

Trade in Services

CZECH REPUBLIC

Schedule of Specific Commitments

Supplement 3

(This is authentic in English only)

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This text replaces the Financial Services section contained in document GATS/SC/26/Suppl.1.

**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 Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
II. SECTOR-SPECIFIC COMMITMENTS			
7. FINANCIAL SERVICES			
Measures applicable to all sectors in financial services:			
1. Commitments in this Chapter are based on the Understanding on Commitments in Financial Services ("the Understanding").			
2. Notwithstanding note 1. above, the purchase and acquisition of financial services by public entities of the Czech Republic are governed in this schedule by Article XIII of the General Agreement on Trade in Services.			
3. Commitments are subject to the limitations on market access and national treatment in the "all sector" section of this schedule and to those relating to the sub-sectors listed below.			
4. Only those sectors and sub-sectors listed in the schedule are subject to market access and national treatment commitments, moreover the market access commitments in respect of modes (1) and (2) apply only to the transactions indicated in paragraphs B.3 and B.4 of the market access section of the Understanding respectively.			
5. 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.			
6. As a general rule and in a non-discriminatory manner, financial institutions incorporated in the Czech Republic must adopt a specific legal form.			
<u>Insurance and Insurance-Related Services</u>	Monopoly rights as indicated in paragraph B.1 of the Understanding: Compulsory motor third party liability insurance is provided by an exclusive supplier.* Compulsory health insurance is provided by licensed Czech owned		

\* When monopoly rights concerning compulsory motor third party liability insurance are removed, providing this service will be open on a non-discriminatory basis to Czech established service providers.

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<p>(a) Life insurance (CPC 81211)</p> <p>(b) Non-life insurance (CPC 8129)</p> <p>(c) Reinsurance and retrocession</p> <p>(d) Services auxiliary to insurance (CPC 8140, excluding pension funding: 81402, 81409)</p>	<p>suppliers only.</p> <p>(1), (3) None other than:</p> <p>Foreign financial services suppliers may establish an insurance company with the seat in the Czech Republic in the form of a joint stock company or may exercise insurance activity through their branches with registered office in the Czech Republic under the conditions established in the Insurance Industry Act.</p> <p>Commercial presence and authorization is required for the provider of insurance services:</p> <ul style="list-style-type: none"> <li>-to provide such services including reinsurance, and</li> <li>-to conclude intermediation contract with an intermediary aimed at the conclusion of insurance contract between the provider of insurance services and third party.</li> </ul>	<p>(1), (3) None</p>	
	<p>Authorization is required for the intermediary in case of its intermediation activity to be exercised for a branch with registered office in the Czech Republic.</p> <p>(2) None other than:</p> <p>Insurance services as defined below may not be purchased abroad.</p>	<p>(2) None</p>	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>-The life insurance of persons with permanent residence in the Czech Republic,</p> <p>-the insurance of property on the territory of the Czech Republic,</p> <p>-the insurance of liability for loss or damage caused by the activity of natural and legal persons on the territory of the Czech Republic.</p> <p>(4)Unbound except as indicated in horizontal section.</p>	<p>(4)Unbound except as indicated in horizontal section.</p>	
<p><u>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>(d)All payments and money</p>	<p>(1)Unbound for services described in subsector (g), (i) and (j) and for:</p> <ul style="list-style-type: none"> <li>- transferable securities (CPC 81321),</li> <li>-other negotiable instruments and financial assets (excl. bullion).</li> </ul> <p>(2)Unbound for services described in subsector (i).</p> <p>(1), (2) None other than:</p> <p>Only Czech established banks and branches of foreign banks having a corresponding licence may:</p> <p>-provide deposit services;</p>	<p>(1) None</p> <p>(2) None</p>	

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transmission services, incl. credit, charge and debit cards, travellers cheques and bankers drafts	<p>-trade in foreign exchange assets;</p> <p>-effect non-cash cross-border payments.</p>		
<p>(e)Guarantees and commitments</p> <p>(f)Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise as follows:</p> <p>-money market instruments (cheques, bills, certificates of deposits)</p> <p>-foreign exchange (CPC 81333)</p> <p>- exchange rate and interest rate instruments, incl. products such as swaps, forward rate agreements</p> <p>-transferable securities (CPC 81321)</p>	<p>Foreign exchange permit issued by the Czech National Bank or Ministry of Finance is required in case of Czech non-bank residents for:</p> <p>(a)opening and funding of an account abroad by Czech residents,</p> <p>(b)capital payments abroad (except FDI),</p> <p>(c)granting financial credits and guarantees,</p> <p>(d)operations in financial derivatives,</p> <p>(e)purchase of foreign securities except for the cases as described by the Foreign Exchange Act,</p> <p>(f)issue of foreign securities for public and non-public trade in the Czech Republic or their introduction on the domestic market.</p>		
-other negotiable instruments and financial assets	(3)None other than:	(3) None	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>(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>Banking services may be provided only by Czech established banks or branches of foreign banks having a licence granted by the Czech National Bank in agreement with the Ministry of Finance.</p> <p>The granting of the licence is based on the consideration of criteria which are applied consistently with GATS. Mortgage loan services may be provided only by Czech established banks.</p> <p>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>Securities may be traded publicly only if relevant authorization has been granted and prospectus covering the security has been approved.</p>		
<p>(k) Provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services</p> <p>(l) Advisory, intermediation and</p>	<p>The authorization shall 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 establishment and activities of securities</p>		

\*\* Legislation covering the abolition of the criterion of financial market requirements is now being discussed in the Parliament.

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<p>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>dealers, stockbrokers, of the Stock Exchange or organizers of an over-the-counter market, investment companies and investment funds are subject to authorization granting of which is related to qualifications, personal integrity, management and material 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>	