COMMUNICATION FROM COLOMBIA

Considerations of Colombia Concerning the Possible Sectoral Annex or Annotation Relating to Financial Services

The following communication is circulated at the request of the delegation of Colombia.

1. Colombia has presented its offer of initial commitments in the Group of Negotiations on Services.

2. Colombia considers that trade in financial services does not include the specific activities and operations carried out by central banks, monetary authorities and/or any other public entities, particularly those connected with domestic monetary, credit or foreign-exchange policies.

3. Colombia believes that for greater international openness in the financial sphere to bring advantages to all participating countries, it must be set in a framework of monetary and exchange stability in participating countries.

4. In this context, Colombia is of the view that both in the offers submitted and in the possible annex/annotation that may be achieved for financial services, including the Colombian offer, the granting of equal treatment to nationals and foreigners with respect to financial services cannot reach the point of becoming an obstacle for the proper implementation of government monetary and credit policy.

5. The Government of Colombia considers the existence of prudential regulations and their careful application to be a fundamental requirement to ensure that the development of a country’s capital market and the soundness of its financial system are adequate and consistent with monetary stability. Consequently, offers concerning financial services should be viewed with the understanding that foreign participation in domestic markets must be subject to such regulations.

6. As a signatory to the Bretton Woods Agreement and member of the International Monetary Fund, Colombia considers that any agreement reached on financial services must be understood as being without prejudice to the existing international agreements on international exchange and monetary stability. Thus, both the offers of initial commitments on financial services and the possible sectoral annex or annotation on financial services must be subject to the domestic regulations that have been or may be adopted concerning foreign capital flows in order to safeguard the balance of payments in the context of the Articles of Agreement of the International Monetary Fund.

GATT SECRETARIAT

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