

WORLD TRADE
ORGANIZATION

RESTRICTED

GATS/SC/26/Suppl.1

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Trade in Services

CZECH REPUBLIC

Schedule of Specific Commitments

Supplement 1

(This is authentic in English only)

This text replace the Financial Services section contained in pages 24 to 30 of document GATS/SC/26.

CZECH REPUBLIC - SCHEDULE OF SPECIFIC COMMITMENTS

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

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
II. SECTOR-SPECIFIC COMMITMENTS			
7. FINANCIAL SERVICES			
Measuring applicable to all sectors in financial services:			
1. Commitments in this Chapter are based on the Agreement on Trade in Services, the Annex on Financial Services and the Understanding on Commitments in Financial Services.			
2. Market access commitments with respect to the "cross-border supply" and "consumption abroad" are bound to the extent of the obligations in para 3 and 4 of Market Access of the Understanding applying only to individual sectors listed and subject to limitations indicated therein.			
3. The purchase and acquisition of financial services by public entities of the Czech Republic are governed in this schedule by Article XIII of the Agreement.			
4. The admission to the market of new financial services and instruments may be subject to the existence of, and consistency with the domestic regulatory framework aimed at achieving the objectives indicated in Article 2(a) of the Annex on Financial Services.			
5. The commitments on presence of natural persons are bound according to the general limitations applicable to all sectors in this schedule (Part I).			
6. Otherwise, the commitments in this chapter are subject to the general conditions or limitations applicable to all sectors in this schedule.			
<u>A. Insurance and Insurance-Related Services</u> (CPC 812)			
Compulsory motor third party liability insurance and compulsory air transport insurance are provided by exclusive suppliers. These suppliers act in a manner consistent with obligations under Article II of the Agreement and specific commitments.			
(a) Life insurance (CPC 81211)	(1) None other than: Commercial presence is required for supply of:	(1) None	
(b) Non-life insurance			

CZECH REPUBLIC (continued)

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(CPC 8129) (c) Reinsurance and retrocession (d) Services auxiliary to insurance (CPC 8140, excluding pension funding: 81402, 81409)	-the life insurance of persons with permanent residence in the Czech Republic, -the insurance of property on the territory of the Czech Republic, -the insurance of liability for loss or damage caused by the activity of natural and juridical persons on the territory of the Czech Republic. (2) None other than: Insurance services covered by mode (1) above may not be purchased abroad.	(2) None	
	(3) None other than: Authorization is required for provision of insurance services. Foreign nationals may establish an insurance company with the seat in the Czech Republic in the form of a joint stock company or may conduct insurance business through their subsidiaries or branches with registered office in the Czech Republic under the general conditions established in the Law on Insurance. Insurance business means insurance activity including brokerage and reinsurance activity. Intermediation activity aimed at the conclusion of insurance contract between third party and insurance company may be provided by natural	(3) None	

CZECH REPUBLIC (continued)

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Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
	<p>or juridical person only domiciled in the Czech Republic on behalf of insurance company having the authorization of the Insurance Supervisory Authority.</p> <p>Intermediation contract aimed at conclusion of insurance contract by third party with insurance company may be concluded by domestic or foreign insurance company only on the basis of authorization granted by the Insurance Supervisory Authority.</p> <p>(4)Unbound except as indicated in horizontal section</p>	<p>(4)Unbound except as indicated in horizontal section</p>	
<p><u>B. Banking and Other Financial Services</u></p> <p>(a)Acceptance of deposits and other repayable funds from the public (CPC 81115, 81116, 81119)</p> <p>(b)Lending of all types (CPC 8113)</p> <p>(c)Financial leasing (CPC 81120)</p>	<p>(1)Unbound for services described in subsectors (g), (i) and (j) and for:</p> <p>-transferable securities (CPC 81321),</p> <p>-other negotiable instruments and financial assets (excl. bullion)</p> <p>(2)Unbound for services described in subsector (i).</p> <p>(1), (2)None other than:</p> <p>Deposit services are confined to domestic banks and branches of foreign banks on the territory of the Czech Republic.</p>	<p>(1)None</p> <p>(2)None</p>	

CZECH REPUBLIC (continued)

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Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
(d) All payments and money transmission services, incl. credit, charge and debit cards, travellers cheques and bankers drafts	Only domestic banks, branches or foreign banks on the territory of the Czech Republic and persons possessing a foreign exchange licence may trade in foreign exchange assets.		
(e) Guarantees and commitments (f) Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise as follows: - money market instruments (cheques, bills, certificates of deposits) - foreign exchange (CPC 81333) - exchange rate and interest rate instruments, incl. products such as swaps, forward rate agreements - transferable securities (CPC 81321)	Non-cash cross-border payments may be effected only by domestic banks and branches of foreign banks. Foreign exchange licence issued by the Czech National Bank or Ministry of Finance is required in case of Czech residents for: (a) opening an account abroad by a Czech non-bank resident, (b) capital payments abroad, (c) obtaining financial credit from a non-resident and granting financial credit and guarantees, (d) export and import of the Czech currency (applied also to non-residents), (e) purchase of foreign securities, (f) issuing all kinds of securities denominated in a foreign currency. Foreign exchange assets of Czech residents are required to be deposited with domestic banks or branches of foreign banks on the territory of the		

CZECH REPUBLIC (continued)

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Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
	Czech banks.		
<p>-other negotiable instruments and financial assets (excl. bullion)</p> <p>(g)Participation in issues of all kinds of securities, incl. underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues</p> <p>(i)Asset management such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial, depository and trust services</p> <p>(j)Settlement and clearing services for financial assets, excl. derivative products</p>	<p>(3)None other than:</p> <p>Banking services may be provided only by domestic banks or branches of foreign banks authorized by the Czech National Bank in agreement with the Ministry of Finance.</p> <p>The granting of the authorization is based on the consideration of criteria relating, in particular, to the capital endowment, professional qualifications, integrity and competence of the management and economic usefulness of the projected bank activities. The criteria are applied consistently with GATS. Mortgage loan services may be provided only by domestic banks.</p> <p>Private banks may be established as joint stock companies only. The purchase of shares of existing banks is subject to prior approval of the Czech National Bank.</p>	<p>(3)None</p>	
<p>(k)Provisions and transfer of financial information and financial data processing and related software by suppliers of other financial</p>	<p>Securities may be traded publicly only if relevant authorization has been granted and prospectus covering the security has been approved by the Ministry of Finance.</p>		

CZECH REPUBLIC (continued)

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<p>services</p> <p>(1) Advisory, intermediation and other auxiliary financial services on all activities listed in subparagraphs above, incl. credit reference and analysis, investment and portfolio research and advice, advice on acquisition and on corporate restructuring and strategy</p>	<p>The authorization may not be granted if public trading in securities is in conflict with the interests of investors, is inconsistent with the government financial policy or if it does not conform with the financial market requirements.</p> <p>The business of security dealer, stockbroker, stock exchange or organizer of an over-the-counter market is subject to authorization of the Ministry of Finance the granting of which is related to the financial market requirements and qualifications, personal integrity, management and technical requirements.</p> <p>Settlement and clearing services for all kinds of payments are monitored and reviewed by the Czech National Bank to ensure their smooth and economical operation.</p> <p>(4) Unbound except as indicated in the horizontal section.</p>	<p>(4) Unbound except as indicated in the horizontal section.</p>	