

ORGANIZATION

(95-2214)

Trade in Services

THE EUROPEAN COMMUNITY
AND ITS MEMBER STATES

Schedule of Specific Commitments

Supplement 1

(This is authentic in English only)

This text replaces the Financial Services section contained in:

Pages 61 to 77 of document GATS/SC/31,
pages 24 to 29 of document GATS/SC/7,
pages 23 to 26 of document GATS/SC/33 and
pages 30 to 32 of document GATS/SC/82.

EUROPEAN COMMUNITY AND ITS MEMBER STATES - 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
FINANCIAL SERVICES SECTOR¹			
<p>1. The Community and its Member States undertake commitments on Financial Services in accordance with the provisions of the "Understanding on Commitments in Financial Services" (the Understanding).</p> <p>2. These commitments are subject to the limitations on market access and national treatment in the "all sectors" section of this schedule and to those relating to the subsectors listed below.</p> <p>3. 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.</p> <p>4. Notwithstanding note 1. above, the market access and national treatment commitments in respect of mode (4) on financial services are those in the "all sectors" section of this schedule, except for Sweden in which case commitments are made in accordance with the Understanding.</p> <p>5. The admission to the market of new financial services or products may be subject to the existence of, and consistency with, a regulatory framework aimed at achieving the objectives indicated in Article 2(a) of the Financial Services Annex.</p> <p>6. As a general rule and in a non-discriminatory manner, financial institutions incorporated in a Member State of the Community must adopt a specific legal form.</p>			
A. <u>Insurance and Insurance-Related Services</u>	DK: Compulsory air transport insurance can be in the Community.		

¹Unlike foreign subsidiaries, branches established directly in a Member State by a non-Community financial institution are not, with certain limited exceptions, subject to prudential regulations harmonized 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 authorization to operate in the territory of a Member State under conditions equivalent to those applied to domestic financial institutions of that Member State, and may be required to satisfy a number of specific prudential requirements such as, in the case of banking and securities, separate capitalization and other solvency requirements and reporting and publication of accounts requirements or, in the case of insurance, specific guarantee and deposit requirements, a separate capitalization, and the localization in the Member State concerned of the assets representing the technical reserves and at least one third of the solvency margin. Member States may apply the restrictions indicated in this schedule only with regard to the direct establishment from a third country of a commercial presence or to the provision of cross-border services from a third country; consequently, a Member State may not apply these restrictions, including those concerning establishment, to third-country subsidiaries established in other Member States of the Community, unless these restrictions can also be applied to companies or nationals of other Member States in conformity with Community law.

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	<p>in the Community or of a branch not established in (cession) are prohibited.</p> <p>shed in the Community or by a branch established</p> <p>poses in Denmark assist in effecting direct ark, for Danish ships or for property in Denmark, d by Danish law or by Danish competent</p> <p>ished in the Community or by a branch</p>			
	<p>ude insurance contracts in Germany relating to branch established in Germany.</p>			
	<p>e firms established in the Community.</p> <p>only by insurance firms established in the</p> <p>regarding risks located in Italy may be ies established in the Community. This onal transport involving imports into Italy.</p>			
	<p>n Finland.</p> <p>ess in Finland.</p> <p>n be underwritten only by firms established in the hed in the EC may act as intermediaries for such</p>			

EUROPEAN COMMUNITY AND ITS MEMBER STATES (continued)

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	
	er authorised in Sweden, provided that the foreign nce company belong to the same group of peration between them.			
	DK: Compulsory air transport insurance can be n the Community. n the Community or of a branch not established in cession) are prohibited. surers. poses in Denmark assist in effecting direct ark, for Danish ships or for property in Denmark, d by Danish law or by Danish competent ished in the Community or by a branch	A: Higher premium tax is due for insurance tax can be granted.		
	ude insurance contracts in Germany relating to branch established in Germany. e firms established in the Community. y accident insurance, the motor third-party t treatment injury) have to be effected in Finland. only by insurance firms established in the regarding risks located in Italy may be ies established in the Community. This			

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	onal transport involving imports into Italy.			
	in be underwritten only by firms established in the hed in the EC may act as intermediaries for such			
	A: Representative offices and agencies of nce contracts. s or other permanent presence of insurance re established as agencies, branches or head ance, a foreign insurer must have been authorized nce in its country of origin for at least five years.	FIN: The general agent of the foreign remium income from direct insurance operations.		
	emption may be granted in some cases, apply to ors and Members of the Board of Directors and company. y on statutory insurances business (the statutory utory accident insurance, the motor third party t treatment injury). entative of the branch. In the case of Spain, the chnical qualification and good standing of the			
	ns (no incorporation) among natural persons ation of supervisory authorities.			

EUROPEAN COMMUNITY AND ITS MEMBER STATES (continued)

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	Limitations on national treatment	Additional commitments
	<p>h a company formed in accordance with the law</p> <p>prior operational experience of at least five years.</p>			
	<p>ercial presence only through a branch.</p>			
	<p>Unbound except as indicated in the horizontal tions:</p> <p>Greece shall be nationals of one of the Member</p>	<p>Unbound except as indicated in the horizontal</p> <p>ster of Business and Industry may grant</p> <p>ment. Exemption is granted on a non-</p>		
<p>B. <u>Banking and Other Financial Services</u> (excluding insurance)</p>	<p>B: Establishment in Belgium is required for the es.</p> <p>gh telecommunication or other information s, the volume of transactions, the offer and iation of securities dealt in the Italian regulated , requires prior authorization by the Stock authorization may not be granted if the auth- the data provided may induce the public to error.</p> <p>subsidiary or branch) is needed in order to relating to securities (dealing, issue, under-</p>	(1) None		

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	es custody and services regarding mergers,			
	ective asset management (excluding UCITS) is s, securities investment companies with their legal			
	D: Issues of securities denominated in y by a credit institution, subsidiary or branch, nvolving the administration of interest and ued in Greece.	S: Account operating institutions in the VPC like a certain deposit.		
	subsidiary or branch) is needed in order to relating to securities (dealing, issue, under- es custody and services regarding mergers, anagement buy-outs and venture capital. g UCITS) is extended to banks, insurance anies with their legal head office in the EC.			
	e Finnish Postal Giro System or through the			
	ortuguese Government funds. The ability of lwing operation abroad is restricted: issue on a foreign market of domestic securities			

EUROPEAN COMMUNITY AND ITS MEMBER STATES (continued)

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	Securities Register Centre only be supplied by suppliers who are account that the supplier is supervised by the (Swedish)			
	m established in the Community.			
	(3) <u>All Member States:</u> The establishment of a specialized management vities of management of unit trusts and 3 of UCITS Directive, 85/611/EEC). Only firms having their registered office in the he assets of investment funds (Articles 8.1 and EC). mic interest test. t the Stock Exchange.	ized, based on sufficient means and ditions apply to lead banks running the books. A -lead manager of Eurofranc bond issue.		
	n National Bank is required. horized for this activity. y for this activity and incorporated as a stock			

Modes of supply: (1) Cross-border supply		(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
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	ities trading only through stock exchange firms Exchange only through subsidiaries incorporated			

EUROPEAN COMMUNITY AND ITS MEMBER STATES (continued)

	<p>official stock exchange or in the government rities firms incorporated in Spain.</p> <p>oting rights of a major Finnish commercial bank 1000 employees or with a turnover exceeding h a balance sheet total exceeding 1000 million mation by the Finnish authorities; the an important national interest would be</p>		
	<p>and place of residence, from which exemptions r, the Supervisory Board and the Board of eneral Manager and auditors.</p> <p>) requires a permanent place of business in the a deposit bank, other credit institution or a al institution.</p> <p>ard of Directors and Managing Director of a Stock s to a Stock Exchange Broker.</p> <p>rivative exchange, from which exemptions may</p>		
	<p>n the Finnish Postal Giro System or through the</p> <p>hens Stock Exchange only through stock ece.</p>		
	<p>gn exchange must be imported, converted into g as a foreign bank continues to operate in</p>		

	<p>Up to four (4) branches this minimum is the minimum amount of share capital required for a credit institution in Greece;</p> <p>For the operation of additional branches the minimum share capital required for each branch must be equal to the minimum share capital required for a branch established in Greece.</p>		
	<p>for variable capital companies, and investment limited companies for collective investment in transferable securities, a depositary or management company is required to be established in a Member State of the Community. In the case of a partnership, at least one general partner must be established in a Member State of the Community.</p> <p>for the offices of foreign banks.</p> <p>for firms other than banks (including foreign branches) and for services related to securities dealing (including</p>		
	<p>for the acceptance of sale and purchase orders, for portfolio management, and raising funds from the public, which must not be promotional³ and carried on in a place other than the principal administrative establishment of the issuer (or principal administrative establishment of the issuer in the case of the investment).</p>		

²From 1 January 1993 foreign as well as domestic banks may not provide securities dealing for its own account or for the account of customers; however, banks, including branches of foreign banks, are allowed to deal in Treasury bonds and State-backed securities.

³Door-to-door selling.

EUROPEAN COMMUNITY AND ITS MEMBER STATES (continued)

	<p>ring system.</p> <p>other than shares, debt securities (including con- made by Italian s belonging to local authorities</p>		
	<p>ities can be provided only by the Bank of Italy, or urities of a participating nature and other bonds</p> <p>Member State may become members of the</p>	<p>nder).</p>	
	<p>ement and broker-dealer services (excluding those ange) may be provided by credit-institutions or e Community (if authorized in their country of</p> <p>fund management and broker-dealer services on companies incorporated in Portugal.</p>		

	<p>are required to be incorporated in the United States:</p> <p>gilt edged market makers (or GEMMs), which manage government debt and through which the Government debt management policy;</p>		
	<p>discount houses which are primary dealers for government securities, and through which the monetary policy;</p> <p>stock exchange money brokers (SEMBs), which act as agents and lenders of gilt-edged stock; and</p> <p>inter-dealer brokers (IDBs), which act as</p>		
	<p>only through a branch, and in case of banks, also</p>		
	<p>Unbound except as indicated in the horizontal conditions:</p>	<p>Unbound except as indicated in the horizontal</p>	
	<p>ent of the Board of Directors, the Directors- of the administrators, and also, when the board or Council, for the members of such board or in two thirds of the members of the supervisory</p> <p>the operations of the institution. Condition of</p>		