persons in the following categories:

(a) Persons not based in the territory of the EC who are representatives of a service provider and are seeking temporary entry for the purpose of negotiating for the sale of services or entering into agreements to sell services for that service provider, where those representatives will not be engaged in making direct sales to the general public or in supplying services themselves.

(b) Persons meeting the criteria of category (I)(a) who are responsible for the setting up, in a Member State, of a commercial presence of a service provider of a Party when:
- the representatives are not engaged in making direct sales or supplying services and
- the service provider has no representative, branch or subsidiary in that Member State.

All other requirements of Community and Member States' laws and regulations regarding entry, stay and work shall continue to apply, including legislation regarding minimum wages as well as collective wage agreements.
4) So far as entry to the Community market in the form of primary establishment is concerned, this offer covers entry by a commercial presence in any form (subsidiary, branch, representative office, etc.)

4) The provisions of the EEC Treaty (art. 58) generally confer Community treatment to subsidiaries of foreign companies formed in accordance with the law of a Member State and having their registered office, central administration or principal place of business within the Community. Should the company or firm, set up in accordance with the laws of a Member State, have only its registered office in the territory of the Community, for the application of articles 58 and 59, it has been required to possess an effective and continuous link with the economy of one of the Member States. This treatment is not extended to branches established in a Member State by a non-Community company, but does not prevent a Member State from extending national treatment to branches established in another Member State by a non-Community company as regards its operation in its territory, unless, as indicated in this schedule, this is explicitly prohibited by Community law.
BUSINESS SERVICES

PROFESSIONAL SERVICES (*)

- Legal services

Legal advice activities on home country law and international law

1) None other than:

D: access only for individuals but not for companies. Access to legal service activities is dependent on:
   - a) permission under the Legal Advice Act which is linked to an examination of needs, or
   - b) acceptance into a Bar Association according to the Federal Advocat Ordinance or the Lawyers Act (in the former GDR).

D: acceptance into the Bar association is only possible on the basis of mutual recognition.

DK: limitations on legal services for persons without a Danish licence to practice.

GR: conditions of nationality

F: the activities of legal advice and of drafting of legal documents are primarily reserved to the members of the regulated legal and judicial professions. These may also be exercised, purely as a supplement to the provision of a service, and within the limits permitted by the relevant regulations, by the members of other professions carrying out a regulated professional activity, or purely as a supplement to the professional activity carried out and within the limits of their qualifications, by persons carrying out a non-regulated professional activity, who have a qualification recognised by the State or by a public body or an accredited professional body.

L: Legal advice activity is reserved to "avocats".

(*) Some of the activities covered by these services constitute the exercise of governmental functions and are therefore excluded from the purview of the Agreement (Article I.3 (b)).
Igal advice activities (cont.)

2) None

3) Subject to "all sectors" limitations and:
   DK: limitations on legal services for persons without a Danish licence to practice.
   D: Access to legal service activities is dependent on:
      - a) permission under the Legal Advice Act which is linked to an examination of needs, or
      - b) acceptance into a Bar Association according to the Federal Advocate Ordinance or the Lawyers Act (in the former GDR).
   D: Acceptance into the Bar association is only possible on the basis of mutual recognition.
   GR: conditions of nationality
   F: the activities of legal advice and of drafting of legal documents are primarily reserved to the members of the regulated legal and judicial professions. These may also be exercised purely as a supplement to the provision of a service, and within the limits permitted by the relevant regulations, by the members of other professions carrying out a regulated professional activity, or purely as a supplement to the professional activity carried out and within the limits of their qualifications, by persons carrying out a non-regulated professional activity, who have a qualification recognised by the State or by a public body or an accredited professional body.
   L: legal advice activity is reserved to "avocats" registered at the Luxemburg bar.
legal advice activities (cont.)  

4) None other than:  

D: access only for individuals but not for companies.  

L: legal advice activity is reserved to "avocats" registered at the Luxemburg bar.  

GR: conditions of nationality.  

F: the activities of legal advice and of drafting of legal documents are primarily reserved to the members of the regulated legal and judicial professions. These may also be exercised purely as a supplement to the service provided and within the limits permitted by the relevant regulations, by the members of other professions carrying out a regulated professional activity, or purely as a supplement to the professional activity carried out and within the limits of their qualifications, by persons carrying out a non-regulated professional activity, who have a qualification recognised by the State or by a public body or an accredited professional body.  

4) None other than:  

DK: only lawyers with a Danish licence to practice and law firms registered in Denmark may own shares in a Danish law firm. Only lawyers with said licence may sit on the board or be part of the management of a Danish law firm.
1) None other than:
- professional qualifications can only be established or recognised on the basis of mutual recognition agreements.
- requirement of residence and citizenship unless otherwise provided by the Danish Commerce and Companies Agency.
- condition of nationality for statutory audit activities
- condition of establishment.
- "accounting services" - condition of nationality.

However non-EC professionals may be permitted to provide services, by a decision of the Minister of Economics, Finance and Budget, in agreement with the Minister of Foreign Affairs, provided that they can show previous residence for a period not exceeding 5 years.

"auditing services" - statutory audit activities are reserved to professionals established and registered on the list of the "commissaires aux comptes".

2) None

3) Subject to "all sectors" limitations and:
- professional qualifications can only be established or recognised on the basis of mutual recognition agreements.
- requirement of residence and citizenship unless otherwise provided by the Danish Commerce and Companies Agency.
- conditions of nationality for statutory audit activities

1) None

2) None

3) None
3) (cont.)

F: "accounting services" - condition of nationality. However non-EC professionals may be permitted to provide services, by a decision of the Minister of Economics, Finance and Budget, in agreement with the Minister of Foreign Affairs, provided that they can show previous residence for a period not exceeding 5 years. "auditing services" - statutory audit activities are reserved to professionals established and registered on the list of the "commissaires aux comptes".

I: administrators and auditors in audit companies (other than those covered by the 8th EEC directive on company law) must fulfil a nationality condition.

4) None other than:

DK: Foreign accountants may enter into partnerships with Danish state authorized accountants after obtaining permission from the Danish Commerce and Companies Agency.

GR: conditions of nationality for statutory auditors

F: "accounting services" - condition of nationality. However non-EC professionals may be permitted to provide services, by a decision of the Minister of Economics, Finance and Budget, in agreement with the Minister of Foreign Affairs, provided that they can show previous residence for a period not exceeding 5 years. "auditing services" - statutory audit activities are reserved to professionals established and registered on the list of the "commissaires aux comptes".

I: the activity is divided into two areas: individual auditors (Dottori commercialisti e Ragionieri) and audit companies (societe di revisione). For the latter (other than those covered by the 8th EEC directive on company law), administrators and auditors must fulfil a nationality condition.
- Tax advisory services.

Home country and international taxation

1) None other than:

F: advice activities and drafting of legal documents are primarily reserved to the members of the regulated legal and judicial professions. These may also be exercised purely as a supplement to the provision of a service, and within the limits permitted by the relevant regulations, by the members of other professions carrying out a regulated professional activity, or purely as a supplement to the professional activity carried out and within the limits of their qualifications, by persons carrying out a non-regulated professional activity, who have a qualification recognised by the State or by a public body or an accredited professional body.

2) None

3) Subject to "all sectors" limitations and:

F: advice activities and drafting of legal documents are primarily reserved to the members of the regulated legal and judicial professions. These may also be exercised purely as a supplement to the provision of a service, and within the limits permitted by the relevant regulations, by the members of other professions carrying out a regulated professional activity, or purely as a supplement to the professional activity carried out and within the limits of their qualifications, by persons carrying out a non-regulated professional activity, who have a qualification recognised by the State or by a public body or an accredited professional body.

1) None

2) None

3) None
4) None other than:

F: advice activities and drafting of legal documents are primarily reserved to the members of the regulated legal and judicial professions. These may also be exercised purely as a supplement to the provision of a service, and within the limits permitted by the relevant regulations, by the members of other professions carrying out a regulated professional activity, or purely as a supplement to the professional activity carried out and within the limits of their qualifications, by persons carrying out a non-regulated professional activity, who have a qualification recognised by the State or by a public body or an accredited professional body.
Architectural services

1) None other than:
- D: application of the national rules on fees and emoluments for all services which are performed from abroad.
- D: use by third country qualified professionals of the professional title is only possible on the basis of mutual recognition agreements.
- F: access to the profession is conditional on recognition of qualification.
- GR: conditions of nationality
- I: condition of residence

2) None

3) Subject to "all sectors" limitations and:
- D: use by third country qualified professionals of the professional title is only possible on the basis of mutual recognition agreements.
- F: access to the profession is conditional on recognition of qualification.
- GR: conditions of nationality
- I: condition of residence

4) None other than:
- F: access to the profession is conditional on recognition of qualification.
- GR: conditions of nationality
- I: condition of residence

1) None other than:
- D: application of the national rules on fees and emoluments for all services which are performed from abroad.
- Engineering Services

1) None other than:
   GR: condition of nationality
   I: condition of residence

2) None

3) Subject to "all sectors" limitations and:
   GR: condition of nationality
   I: condition of residence

4) None other than:
   GR: condition of nationality
   I: condition of residence

- Integrated engineering services

1) None other than
   GR: conditions of nationality
   I: condition of residence

2) None

3) Subject to "all sectors" limitations and:
   GR: conditions of nationality
   I: condition of residence

4) None other than:
   GR: conditions of nationality
   I: condition of residence
1) None other than:
   D: application of the national rules on fees and
   emoluments for all services which are performed
   from abroad.
   D: use by third country qualified professionals of
   the professional title is only possible on the
   basis of mutual recognition agreements.
   GR: condition of nationality
   I: condition of residence

2) None

3) Subject to "all sectors" limitations and:
   D: use by third country qualified professionals of
   the professional title is only possible on the
   basis of mutual recognition agreements.
   GR: condition of nationality
   I: condition of residence

4) None other than:
   GR: condition of nationality
   I: condition of residence

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- Urban Planning and landscape
architectural services
Medical, dental and midwives services

1) Unbound

2) None

3) Subject to "all sectors" limitations and:
   DK: residence and work permit would normally be required in order to obtain necessary individual authorisation from the National Board of Health. Limited authorisation to fulfill a specific function can be given for max. 18 months.
   D: conditions of nationality.
   F: conditions of nationality. Third-country nationals may be permitted to provide services within annually established quotas, provided they pass an examination to verify their knowledge of the subject.
   I: condition of residence

4) None other than:
   D: conditions of nationality.
   F: conditions of nationality. Third-country nationals may be permitted to provide services within annually established quotas, provided they pass an examination to verify their knowledge of the subject.
   I: condition of residence
   NL: establishment for doctors is currently restricted and subject to an economic needs test
   UK: establishment for doctors under the National Health Service is currently restricted and subject to medical manpower planning.
   DK: residence and work permit would normally be required in order to obtain necessary individual authorisation from the National Board of Health. Limited authorisation to fulfill a specific function can be given for max. 18 months.
- Veterinary services

1) None other than:
   F, GR: conditions of nationality.
   IRL: professional qualifications can only be established on the basis of mutual recognition agreements.
   I: condition of residence

2) None

3) Subject to "all sectors" limitations and:
   D, F, GR: conditions of nationality.
   IRL: professional qualifications can only be established on the basis of mutual recognition agreements.
   I: condition of residence

4) None other than:
   D, F, GR: conditions of nationality.
   I: condition of residence
Services provided by nurses, physiotherapists and paramedical personnel

1) Unbound

2) None

3) Subject to "all sectors" limitations and:
   D: access to certain personal care services is subject to the discretion of the competent authorities.
   DK: residence and work permit would normally be required in order to obtain necessary individual authorisation from the National Board of Health. Limited authorisation to fulfill a specific function can be given for max. 18 months.
   F: access on the basis of mutual recognition agreements.

4) None other than:
   D: access to certain personal care services is subject to the discretion of the competent authorities.
   F: access on the basis of mutual recognition agreements.
   DK: residence and work permit would normally be required in order to obtain necessary individual authorisation from the National Board of Health. Limited authorisation to fulfill a specific function can be given for max. 18 months.
OTHER PROFESSIONAL SERVICES

Surveying and exploration services (*)

1) None other than:
   DK: authorisation required
   D: application of the national rules on fees and emoluments for all surveying services which are performed from abroad.
   F: "surveying" - some activities, in particular operations relating to the establishment of property rights and to land law are reserved for EC "experts-gonîtres".
   "exploration services" - authorisation required.
   I: condition of residence

2) None

3) Subject to "all sectors" limitations and:
   DK: authorisation required
   D: conditions of nationality for publicly appointed surveyors
   F: "surveying" - some activities, in particular operations relating to the establishment of property rights and to land law are reserved for EC "experts-gonîtres".
   "exploration services" - authorisation required.
   I: condition of residence

4) None other than:
   DK: authorisation required
   D: conditions of nationality for publicly appointed surveyors
   F: "surveying" - some activities, in particular operations relating to the establishment of property rights and to land law are reserved for EC "experts-gonîtres".
   "exploration services" - authorisation required.
   I: condition of residence

(*) The service involved excludes operation of mines, etc.
Interior design services

1) None other than:
   D: Application of the national rules on fees and
      emoluments for all services which are performed
      from abroad.

2) None

3) Subject to "all sectors" limitations

4) None

1) None other than:
   D: Application of the national rules on fees and
      emoluments for all services which are performed
      from abroad.

2) None

3) None

4) None
COMPUTER AND RELATED SERVICES

- Consultancy services related to the installation of computer hardware
  1) None other than:  
     GR: condition of nationality for engineers
  2) None
  3) Subject to "all sectors" limitations and:  
     GR: condition of nationality for engineers
  4) None other than:  
     GR: condition of nationality for engineers

- Software implementation services
  1) None other than:  
     GR: condition of nationality for engineers
  2) None
  3) Subject to "all sectors" limitations and:  
     GR: condition of nationality for engineers
  4) None other than:  
     GR: condition of nationality for engineers

- Data processing services
  1) None other than:  
     GR: condition of nationality for engineers
  2) None
  3) Subject to "all sectors" limitations and:  
     GR: condition of nationality for engineers
  4) None other than:  
     GR: condition of nationality for engineers
- Data base services

1) None other than:  
   GR: condition of nationality for engineers

2) None

3) Subject to "all sectors" limitations and:  
   GR: condition of nationality for engineers

4) None other than:  
   GR: condition of nationality for engineers

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RESEARCH AND DEVELOPMENT SERVICES

R & D services on social sciences and humanities

1) None

2) None

3) Subject to "all sectors" limitations

4) None
REAL ESTATE SERVICES *

- involving own or leased property

1) None other than:
   F: requirement of residence

2) None

3) Subject to "all sectors" limitations and:
   F: requirement of residence

4) None other than:
   F: requirement of residence

- on a fee or contract basis
  (e.g. property evaluation, estate management, etc.)

1) None other than:
   DK: Requirement of residence and citizenship unless otherwise provided by the Danish Commerce and Companies Agency.
   F: requirement of residence

2) None

3) Subject to "all sectors" limitations and:
   DK: Requirement of residence and citizenship unless otherwise provided by the Danish Commerce and Companies Agency.
   F: requirement of residence

4) None other than:
   DK: Requirement of residence and citizenship unless otherwise provided by the Danish Commerce and Companies Agency.
   F: requirement of residence

* The service involved relates to the profession of real estate agent and does not affect any rights and/or restrictions on natural and juridical persons purchasing real estate.
RENTAL / LEASING SERVICES
WITHOUT OPERATORS

relating to ships

1) None other than:
   I: leasing services can only be provided by joint
   stock companies.
   F: the chartering of French and foreign ships is
   subject to prior notification (*).

2) None

3) Subject to "all sectors" limitations

4) None other than:
   I: leasing services can only be provided by joint
   stock companies.
   F: the chartering of French and foreign ships is
   subject to prior notification (*).

(*) F: the chartering of French and foreign ships can be prohibited when required by the national interest (cf. art. XIV)
1) None other than:

D, DK, F, IRL, I, NL: to be registered in the aircraft register of these Member States, aircraft must be owned either by natural persons meeting specific nationality criteria or by legal persons meeting specific criteria regarding ownership of capital and control.

B: aircraft which have been the subject of a leasing or rental contract of a duration of at least 6 months may be registered in Belgium, with the authorisation of the competent minister, by:
- a Belgian, or a foreign national resident in Belgium for one year
- a juridical person having a principal place of business, an agency or an office in Belgium for one year.

I: leasing services can only be provided by joint stock companies.

2) None

3) Subject to "all sectors" limitations and limitations on the proportion of the directors of companies in whose name the aircraft is registered who may be nationals of a third country.

4) None other than:

D, DK, F, IRL, I, NL: to be registered in the aircraft register of these Member States, aircraft must be owned either by natural persons meeting specific nationality criteria or by legal persons meeting specific criteria regarding ownership of capital and control.
relating to aircraft (cont.)

4) (cont.)

B: aircraft which have been the subject of a leasing or rental contract of a duration of at least 6 months may be registered in Belgium, with the authorisation of the competent minister, by:
- a Belgian, or a foreign national resident in Belgium for one year
- a juridical person having a principal place of business, an agency or an office in Belgium for one year.

I: leasing services can only be provided by joint stock companies.

- relating to other transport equipment

1) None other than:

I: leasing services can only be provided by joint stock companies

2) None

3) Subject to "all sectors" limitations

4) None other than:

I: leasing services can only be provided by joint stock companies

- relating to other machinery and equipment

1) None other than:

I: leasing services can only be provided by joint stock companies

2) None

3) Subject to "all sectors" limitations

4) None other than:

I: leasing services can only be provided by joint stock companies
RENTAL SERVICES WITH OPERATORS

- Rental of vessels with crew
  1) None other than:
     D: the chartering of certain ships under foreign flag is subject to authorization
     F: the chartering of French and foreign ships is subject to prior notification (*).
  2) None
  3) Subject to "all sectors" limitations
  4) None other than:
     F: the chartering of French and foreign ships is subject to prior notification (*).

- Rental of commercial road vehicles with operator
  1) None
  2) None
  3) Subject to "all sectors" limitations
  4) None

(*) F: The chartering of French and foreign ships can be prohibited when required by the national interest (cf.art.XIV)
OTHER BUSINESS SERVICES

- Advertising
  1) None
  2) None
  3) Subject to "all sectors" limitations
  4) None

- Market research and opinion polling
  1) None
  2) None
  3) Subject to "all sectors" limitations
  4) None

- Management consulting services
  1) None
  2) None
  3) Subject to "all sectors" limitations
  4) None

- Services related to management consulting
  1) None
  2) None
  3) Subject to "all sectors" limitations
  4) None
<table>
<thead>
<tr>
<th>Service Type</th>
<th>Option 1</th>
<th>Option 2</th>
<th>Option 3</th>
<th>Option 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical testing and analysis services</td>
<td>1) None</td>
<td>2) None</td>
<td>3) Subject to &quot;all sectors&quot; limitations</td>
<td>4) None</td>
</tr>
<tr>
<td>Advisory and consulting services relating to</td>
<td>1) None</td>
<td>2) None</td>
<td>3) Subject to &quot;all sectors&quot; limitations</td>
<td>4) None</td>
</tr>
<tr>
<td>agriculture, hunting and forestry</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advisory and consulting services relating to</td>
<td>1) None</td>
<td>2) None</td>
<td>3) Subject to &quot;all sectors&quot; limitations</td>
<td>4) None</td>
</tr>
<tr>
<td>fishing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advisory and consulting services relating to</td>
<td>1) None other than:</td>
<td>2) None</td>
<td>3) Subject to &quot;all sectors&quot; limitations and:</td>
<td>4) None other than:</td>
</tr>
<tr>
<td>mining</td>
<td>GR: condition of nationality</td>
<td></td>
<td>GR: condition of nationality</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) None other than:
   D, NL: the service may not be supplied by a company established outside the EC.
   IRL: some form of commercial presence in Ireland is required.
   I: state monopoly, except for search and selection of managers, executives and qualified personnel.
   F: requirement of residence

2) None

3) Subject to "all sectors" limitations and:
   F: requirement of residence

4) None other than:
   D: The permit for commercial provision of personnel can be denied if the applicant does not have EC nationality or if the juridical person which makes the application is either not established according to the legal requirement of an EC Member State or has neither its registered office nor its central administration nor its principal place of business in the Community.
   F: requirement of residence
   I: state monopoly, except for search and selection of managers, executives and qualified personnel.

(*) The service involved relates to the supply of personnel already available on the labour market of the Community Member State concerned.
- Security and transport of valuables

1) None other than:

DK: Requirement inter alia of residence and citizenship in order to obtain necessary authorization for security guard services.

F: requirement of residence and citizenship

I: Requirement inter alia of residence and citizenship in order to obtain necessary authorization for security guard services and the transport of valuables.

2) None

3) Subject to "all sectors" limitations and:

DK: Requirement inter alia of residence and citizenship in order to obtain necessary authorization for security guard services.

F: requirement of residence and citizenship

I: Requirement inter alia of residence and citizenship in order to obtain necessary authorization for security guard services and the transport of valuables.

4) None other than:

DK: Requirement inter alia of residence and citizenship in order to obtain necessary authorization for security guard services.

F: requirement of residence and citizenship

I: Requirement inter alia of residence and citizenship in order to obtain necessary authorization for security guard services and the transport of valuables.

- Maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment)

1) None

2) None

3) Subject to "all sectors" limitations

4) None
<table>
<thead>
<tr>
<th>Service Type</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building-cleaning services</td>
<td>None</td>
<td>None</td>
<td>Subject to &quot;all sectors&quot; limitations</td>
<td>None</td>
</tr>
<tr>
<td>Photographic Services</td>
<td>None</td>
<td>None</td>
<td>Subject to &quot;all sectors&quot; limitations</td>
<td>None</td>
</tr>
<tr>
<td>Packaging services</td>
<td>None</td>
<td>None</td>
<td>Subject to &quot;all sectors&quot; limitations</td>
<td>None</td>
</tr>
<tr>
<td>Printing and Publishing</td>
<td>None</td>
<td>None</td>
<td>Subject to &quot;all sectors&quot; limitations</td>
<td>None</td>
</tr>
<tr>
<td>Service Type</td>
<td>1)</td>
<td>2)</td>
<td>3)</td>
<td>4)</td>
</tr>
<tr>
<td>------------------------------</td>
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</tr>
<tr>
<td>Convention services</td>
<td>None</td>
<td>None</td>
<td>Subject to &quot;all sectors&quot; limitations</td>
<td>None</td>
</tr>
<tr>
<td>Translation services</td>
<td>None</td>
<td>None</td>
<td>Subject to &quot;all sectors&quot; limitations</td>
<td>None</td>
</tr>
<tr>
<td>Public relation services</td>
<td>None</td>
<td>None</td>
<td>Subject to &quot;all sectors&quot; limitations</td>
<td>None</td>
</tr>
</tbody>
</table>
COMMUNICATION SERVICES

TELECOMMUNICATIONS SERVICES

(*)

- Value-added services (**), including (but not limited to) electronic mail, voice mail, on-line information and data base retrieval, data processing, EDI, code and protocol conversion(***)

1) No limitation from 1/1/1992
2) No limitation from 1/1/1992
3) Subject to "all sectors" limitations

- Packet and circuit switched data transmission services (***)

1) STANDSTILL from entry into force (no limitation as from 1/1/1996)
2) STANDSTILL from entry into force (no limitation as from 1/1/1996)
3) Subject to "all sectors" limitations
4) STANDSTILL from entry into force (no limitation as from 1/1/1996)

- Mobile and satellite services

1) Subject to further consideration
2) Subject to further consideration
3) Subject to further consideration
4) Subject to further consideration

(*) This offer is still based on draft annex of 19 November 1990
(**) Excludes voice telephony, telegraph and telex.
(***) The provision of these services may be subject to licensing requirements (Directive n°90/388/EEC).
AUDIOVISUAL SERVICES

- Non-cultural services

1) Subject to further consideration
2) Subject to further consideration
3) Subject to further consideration
4) Subject to further consideration

CONSTRUCTION AND RELATED ENGINEERING SERVICES

1) None
   Progressive elimination of technical barriers in the Community market, product by product or range of products by range of products, according to the progress achieved in the harmonisation of European standards.
2) None
3) Subject to "all sectors" limitations
4) None
1) None
2) None
3) None
4) None
DISTRIBUTION SERVICES(*)

- Commission agents' services
  1) None other than:
      F: requirement of residence. Condition of nationality for certain activities (traders and brokers working in markets of national interest or sworn goods brokers).
      P: condition of residence
  2) None
  3) Subject to "all sectors" limitations and:
      F: requirement of residence. Condition of nationality for certain activities (traders and brokers working in markets of national interest or sworn goods brokers).
      P: condition of residence
  4) None other than:
      F: requirement of residence. Condition of nationality for certain activities (traders and brokers working in markets of national interest or sworn goods brokers).
      P: condition of residence

- Wholesale trade services
  1) None other than:
      I: state monopoly on tobacco.
      F, P: condition of residence.
  2) None
  3) Subject to "all sectors" limitations and:
      F: requirement of residence. Certain activities (pharmacies) are authorised according to the needs of the population and within established quotas. State monopoly on tobacco and matches.
      P: condition of residence

(*) excluding trade in arms, chemical products, explosives and precious metals
Wholesale trade services (cont.)

4) None other than:
   I: state monopoly on tobacco.
   F: requirement of residence. Certain activities (pharmacies) are authorised according to the needs of the population and within established quotas.
   State monopoly on tobacco and matches.
   P: condition of residence

- Retailing services

1) None other than:
   I: state monopoly on tobacco
   F: requirement of residence. Certain activities (pharmacies) are authorised according to the needs of the population and within established quotas.
   Condition of nationality for other activities (tobacconist).
   P: condition of residence

2) None

3) Subject to "all sectors" limitations and:
   F: requirement of residence. Certain activities (pharmacies) are authorised according to the needs of the population and within established quotas.
   Condition of nationality for other activities (tobacconist).
   P: condition of residence

4) None other than:
   DK economic needs test on establishment of new department stores and pharmacies.
   F: requirement of residence. Certain activities (pharmacies) are authorised according to the needs of the population and within established quotas.
   Condition of nationality for other activities (tobacconist).
   I: state monopoly on tobacco; economic needs test on establishment of new department stores.
   P: condition of residence
   NL establishment of new pharmacies is subject to an economic needs test.
- Franchising

1) None other than:
F: requirement of residence

2) None

3) Subject to "all sectors" limitations and:
F: requirement of residence

4) None other than:
F: requirement of residence

OTHER

- Countertrading Services

1) None other than:
F, P: condition of residence

2) None

3) Subject to "all sectors" limitations and:
F, P: condition of residence

4) None other than:
F, P: condition of residence
EDUCATION SERVICES

- Primary education services

1) None other than:
GR: conditions of nationality
I: conditions of nationality for service providers to be authorised to issue state recognised diplomas.

2) None

3) Subject to "all sectors" limitations and
GR: conditions of nationality
I: conditions of nationality for service providers to be authorised to issue state recognised diplomas.

4) None other than:
GR: conditions of nationality
I: conditions of nationality for service providers to be authorised to issue state recognised diplomas.

- Secondary education services

1) None other than:
GR: conditions of nationality
I: conditions of nationality for service providers to be authorised to issue state recognised diplomas.

2) None

3) Subject to "all sectors" limitations and
GR: conditions of nationality
I: conditions of nationality for service providers to be authorised to issue state recognised diplomas.

4) None other than:
GR: conditions of nationality
I: conditions of nationality for service providers to be authorised to issue state recognised diplomas.
Higher education services

1) None other than:
   GR: conditions of nationality
   I: conditions of nationality for service providers
      to be authorised to issue state recognised
diplomas.

2) None

3) Subject to "all sectors" limitations and
   GR: conditions of nationality
   I: conditions of nationality for service providers
      to be authorised to issue state recognised
diplomas.

4) None other than:
   GR: conditions of nationality
   I: conditions of nationality for service providers
      to be authorised to issue state recognised
diplomas.

Adult education services

1) None other than:
   GR: conditions of nationality

2) None

3) Subject to "all sectors" limitations and
   GR: conditions of nationality

4) None other than:
   GR: conditions of nationality
<table>
<thead>
<tr>
<th>Service Type</th>
<th>Unbound</th>
<th>None</th>
<th>Subject to &quot;all sectors&quot; limitations</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sewage disposal services</td>
<td>1)</td>
<td>2)</td>
<td>3)</td>
<td>4)</td>
</tr>
<tr>
<td>Refuse disposal services</td>
<td>1)</td>
<td>2)</td>
<td>3)</td>
<td>4)</td>
</tr>
<tr>
<td>Sanitation and similar services</td>
<td>1)</td>
<td>2)</td>
<td>3)</td>
<td>4)</td>
</tr>
</tbody>
</table>
NOTE: Unlike foreign subsidiaries, branches established directly in a Member State by a non-Community company are not subject to prudential regulations at Community level which enable such subsidiaries to benefit from enhanced facilities to set up new establishments and to provide cross-border services throughout the Community. Therefore, such branches receive an authorisation to operate under conditions equivalent to those applied to domestic companies which is limited in principle to the territory of the Member State concerned, and may be required to satisfy a number of prudential requirements such as separate capitalisation and other solvency requirements, and reporting and publication of accounts requirements.

The relative importance of the restrictions contained in this offer needs to be assessed in the context of the functioning of the Community Internal market. By virtue of Article 58 of the EEC treaty (cf. remark for "all sectors" offer, under article XVII-commercial presence), as far as primary establishment is concerned, companies formed in accordance to the law of a Member State and having their registered office, central administration or principal place of business within the Community shall be treated as nationals of Member States; such companies benefit from the right of secondary establishment and free provision of services throughout the Community and shall be treated as Community nationals regardless of the country of ownership or control.

Thus, Member States may apply the restrictions indicated in this schedule only with regard to the direct establishment of a commercial presence or the provision of cross-border services from a third country; consequently, these restrictions, including those concerning establishment, may not be applied to third country subsidiaries in the Community, unless these restrictions can also be applied to companies or nationals of other Member States in conformity with Community law.

This offer is based on the proposal for a financial Services Annex presented by the Delegations of Canada, Japan, Sweden and Switzerland on 3 December 1996 (MTN.TNC/W/56); the Community intends to assume the obligations of part III of MTN.TNC/W/50, unless otherwise specified in the schedule.

** Establishment, cross-border provision of financial services and operating conditions are subject to normal prudential considerations, such as capacity to provide financial services, reporting requirements and application of various solvency and liquidity requirements, residence requirements for managers or directors, etc.
1) None other than:

B: establishment in Belgium is required for the provision of portfolio management services and investment advisory services.

I: the offer and marketing of services concerning the distribution to the public, through telecommunication or other information means, of information concerning prices, the volume of transactions, the offer and demand conditions relating to the negotiation of securities dealt in the Italian regulated market, or in other recognised markets, requires prior authorisation by the Stock Exchanges Commission (Consob). This authorisation may not be granted if the authorities determine that there is a risk that the data provided may induce the public to error.

I: an establishment (a securities investment company incorporated in Italy or a bank subsidiary or branch) is needed in order to provide investment research and advice relating to securities (dealing, issue, underwriting) and asset management, securities custody, and services regarding mergers, acquisitions, corporate restructuring, management buy-outs and venture capital.

2) None other than:

D: issues of securities denominated in Deutschmarks can be lead managed only by a bank of independent legal status domiciled in Germany.

1) None
E: the following operations are subject to authorization:
- the issue by residents in a foreign capital market of domestic bonds and other debt securities, as well as foreign loans to residents, require authorization where the maturity of the issue is less than three years or the total amount of the issue exceeds Pts 1,500 million.
- the issue abroad of domestic money market securities by residents and purchase abroad by residents of foreign unquoted money market securities.
- purchase abroad of future contracts, warrants and options over any liberalized assets when these are not traded in an organized market.
- operation in domestic currency accounts abroad, and operation in foreign currency accounts abroad except for exporters having to afford expenses in the country of destination.

E: authorized residents can enter with non-resident banks into forward sale agreements to cover interest rate risk only to the extent that these contracts are denominated in the same currency as the interest rate risk they are designed to cover.
2) (cont.)

GR: Establishment is required for the provision of custodial and depository services involving the administration of interest and principal payments due on securities issued in Greece.

GR: Collective investment undertakings may invest in foreign securities up to 25 per cent of their net assets in the case of unit trusts and up to 20 per cent of their paid-up capital in the case of investment companies.

GR: Residents are obliged to surrender foreign currency from exports to the domestic banking system within six months of the date of export.

GR: The following operations are subject to authorization or otherwise restricted:

- Acquisition by residents abroad of foreign securities traded in the capital markets, of foreign money market securities and instruments, of units of foreign collective investment undertakings, and of foreign currency with certain exceptions, the issue abroad by residents in Greece of securities or other negotiable instruments and the introduction of domestic securities and other negotiable instruments in a foreign market
- Operations in current and deposit accounts carried out by residents abroad with certain exceptions, financial loans and credits granted by non-residents to residents
- The provision by non-residents to residents of sureties, guarantees and financial back-up facilities not directly related to an international operation or where no resident participates in the underlying international operation.
2) (cont.)

IRL *) instructions relating to transactions between residents and non-resident brokers and dealers must, except in the case of certain institutional investors and financial service companies, be routed through an authorized resident agent. Residents are not permitted access to trust services provided abroad by non-residents.

IRL •): the following operations are subject to authorization:

- purchase by residents with domestic currency of foreign short-term securities (with certain exceptions), of foreign units of collective investment undertakings investing predominantly in short-term securities or in cash balances
- operation of current and deposit accounts carried out by residents abroad
- certain financial credits granted by non-residents to residents

IRL »): access by residents in Ireland to foreign exchange forwards, swaps and options is allowed only to cover known and specific future financial inflows, or for trade purposes, or where the initial impact on the Official External Reserves is positive or neutral. Irish residents are required to repatriate export receipts and convert them into domestic currency unless the Central Bank approves their retention for further trade financing.

* Ireland intends to abolish these restrictions by end-1992.
2) (cont.)

I: on establishment (a securities investment company incorporated in Italy or a bank subsidiary or branch) is needed in order to provide investment research and advice relating to securities (dealing, issue, underwriting) and asset management, securities custody, and services regarding mergers, acquisitions, corporate restructuring, management buy-outs and venture capital.

I: residents in Italy need authorization to purchase or sell abroad gross gold.

NL: securities denominated in guilders can be issued abroad only when the lead managing bank is under the surveillance of the Dutch Central Bank.

P: with the exception of some institutional investors, residents in Portugal only have access to cash and portfolio management services provided by non-residents abroad if they obtain authorization from the Bank of Portugal. Residents in Portugal do not have access to trust services provided by non-residents abroad.

P: open-ended investment funds are required to invest 25 per cent of their funds in Portuguese Government funds.

P: there is a requirement for a 40 per cent non-interest bearing deposit with the Central Bank of the value of foreign financial credits granted to residents, of issues of bonds or other debt instruments by resident enterprises on a foreign capital market, and of the sale to non-residents of unquoted domestic bonds.
2) (cont.)

- the ability of residents in Portugal to carry out the following operations abroad is restricted:
  - issue or introduction on a foreign market of domestic securities and negotiable instruments
  - with certain exceptions, acquisition by residents of foreign securities and other negotiable instruments and other operations in these instruments.
  - acquisition of foreign collective investment securities issued by undertakings investing less than 50% in securities quoted in an OECD recognised securities market
  - with certain exceptions, operations in foreign exchange
  - provision by non-resident institutions of financial back-up facilities to residents in Portugal.
  - leasing lending by non-residents to residents
  - operation of current and deposit accounts by residents abroad

UK: Sterling issues, including privately-led issues, can be lead managed only by a firm established in the United Kingdom.

3) Subject to "all sectors" limitations and/or to possible limitations which may be included in the Financial Services annex, and:

GR: the majority of the members of the Board of Directors of a bank established in Greece must be nationals of a Member State of the EC and residing in Greece.

IRL: EC citizenship may be required for more than half of the Board of Directors of banks.

P: at least 75% of personnel of branches and subsidiaries of foreign banks must be Portuguese nationals.
4) None other than ***:

**OK: only stock-brokering companies incorporated in Denmark may be authorized to trade on the Copenhagen Stock Exchange electronic trading system.**

**DK:** Information related to payment systems such as payment cards concerning persons residing in Denmark must be registered or data processed only in Denmark.

**E:** Foreign equity participation in securities firms which are members of a Stock Exchange in Spain will not be allowed before 1st January 1992. After 1st January 1992 foreign equity participation in such firms will be subject to prior authorization.

**E, IRL, P - the establishment of non-EC banks may be subject to a test of economic need.**

**GR:** Participation by non-EC investors in the share capital of a bank established in Greece is limited in principle to 40%.

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***In France, Greece, Ireland, Netherlands, Spain, and the United Kingdom the establishment of foreign banks and/or other financial companies in the form of subsidiaries or branches may be subject to reciprocity requirements; in Denmark, Germany and Italy the establishment of branches in the banking sector may be subject to a reciprocity requirement. In addition, some Member States (eg: France, Greece, Netherlands, the United Kingdom) have in their legislation provisions which enable them to impose other restrictions on the operation of foreign banks and financial companies or to deny them certain benefits such as those arising from mutual recognition of regulations and practices. If the country of origin of the firm discriminates against its firms or does not offer them competitive opportunities equivalent to those offered by these Member States to foreign banks or financial institutions. According to Community legislation, the establishment of a banking subsidiary of a bank from a third country in the Community may be subject to the condition that the third country of origin grants Community banks the right of establishment and a de facto national treatment; planned EC legislation may extend this provision to the establishment of foreign investment firms in the Community.

The Community offers as a rollback to commit not to apply these provisions to GATS signatories; this offer is conditional on the acceptance of a satisfactory financial services annex and on adequate market access commitments being made by third countries.
GR: for the establishment of a branch, a minimum amount of foreign exchange must be imported, converted into drachmas and kept in Greece as long as the foreign bank continues to operate in Greece; this minimum amount is equal to the minimum amount of share capital required for the establishment of a Greek bank (1).

IRL: the right of establishment does not cover the establishment of representative offices of foreign banks.

I: a separate incorporation in Italy in the form of a securities investment company is required for firms other than banks (including foreign bank branches) in order to provide services related to securities dealing (including dealing for the own account or for the account of customers(2), issue and distribution of securities, acceptance of sale and purchase orders, investment advice, asset and portfolio management).

I: clearing and settlement of paper titles (cheques, bills, etc.) or of other securities may be conducted only by the Bank of Italy.

I: centralized deposit, custody and administration services for securities can be provided only by the Bank of Italy (for Government securities) or by Monte Titoli SpA (for shares, securities of a participating nature and other bonds)

I: a specific legal form is required in order to provide factoring services, leasing services, and other financial services.

(1) The need for such a reservation is under review.

(2) The banks cannot provide securities dealing for the account of customers.
4) (cont.)

I: foreign shareholding in the three "banche di interesse nazionale" (Banco commerciale Italiano, Credito Italiano and Banco di Roma) is restricted.

NL: only companies incorporated according to the law and regulations of an EC Member State may become members of the Amsterdam Stock Exchange.

P: the services of provision of venture capital, enterprise development, pension fund management and broker/dealer services may be provided only by companies incorporated in Portugal.

UK: the following categories of financial institutions dealing in Government debt are required to be incorporated in the United Kingdom and be separately capitalized:

- gilt edged market makers (or GEMMs), which are primary dealers in gilt-edged Government debt and through which the Government operates in executing Government debt management policy;
- discount houses which are primary dealers for Treasury Bills and other money market instruments, and through which the Government operates in executing monetary policy;
- stock exchange money brokers (SEMBs), which act as intermediaries between GEMMs and lenders of gilt-edged stock; and
- inter-dealer brokers (IDBs), which act as intermediaries between GEMMs (1).

(1) This reservation is entered for transparency purposes, as the requirements are not discriminatory and are justified both on prudential grounds and in order to promote an efficient, liquid and orderly market in Government securities; the need for this reservation will be reviewed in light of further developments in the text of the draft financial services annex.
INSURANCE AND INSURANCE-RELATED SERVICES

NOTE: Unlike foreign subsidiaries, branches established directly in a Member State by a non-Community insurance company are not subject to prudential regulations harmonised at Community level which enable such subsidiaries to benefit from enhanced facilities to set up new establishments and to provide cross-border services throughout the Community. Therefore, such branches receive an authorisation to operate under conditions equivalent to those applied to domestic insurance companies which is limited in principle to the territory of the Member State concerned, and are required to satisfy a number of prudential requirements such as specific guarantee and deposit requirements, separate capitalisation, and the localisation in the Member State concerned of the assets representing the technical reserves and at least one third of the solvency margin.

The relative importance of the restrictions contained in this offer needs to be assessed in the context of the functioning of the Community internal market. By virtue of Article 58 of the EEC treaty (cf. remark for "all sectors" offer, under article XVII-commercial presence), as far as primary establishment is concerned, companies formed in accordance to the law of a Member State and having their registered office, central administration or principal place of business within the Community shall be treated as nationals of Member States; such companies benefit from the right of secondary establishment and free provision of services throughout the Community and shall be treated as Community nationals regardless of the country of ownership or control.

Thus, Member States may apply the restrictions indicated in this schedule only with regard to the direct establishment of a commercial presence or the provision of cross-border services from a third country; consequently, these restrictions, including those concerning establishment, may not be applied to third country subsidiaries in the Community, unless these restrictions can also be applied to companies or nationals of other Member States in conformity with Community law.

* Establishment, cross-border provision of financial services and operating conditions are subject to normal prudential considerations, such as capacity to provide insurance services, reporting requirements, application of various solvency and liquidity requirements such as the need to maintain a solvency margin and a guarantee fund and a requirement to localise in the Member State of activity the assets representing the technical reserves related to the insurance activities carried out in its territory, residence requirement for managers or directors, etc.
INSURANCE (cont.)

1) No other limitation than:
   DK: compulsory air transport insurance can be
   underwritten only by firms established in the
   Community.
   DK: no persons or companies (including insurance
   companies) may for business purposes in Denmark
   assist in effecting direct insurance for persons
   resident in Denmark, for Danish ships or for
   property in Denmark, other than Danish companies,
   foreign companies registered in Denmark, or
   foreign insurance companies subject to the Danish
   Act on the provision of insurance services within
   Direct non-life insurance (implementing the EC
   second non-life Insurance Directive). The
   Minister of Industry may lay down rules providing
   for otherwise.
   D: compulsory air insurance policies can be
   underwritten only by firms established in Germany.
   D: if a foreign insurance company has established a
   branch in Germany, it may conclude insurance
   contracts in Germany relating to international
   transport only through the branch established in
   Germany.
   E: air and maritime transport insurance, covering
   goods, aircraft, hull and liability can be
   underwritten only by firms established in Spain
   (this restriction will be lifted on 1st January
   1993).
   E: Access to the actuarial profession is subject to
   a condition of residence.
   F: insurance of risks relating to ground transport
   may be carried out only by insurance firms
   established in the Community.

1) None
1) (cont.)

I: insurance of risks relating to CIF exports by residents in Italy may be underwritten only by insurance firms established in Italy.

P: air and maritime transport insurance, covering goods, aircraft, hull and liability can be underwritten only by firms established in Portugal; only persons or companies established in Portugal may act as intermediaries for such insurance business in Portugal.

UK: compulsory insurance of the following risks can be underwritten only by UK authorised insurers:
- licensed conveyancers (professional indemnity)
- employers' liability
- solicitors' professional indemnity (England, Wales and Scotland only).

UK: compulsory insurance of the following risks can be underwritten only by UK or EC insurers or by UK / EC branches and agencies of third country insurers:
- credit unions
- insurance broking (professional indemnity)

2) No other limitation than:

DK: compulsory air transport insurance can be underwritten only by firms established in the Community.

DK: no persons or companies (including insurance companies) may for business purposes in Denmark assist in effecting direct insurance for persons resident in Denmark, for Danish ships or for property in Denmark, other than Danish companies, foreign companies registered in Denmark, or foreign insurance companies subject to the Danish Act on the provision of insurance services within Direct non-life insurance (implementing the EC second non-life Insurance Directive). The Minister of Industry may lay down rules providing for otherwise.
2) (cont.)

D: compulsory air insurance policies can be underwritten only by firms established in Germany.

D: if a foreign insurance company has established a branch in Germany, it may conclude insurance contracts in Germany relating to international transport only through the branch established in Germany.

E: air and maritime transport insurance, covering goods, aircraft, hull and liability can be underwritten only by firms established in Spain (this restriction will be lifted on 1st January 1993).

E: the provision of actuarial services in Spain is subject to a condition of residence.

F: insurance of risks relating to ground transport may be carried out only by insurance firms established in the Community.
2) (cont.)

I: insurance of risks relating to CIF exports by residents in Italy may be underwritten only by insurance firms established in Italy.

I: Companies operating in Italy are obliged to cede to the National Insurance Institute a portion of each risk covered by the life assurance in their Italian portfolios. This portion varies from 10% to 40% depending on the length of time for which the company concerned has been in business. This restriction will be eliminated by 20 November 1994.

P: air and maritime transport insurance, covering goods, aircraft, hull and liability can be underwritten only by firms established in Portugal; only persons or companies established in Portugal may act as intermediaries for such insurance business in Portugal.

UK: compulsory insurance of the following risks can be underwritten only by UK authorised insurers:
- licensed conveyancers (professional indemnity)
- employers' liability
- solicitors' professional indemnity (England, Wales and Scotland only).

UK: compulsory of the following risks can be underwritten only by UK or EC insurers or by UK/EC branches and agencies of third country insurers:
- credit unions
- insurance broking (professional indemnity)

3) Subject to "all sectors" limitations and/or to possible limitations which may be included in the Financial Services annex, and:

DK: the general agent of an insurance branch shall be a national of one of the Member States of the Community or have resided in Denmark for the last two years. The Ministry of Industry may grant exemption from this requirement.

Managers and the members of the board of directors of a company shall be a national of one of the Member States of the Community. However, the Minister of Industry may grant exemption from this requirement. Exemption is granted on a non-discriminatory basis.

I: citizenship requirement for representation of insurance companies.
4) No other limitations than **:

D: fire insurance business and insurance against certain other damages by natural forces for buildings can be carried out in some parts of its territory only by public institutions enjoying monopoly rights.

GR, E, IRL - the right of establishment does not cover the creation of representative offices or other permanent presence of insurance companies, except where such offices are established as agencies, branches or head offices.

E : before establishing a branch or agency in Spain to provide certain classes of insurance, a foreign insurer must have been authorized to operate in the same classes of insurance in its country of origin for at least five years.

F : the establishment of branches of insurance companies not having their head office in a Member State of the Community is subject to a special authorization of the representative of the firm in France.

** In Belgium, Denmark, France, Germany (only for branches), Greece, Ireland (only for branches), Italy, Spain and the United Kingdom, the establishment of foreign insurance companies may be subject to a reciprocity requirement. According to Community legislation, the establishment of a life or non-life insurance subsidiary of an insurance company from a third country may be subject to the condition that the third country of origin grants Community insurance companies the right of establishment and a de facto national treatment. The Community offers as a rollback to commit not to apply these provisions to GATS signatories; this offer is conditional on the acceptance of a satisfactory financial services annex and on adequate market access commitments being made by third countries.
4) (cont.)

IRL: the authorization of the establishment of branches of insurance companies not having their head office in a Member State of the Community is ultimately subject to the discretion of supervisory authorities.

IRL: schemes to provide private health insurance in competition with the State "Voluntary Health Insurance Board" can only be operated under licence granted by the Minister for Health; licences are granted on a non discriminatory basis.

I: the authorization of the establishment of branches of insurance companies not having their head office in a Member State of the Community is ultimately subject to the discretion of supervisory authorities.

P: foreign companies may carry out insurance intermediation in Portugal only through a company formed in accordance with Portuguese law, in which a majority of the capital has to be owned by Portuguese or Community nationals.

P: the establishment of agencies of foreign insurance companies is subject to a test of economic need. Before establishing a branch in Portugal, foreign insurance companies need to have operated for at least five years.
HEALTH RELATED AND SOCIAL SERVICES

- Hospital Services

1) Unbound

2) None

3) Subject to "all sectors" limitations and:
   F: access to management functions is subject to
discretionary authorisation by the competent
authorities.

4) None other than:
   B, F, I, L: the number of beds authorised is limited
   by a health services plan established on the basis of
   needs.
   B, F, I, L, P: equipment of heavy material is limited
   by a health services plan established on the basis of
   needs.
   GR: Limitation on establishment
   I: private health and sanitary services need
   authorisation by local health authorities.
   NL: hospital services are, as a general rule, a
   public monopoly. Private hospitals need special
   permission, which can only be granted on an
   experimental basis.
- Social services

Convalescent and rest houses, old people’s homes

1) Unbound

2) None

3) Subject to “all sectors” limitations and:
   F: access to management functions is subject to discretionary authorisation by the competent authorities.

4) None other than:
   F: provision of service is permitted by the competent authorities according to local needs.
TOURISM AND TRAVEL RELATED SERVICES

Hotels and restaurants (including catering)
1) None other than:
   F: cafés and bars: condition of nationality.
2) None
3) Subject to "all sectors" limitations and:
   F: cafés and bars: condition of nationality.
4) None other than:
   F: cafés and bars: condition of nationality.
   I: local economic needs test on opening of new bars, cafés and restaurants

Travel agencies and tour operators services
1) None other than:
   B: travel agencies are required to have a permanent corporate base in Belgium.
   I: regional authorisation is required, subject to the prior issue of a "nulla osta" by the State.
2) None
3) Subject to "all sectors" limitations and:
   P: The function of director of a travel agency can only be exercised by foreigners who have worked at least one year in a national agency and who speak the Portuguese language correctly.
4) None other than:
   B: investments, by companies that are not part of the EC, in travel agencies and the commercial presence thereof, are authorised provided the company can demonstrate that it has a permanent corporate base in Belgium.
Travel agencies and tour operators services (cont.)

4) (cont.)
P: In order to allow the presence of a foreign travel agency, it has to be constituted under the form of a commercial company having its corporate base in Portugal with a minimum capital of 20 million Escudos totally subscribed and of which the sole corporate object is the pursuit of activities strictly related to travel agencies and tourism. The function of director of a travel agency can only be exercised by foreigners who have worked at least one year in a national agency and who speak the Portuguese language correctly.
I: Regional authorisation is required, subject to the prior issue of a "nulla osta" by the State.

Tourist guides services

1) None other than:
   I, E: The right to exercise the profession is reserved for the local organisations of tourist guides.
   E, GR, I: Access to the activity is subject to conditions of nationality.

2) None

3) Subject to "all sectors" limitations and:
   I, E: The right to exercise the profession is reserved for the local organisations of tourist guides.
   E, GR, I: Access to the activity is subject to conditions of nationality.

4) None other than:
   E, GR, I: Access to the activity is subject to conditions of nationality.
RECREATIONAL, CULTURAL AND SPORTING SERVICES (other than audiovisual services)

Entertainment services (including theatre, live bands and circus services)

1) Unbound
2) None
3) Subject to "all sectors" limitations and:
   F: access to management functions is subject to discretionary authorisation by the competent authorities.
4) None other than:
   F: an authorisation is required.

News and press agency services

1) None
2) None
3) Subject to "all sectors" limitations
4) None
Sporting and other recreational services other than cultural services (libraries, archives, museums and other cultural services)

1) None other than:
   F: not permitted for casinos
   I: all forms of gambling including lotteries are a public monopoly.
   GR, NL: casinos are public monopolies.

2) None

3) Subject to "all sectors" limitations and:
   F: conditions of nationality for the functions of director of casino or member of the Board of Directors

4) None other than:
   E: foreign participation in capital of casinos cannot exceed 25%.
   F: conditions of nationality for the functions of director of casino or member of the Board of Directors
   I: all forms of gambling including lotteries are a public monopoly; casinos can only be authorised with the permission of the Parliament.
   GR, NL: casinos are public monopolies.
**TRANSPORT SERVICES**

**MARITIME TRANSPORT SERVICES**

- Transport (freight and passenger) between the Community and third countries

  1) Limitations as indicated under National Treatment (*)

  2) None

  3) Subject to "all sectors" limitations

  4) Unbound

  1) No other limitation than:

     D - certain freight contracts need authorization

     E, F, P - unilateral reservations of certain cargoes for vessels under their national flag

  2) None

  3) None

  4) Unbound

**INTERNAL WATERWAYS TRANSPORT**

- Passenger and freight transportation

  1) Unbound

  2) None

  3) Subject to "all sectors" limitations

  4) No other limitation than:

     EC Council Regulation n°2919/85 submits application of the regime reserved by the Rhine Convention to specific nationality requirements.

     F: access to waterways networks is subject to agreements on mutual recognition of navigation certificates.

  1) Unbound

  2) None

  3) None

  4) None

(*) In maritime transport, in respect of cross border trade, market access is not distinct from national treatment.
<table>
<thead>
<tr>
<th>AIR TRANSPORT SERVICES</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
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</thead>
<tbody>
<tr>
<td>Maintenance and Repair of Aircraft</td>
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<tr>
<td>1) None</td>
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<tr>
<td>3) Subject to &quot;all sectors&quot; limitations</td>
<td>3) None</td>
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<td>4) None</td>
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<tr>
<td>Supporting services for air transport</td>
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<tr>
<td>- Sales and Marketing</td>
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<td>4) None</td>
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<tr>
<td>- Computer Reservations System</td>
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<td>4) None</td>
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</tbody>
</table>
Air - Ground handling

1) Unbound

2) None

3) Subject to "all sectors" limitations

4) None (subject to infrastructure capacities) other than:
   IRL: foreign airlines are not entitled to set up their own airport infrastructure
   I: foreign airlines are not entitled to set up their own airport infrastructure or ground handling services, whether for their own use or for services to other air companies.
   D: ground handling services are reserved for private law airport companies

Space Transport

1) None

2) None

3) Subject to "all sectors" limitations

4) None
<table>
<thead>
<tr>
<th>RAIL TRANSPORT SERVICES</th>
<th>Maintenance and repair of rail transport equipment</th>
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</thead>
<tbody>
<tr>
<td>1) Unbound</td>
<td>1) Unbound</td>
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<tr>
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<tr>
<td>3) Subject to &quot;all sectors&quot; limitations</td>
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<thead>
<tr>
<th>ROAD TRANSPORT SERVICES</th>
<th>Passenger and freight transportation</th>
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</thead>
<tbody>
<tr>
<td>1) Unbound</td>
<td>1) Unbound</td>
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<tr>
<td>2) None</td>
<td>2) None</td>
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<tr>
<td>3) Subject to &quot;all sectors&quot; limitations</td>
<td>3) None</td>
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<tr>
<td>4) STANDSTILL as from the entry into force of the definitive system within the Community envisaged for 1st January 1993.</td>
<td>4) None</td>
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<thead>
<tr>
<th>ROAD TRANSPORT SERVICES</th>
<th>Maintenance and repair of road transport equipment</th>
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<tbody>
<tr>
<td>1) None</td>
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<td>2) None</td>
<td>2) None</td>
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<tr>
<td>3) Subject to &quot;all sectors&quot; limitations</td>
<td>3) None</td>
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<tr>
<td>4) None</td>
<td>4) None</td>
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</tbody>
</table>
PIPELINES TRANSPORT

- Transportation of fuels

1) Unbound

2) None

3) Subject to "all sectors" limitations.

4) None other than:
   F, L, B: limitation on the use of gas pipelines
   [monopolies of Gaz de France (F), SOTEG (L) and
   Distrigaz (B)]

   DK: a single company has been designated sole
   supplier of pipeline-services for natural gas. Pipeline
   transport of gas on behalf of third parties requires
   authorisation from the Minister of energy. Establishment
   of facilities to transport hydrocarbons from the Danish
   underground or across the Danish part of the continental
   shelf requires authorisation from the minister of energy.

I: limited to authorised exclusive provider

NL: limitation for the use of gas pipelines

IRL: right of access to the existing gas transmission
   and distribution pipelines in Ireland is restricted to
   Irish Gas Board.

E: limited to authorized companies.
SERVICES AUXILIARY TO ALL MODES OF TRANSPORT

Cargo-handling services

- Maritime - cargo handling
  1) Unbound
  2) None
  3) Subject to "all sectors" limitations
  4) STANDSTILL

- Internal waterways
  1) Unbound
  2) None
  3) Subject to "all sectors" limitations
  4) STANDSTILL

- Road transport
  1) Unbound
  2) None
  3) Subject to "all sectors" limitations
  4) STANDSTILL
<table>
<thead>
<tr>
<th>Mode</th>
<th>1</th>
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<tbody>
<tr>
<td><strong>Storage and warehouse services</strong></td>
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<td>Maritime</td>
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<td>STANDSTILL</td>
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<tr>
<td>Internal waterways</td>
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<td>STANDSTILL</td>
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<tr>
<td>Air</td>
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<tr>
<td>Rail</td>
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<tr>
<td>Freight transport agency services</td>
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<tr>
<td><strong>Road</strong></td>
<td>1) Unbound</td>
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<thead>
<tr>
<th><strong>OTHER TRANSPORT SERVICES</strong></th>
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<tbody>
<tr>
<td><strong>Land transport - provision of combined transport service</strong></td>
<td>1) Unbound</td>
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