

WORLD TRADE ORGANIZATION

RESTRICTED

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**Council for Trade in Services
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COMMUNICATION FROM BAHRAIN

Initial Offer

The following initial offer has been received from the delegation of Bahrain on 31 March with the request that it be circulated to the Members of the Council for Trade in Services.

BAHRAIN - SCHEDULE OF SPECIFIC COMMITMENTS

Mode 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
I. HORIZONTAL COMMITMENTS			
<p>All the commitments in this schedule are subject to Amiri Decree – Law No. 28 of 1975 and subsequent amendments thereto, as well as any Ministerial orders or administrative guidelines, rules, regulations and /or terms and conditions prescribed by the Ministry of Labour and Social Affairs.</p>			
ALL SECTORS INCLUDED IN THIS SCHEDULE	3) Entry is permitted only in the form of a Joint Stock Company.	3) Acquisition of land or property is not allowed.	
II. SECTOR SPECIFIC COMMITMENTS			
1. BUSINESS SERVICES			
A. <u>Professional Services</u>	1) Commercial Presence required	1) Unbound	
d) Architectural Services (CPC 8671)	2) None	2) None	
e) Engineering Services (CPC 8672)	3) Must register with Committee for Organizing engineering Professional Practice (COEPP) and Ministry of Commerce. Technical Staff to be accredited and licensed by COEPP. Ratio of nationals as applied by Ministry of Labour & Social Affairs.	3) Pre-requisite for National Treatment: Association or joint Venture with Bahraini professional firm with not less than 25% of senior management to be Bahraini and not less than 15% of technical staff to be Bahraini.	
	4) Unbound, except for intra-corporate transfer for executives and senior managers and specialists	4) Unbound, except for intra-corporate transfer for executives and senior managers and specialists	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
B. <u>Computer and Related Services</u>			
a) Consultancy Services related to the installation of computer hardware (CPC 841)	1) None 2) None 3) None 4) None	To be reviewed	
b) Software implementation services (CPC 842)			
c) Data processing services (CPC 843)			
d) Database services (CPC 844)			
C. <u>Research and Development Services</u>			
b) Research and Development Services – Social sciences and Humanities (CPC 852)	1) None 2) None 3) None 4) None	1) None 2) None 3) None 4) None	
F. <u>Other Business Services</u>			
a) Advertising Services (CPC 871)	1) None 2) None 3) None 4) None	To be reviewed	
c) Management Consulting Services (CPC 865)	1) None 2) None 3) None 4) None	1) None 2) None 3) None 4) None	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
d) Services related to Management Consulting (CPC 866)	1) None 2) None 3) None 4) None	1) None 2) None 3) None 4) None	
k) Placement and supply services of Personnel (CPC 872)	1) Unbound 2) Unbound 3) None 4) None	1) Unbound 2) Unbound 3) None 4) None	The Labour Law prohibits the charging of job seekers and employees for placement services.
p) Photographic Services (CPC 875)	1) None 2) None 3) None 4) None	To be Reviewed	
r) Printing, Publishing (CPC 88442)	Unbound To be Reviewed	To be Reviewed	
t) Translation and Interpretation Services (CPC 87905)	1) None 2) None 3) None 4) None	1) None 2) None 3) None 4) None	

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2. COMMUNICATION SERVICES B. <u>Courier Services</u>			
<p><u>General Conditions Statement:</u></p> <p>EMS (Barid Mumtaz) service means express mail designated by the postal administrations in accordance with article 61 of the Universal Postal convention (Beijing 1999), which indicates that:</p> <ol style="list-style-type: none"> 1. EMS shall be the quickest postal service by physical means. It shall consist of the collection, dispatch and delivery in a very short space of time of correspondence, documents or goods. 2. EMS shall be regulated on the basis of bilateral agreements. Aspects that are not expressly governed by the later shall be subject to the appropriate provision of the acts of the Union. 			
EMS Service (International only)	<ol style="list-style-type: none"> 1) None 2) None 3) None 4) Unbound, except as in the horizontal section. 	<ol style="list-style-type: none"> 1) None 2) None 3) None 4) Unbound, except as in the horizontal section. 	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
C. <u>Telecommunication Services</u>			

General Conditions Statement:

The Kingdom commits to the Legislative Decree No. 48 of 2002 on the Telecommunications Law as specific commitments applying to Basic Telecommunications Services. However, based on the evolution of the competitive environment, Bahrain may modify some provisions in the Law without breaching the commitments in this schedule.

Commitments are scheduled in accordance with--"Notes for Scheduling Basic Telecom Services Commitments" (S/GBT/W/2/REV.1); and "Market Access Limitations on Spectrum Availability" (S/GBT/W/3).

The following conditions apply to all of the sub-sectors committed below:

1. No person shall operate or promote a call-back service in or to the Kingdom (Modes 1, 2 & 3).
2. Must be a juristic entity incorporated in the Kingdom, or a branch of a foreign company licensed to operate in the Kingdom in accordance with the Commercial Companies Law (Mode 3).
3. Substantially all the infrastructure and personnel associated with the provisions of telecommunications service must be located in the Kingdom (Mode 3).

The Telecommunications Regulatory Authority (TRA) alone shall have the right to waive the condition provided for in 3. above in either of the following two cases:

- a. there exists substantial demand for a telecommunications service that cannot be provided on an efficient basis other than by means of infrastructure and personnel located outside the Kingdom, provided that such a service will be to the direct benefit of subscribers and users, as determined by the TRA on the basis of the obligations provided for in the license or otherwise (Mode 3); and
- b. if licensees breach their obligations (Mode 3).

Notes:

- I. International Facilities, International Services and National Fixed Services are Technology Neutral License Classifications, and form of Service Provision is open to the Innovation of Licensees.
- II. Leased Line Services are included in the classifications (National and International), and may require application for a number of license classifications.
- III. It is our understanding that MFN exception applicable to International Bilateral Correspondent Accounting Rates is still in force that wouldn't need scheduling, and this issue will be resolved through the negotiations process.
- IV. Scheduling of services is based on the Kingdom's services classification (see attachment I)

Mode 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
Mobile Telecommunications Service (including Mobile Data and Third Generation Mobile Services and its related services).	<ol style="list-style-type: none"> 1) None. International Telecomms. Services Included from/to licensee's customers only. 2) None 3) Initially Duopoly, third at discretion of TRA after 2 years of first license award. Mobile Virtual Network Operators (MVNO) may be licensed after two years of second mobile license award at the discretion of the TRA. 4) Unbound, except as in the horizontal section. 	<ol style="list-style-type: none"> 1) None 2) None 3) None 4) Unbound, except as in the horizontal section 	
National fixed services (including payphone, telex and telegraph services).	<ol style="list-style-type: none"> 1) Starting 1st July 2004. None. 2) None 3) Until 30 June 2004, Batelco will have exclusive right to provide services in the Kingdom. 4) Unbound, except as in the horizontal section. 	<ol style="list-style-type: none"> 1) None 2) None 3) None 4) Unbound, except as in the horizontal section. 	Bahrain adopts the additional commitments in whole listed in the Reference Paper on Basic Telecoms. (attached)
Internet Services	<ol style="list-style-type: none"> 1) None 2) None 3) The licensee may not offer a basic voice service between the kingdom of Bahrain and other countries, nor may it facilitate by the use of its telecommunications network the offer by a third party of such a service, unless and until such time as it is granted an international telecommunication license in accordance with the Telecommunications Law. 4) Unbound except as in the horizontal section. 	<ol style="list-style-type: none"> 1) None 2) None 3) None 4) Unbound, except as in the horizontal section. 	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Value Added Services	<ol style="list-style-type: none"> 1) None 2) None 3) None 4) Unbound, except as in the horizontal section. 	<ol style="list-style-type: none"> 1) None 2) None 3) None 4) Unbound, except as in the horizontal section 	
International Facilities	<ol style="list-style-type: none"> 1) Starting 1st January 2004. No International Service shall commence before 1st July 2004. 2) None 3) Until 31st December 2003, Batelco will have exclusive right to provide International Facilities in the Kingdom, and also it will have the same right on International Services until 30th June 2004. 4) Unbound, except as in the horizontal section. 	<ol style="list-style-type: none"> 1) None 2) None 3) None 4) Unbound, except as in the horizontal section 	
International Services	<ol style="list-style-type: none"> 1) Starting 1st July 2004. None. 2) None 3) Until 30 June 2004, Batelco will have exclusive right to provide services in the Kingdom. 4) Unbound, except as in the horizontal section. 	<ol style="list-style-type: none"> 1) None 2) None 3) None 4) Unbound, except as in the horizontal section 	
Internet Exchanges	<ol style="list-style-type: none"> 1) Must use Batelco's Int'l facilities until 31st December 2003. 2) None 3) Initially one Exchange operated through a consortium by the Internet Service Providers on a non-profit basis. None after 2 years. 4) Unbound, except as in the horizontal section. 	<ol style="list-style-type: none"> 1) None 2) None 3) None 4) Unbound, except as in the horizontal section 	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
VSAT	<ol style="list-style-type: none"> 1) Starting 1st January 2004. None. 2) None 3) Until 31st December 2003, Batelco will have exclusive right to provide VSAT services in the Kingdom. 4) Unbound, except as in the horizontal section. 	<ol style="list-style-type: none"> 1) None 2) None 3) None 4) Unbound, except as in the horizontal section 	
Public Access Mobile Radio (PAMR)	<ol style="list-style-type: none"> 1) Starting 1st January 2004. None. 2) None 3) Until 31st December 2003, Batelco will have exclusive right to provide PAMR services in the Kingdom. 4) Unbound, except as in the horizontal section. 	<ol style="list-style-type: none"> 1) None 2) None 3) None 4) Unbound, except as in the horizontal section 	
Paging	<ol style="list-style-type: none"> 1) Starting 1st January 2004. None. 2) None 3) Until 31st December 2003, Batelco will have exclusive right to provide Paging services in the Kingdom. 4) Unbound, except as in the horizontal section. 	<ol style="list-style-type: none"> 1) None 2) None 3) None 4) Unbound, except as in the horizontal section 	
D. <u>Audiovisual Services</u>			
<ol style="list-style-type: none"> 1) It is incumbent to adhere to the laws of copyrights, journalism, publications, press and the Law of works and labour. 2) Assume management responsibility for any obscure activity and consequences of financial obligations, no selling or transfer of the C.R. unless receiving a written agreement from Ministry of Information. 3) Adherence to customs, traditions and morals within a social framework which is permitted in the kingdom of Bahrain in tackling certain topics which the media institution / company in production, preparation for broadcast or distribution or exhibiting in deals. 4) Ban all political parties, and military institutions to invest in media domain in general. 			

Mode 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
<p>a) Motion picture and videotape production and distribution services (CPC 9611)</p> <p>b) Motion Picture projection service (CPC 9612)</p> <p>c) Radio and Television services (CPC 9613)</p> <p>d) Radio and Television Services (CPC 7524)</p> <p>e) Sound Recording</p>	<p>1) None</p> <p>2) None</p> <p>3) Films which are allowed for cinemas and DVD's only, activities include distribution only, and no permits for private halls to exhibit (Hometheatre).</p>		<p>1. Company has to adhere to open legal accounts within Bahraini national bank where capital is included in their accounts and to obtain bank guarantee according to the national laws and authorised by any national bank.</p> <p>2. Ground / satellite broadcast should be in coordination with certain sectors in the Kingdom of Bahrain.</p> <p>3. It is the responsibility of the institution / company to assume the broadcast of programs from all angles whether financial, social, moral and to apply laws of intellectual property laws in this matter.</p> <p>4. Obligation of institution / company to provide a check account office within the Kingdom of Bahrain for supervision of annual accounts.</p>

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
			<p>5. Responsibility of institution / company to oblige a law firm within the Kingdom of Bahrain to follow-up on legal procedures.</p> <p>6. Obligation of institution / company coverage of all their employees according to the social insurance system.</p> <p>7. The right of institution / company to own material of their films, it has to be presented to authorised sectors in the Kingdom of Bahrain in case of a request, and it should be broadcast only if there is an agreement with officials in the institution / company.</p> <p>8. Achieve cooperation between the institution / company and the Television, Broadcast and Corporation in the Kingdom of Bahrain in terms of coordination and program exchange.</p>

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
			<p>9. Obligation of institution / company to provide a security system within Bahrain's kingdom based on a timely period of 24 hours per day.</p> <p>10. The institution / company has to consider all kinds of technical, ring assistance requested by Ministry of information.</p> <p>11. In case of a request presented to the institution / company to film, a certain occasion from another company; the other company has the right to preserve the original and the requested material.</p>

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
			<p>12. Ministry of Information has the right at any given time if national interest is threatened by any given means and the right to reject permits of institution or company if it did not adhere to the laws and any violation of previous conditions or any other reasons where the institution / company does not adhere with the general system of morality and policies of the Kingdom and the violation of law permits.</p> <p>13. Obligation of institution / company to adhere to all broadcast, satellite agreements.</p> <p>14. Obligation of institution / company to stick to the schedule registration of its own satellites.</p>

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>3. CONSTRUCTION & RELATED ENGINEERING SERVICES</p> <p>A. <u>General Construction Work for Buildings (CPC 512)</u></p> <p>B. <u>General Construction Work for Civil Engineering (CPC 513)</u></p> <p>C. <u>Installations & Assembly Work (CPC 514, 516)</u></p> <p>D. <u>Building Completion & Finishing Work (CPC 517)</u></p> <p>E. <u>Other (CPC 511, 515, 518)</u></p> <p>5. EDUCATION SERVICES</p> <p>D. <u>Adult Education Services (CPC 924)</u></p> <p>6. ENVIRONMENTAL SERVICES</p>	<p>1) Unbound due to lack of technical feasibility</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound</p> <p>Ratio of local workforce as applied by Ministry of Labour & Social Affairs to be complied with engineers, architects, technicians must register with Committee for Organizing engineering Professional Practice (COEPP). Work permits and any other permits required.</p> <p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) None</p>	<p>1) Unbound due to lack of technical feasibility</p> <p>2) None</p> <p>3) Joint Venture required for national treatment</p> <p>4) Unbound</p> <p>Ratio of local workforce as applied by Ministry of Labour & Social Affairs to be complied with engineers, architects, technicians must register with Committee for Organizing engineering Professional Practice (COEPP). Work permits and any other permits required.</p> <p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) None</p>	
<p>Legislative Decree No. 21 of 1996 in respect with the environment and to all Environmental regulations and Ministerial orders issued pursuant to such Decree, the Labour Law for the private sector (Amiri Decree – Law No. (23) of 1976. Furthermore, these commitments are subject to standard conditions and licensing criteria for each category of license offered by Environmental affairs (EA) and other governmental authorities.</p>			

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>A. <u>Sewage Services</u> (CPC 9401)</p> <p>1- Municipal and Industrial Sewage Removal, Treatment and Disposal.</p> <p>2- Maintenance. And repairing the existing sewage systems, pollution abatement services, analytical and sampling collection services. Monitoring, evaluation, and consultancy for treatment systems.</p> <p>B. <u>Refuse disposal services</u> (CPC 9402)</p> <p>Refuse collection and disposal services; collection services of garbage, trash rubbish and waste (household, commercial and industrial); transport services and disposal services; waste reduction services.</p>	<p>1) Unbound 2) Unbound 3) Unbound 4) Unbound</p> <p>1) Unbound 2) Unbound 3) None 4) None</p> <p>1) Unbound 2) Unbound 3) Pre-Int. experience is required. - Joint venture with local company. 4) None</p>	<p>1) Unbound 2) Unbound 3) Unbound 4) Unbound</p> <p>1) Unbound 2) Unbound 3) None 4) Priority to national Companies</p> <p>1) Unbound 2) Unbound 3) None 4) None</p>	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>C. <u>Sanitation & similar Services</u> (CPC 9403)</p> <p>Outdoor sweeping and watering street, paths, parking lots, etc.</p>	<p>1) Unbound 2) Unbound 3) Pre-Int. experience is required. 4) 20% Local personal</p>	<p>1) Unbound 2) Unbound 3) None 4) Priority to national Companies</p>	
<p>D. <u>Other Services</u></p> <ul style="list-style-type: none"> - Cleaning services of exhaust gases (CPC 9404) - Noise abatement services (CPC 9405) - Nature and landscaping services (CPC 9406) - Other environmental protection services (monitoring, controlling and damage assessment, (CPC 9409) 	<p>1) Unbound 2) Unbound 3) Pre-Int. experience is required. 4) 20% Local personal</p>	<p>1) Unbound 2) Unbound 3) None 4) Priority to national Companies</p>	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
7. FINANCIAL SERVICES			
A. <u>All Insurance and Insurance-Related services</u> (Offshore only)			
(a) Life, Accident and health insurance services	1) None 2) None	1) None 2) None	
(b) Non-life insurance services	3) None	3) None	
(c) Reinsurance and retrocession	4) Unbound	4) Unbound	
(d) Services auxiliary to insurance (including broking and agency services)			
- Reinsurance and Retrocession	1) None 2) None 3) None 4) Unbound	1) None 2) None 3) None 4) Unbound	
<u>All Sectors</u>	Entry is permitted only in the form of a joint stock company	Acquisition of land or property is not allowed.	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>B. <u>Banking and Other Financial Services (excluding insurance)</u></p> <p>The commitments on financial services are made in accordance with the GATS and the Annex on Financial Services. All the commitments in this Schedule are subject to the domestic laws of Bahrain, as well as any guidelines, rules, regulations, terms and conditions of the Bahrain Monetary Agency (BMA) and/or any other relevant authority or body in Bahrain, which are consistent with Article VI of the GATS and paragraph 2 of the Annex on Financial Services. In particular, these commitments are subject to the Bahrain Monetary Agency Law (Amiri Decree – Law No. (23) of 1973), the Commercial Companies Law (Amiri Decree – Law No. (28) of 1975), the Labour Law for the Private Sector (Amiri Decree – Law No. (23) of 1976), the Bahrain Stock Exchange Law (Amiri Decree – Law No.(4) of 1978), and the Land Registration Law (Amiri Decree – Law No. (15) of 1979) as amended from time to time, and to all regulations and directives, issued pursuant to such laws from time-to-time. Furthermore, these commitments are subject to the Standard Conditions and Licencing Criteria for each category of licence currently offered by the BMA and to any restrictions imposed on any such licence, including in particular and unless otherwise permitted by the BMA, restrictions imposed on Offshore Banking Units (OBUs) and Investment Banks (IBs) dealing with residents of Bahrain.</p>			
<p>(a) Acceptance of deposits and other repayable funds from the public. (CPC 81115-81119)</p>	<p>1) Non if done outside Bahrain. Undertaking this activity (including soliciting and advertising) in/from Bahrain requires a licence from the BMA.</p> <p>2) None.</p> <p>3) Unbound save as provided for in the headnote for Banking and other Financial Services above and in respect of the measures detailed below. Licence required from BMA.</p> <p>3) None.</p> <p>Foreign banks may be established as local subsidiaries or branches.</p> <p>Foreign ownership of locally incorporated banks restricted to 49% if business is to be undertaken “onshore” Bahrain (i.e. with residents of Bahrain). 100% foreign ownership permitted if business are to be undertaken “offshore” Bahrain (i.e. with non-residents of Bahrain).</p>	<p>1) None.</p> <p>2) None.</p> <p>3) For foreign branches of FCBS, unbound for sub-branching.</p>	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>Foreign owned locally incorporated banks are permitted to undertake business outside Bahrain (i.e. with non-residents of Bahrain) as well as in Bahrain (i.e. with residents of Bahrain). Banking activities must be undertaken by joint stock companies only.</p> <p>No banking activities to be undertaken by a limited liability company (W.L.L.).</p> <p>4) Unbound save as provided for in the headnote for Banking and other Financial Services above.</p>	<p>4) Unbound save as provided for in the headnote for Banking and other Financial Services above.</p>	
(b) Lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transactions. (CPC 8113)	<p>1) As for (a) (1) above for this activity. 2) None 3) As for (a) (3) above for this activity. Unbound for ownership of property in Bahrain. 4) Unbound save as provided for in the headnote for Banking and other Financial Services above.</p>	<p>1) None 2) None 3) As for (a) (3) above for this activity. Unbound for ownership of property in Bahrain. 4) Unbound save as provided for in the headnote for Banking and other Financial Services above.</p>	
(c) Financial leasing. (CPC 8112)	<p>1) As for (a) (1) above for this activity. 2) None 3) As for (a) (3) above for this activity. 4) Unbound save as provided for in the headnote for Banking and other Financial Services above.</p>	<p>1) None 2) None 3) Unbound 4) Unbound save as provided for in the headnote for Banking and other Financial Services above.</p>	
(d) All payment and money transmission services, including credit, charge and debit cards, travellers cheques, and bankers drafts. (CPC 81339**))	<p>1) As for (a) (1) above for this activity. 2) None 3) As for (a) (3) above for this activity. 4) Unbound save as provided for in the headnote for Banking and other Financial Services above.</p>	<p>1) None 2) None 3) As for (a) (3) above for this activity 4) Unbound save as provided for in the headnote for Banking and other Financial Services above.</p>	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(e) Guarantees and commitments. (CPC 81199**)	<ol style="list-style-type: none"> 1) As for (a) (1) above for this activity. 2) None 3) As for (a) (3) above for this activity. 4) Unbound save as provided for in the headnote for Banking and other Financial Services above. 	<ol style="list-style-type: none"> 1) None 2) None 3) As for (a) (3) above for this activity. 4) Unbound save as provided for in the headnote for Banking and other Financial Services above. 	
(f) Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market, or otherwise the following:	<ol style="list-style-type: none"> 1) Unbound for equity and other securities listed on the BSE. Licence required from BMA if activity is undertaken in/from Bahrain for customers' account. 2) Unbound for equity and other securities listed on the BSE. 3) As for (a) (3) above for this activity. As for (f) (3) on national treatment. <p>Transactions on the Bahrain Stock Exchange (BSE) must be through a licensed Stock Broker. Transactions for listed Bonds and Warrants can be done OTC.</p> <p>Stock Brokers and Market Makers for securities on the Bahrain Stock Exchange must be either Bahraini nationals (individuals or locally incorporated companies with a minimum of 51% Bahraini ownership) and be resident in Bahrain, or be branches of foreign companies undertaking such business in international securities.</p> <p>A Money Broker must be locally incorporated with 51% Bahraini ownership and requires a licence from the BMA.</p>	<ol style="list-style-type: none"> 1) Unbound. 2) Unbound. 3) None (except as indicated in the market access column below). 	<p>Commercial banks are allowed to provide brokerage services from their premises, without establishing separate brokerage companies. Trading by the banks is conducted through a remote trading arrangement as a step forward towards the implementation of on-line trading through Internet.</p>

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<ul style="list-style-type: none"> - money market instruments (including cheques, bills, certificates of deposit). (CPC 81339**) - foreign exchange. (CPC 81333) - derivative products including, but not limited to, futures and options. (CPC 81339**) - exchange rate and interest rate instruments, including products such as swaps, forward rate agreements. (CPC 81339**) - transferable securities. (CPC 81321*) 		<p>Trading on the Bahrain Stock Exchange (BSE) must be through a licenced stockbroker. However, bonds, units of Mutual Funds and Warrants can be traded through the BSE and/or the OTC markets subject to notifying the BSE about the transactions details.</p>	<p>The BMA has been made a single regulator for the banking, insurance and capital market sectors, pursuant to the Legislative Decree No. 21 of 2002. The BMA (through its Licencing Directorate) licences intermediaries in its capacity as regulator of the capital markets.</p>

Mode 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
<p>- Other negotiable instruments and financial assets, including bullion. (CPC 81339**)</p> <p>(g) Participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues. (CPC 8132)</p>	<p>4) Unbound save as provided for in the headnote for Banking and other Financial Services above.</p> <p>1) Unbound for equity and other securities listed on the BSE. License required from the BMA if activity is undertaken in/from Bahrain for customers' account.</p> <p>2) Unbound for equity and other securities listed on the BSE.</p> <p>3) Licence required from BMA if activity is undertaken in/from Bahrain. Unbound for equity and other securities listed on the BSE.</p> <p>3) License required from the BMA if activity is undertaken in/from Bahrain. Stockbrokers and Market Makers for securities listed on the BSE shall be licenced by the BMA.</p>	<p>Securities stock brokers must be licenced by the BMA for activities to be undertaken in/from Bahrain. Stock brokerage and market making services must be provided by brokers and market makers licenced by the BMA.</p> <p>Foreign brokerage companies having the experience to enrich the securities brokerage profession in Bahrain and attract foreign investments shall be approved as licenced brokers by the BMA.</p> <p>Non-Bahrainis who are experienced in the field of securities brokerage shall be employed as brokers by Bahraini brokerage companies.</p> <p>A licence is required from the BMA for Money Brokers who must be locally incorporated. 100% foreign ownership is permitted.</p> <p>4) Unbound save as provided for in the headnote for Banking and other Financial Services above.</p> <p>1) Unbound</p> <p>2) Unbound</p> <p>3) None (except as indicated in market access columns).</p>	

Mode 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
<p>(h) Money broking. (CP 81339**)</p>	<p>4) Unbound save as provided for in the headnote for Banking and other Financial Services above</p> <p>1) None. 2) None. 3) Licence required from BMA. A Money Broker must be locally incorporated with 51% Bahraini ownership. 3) Licence required from the BMA. A money broker must be locally incorporated. 100% foreign ownership is permitted.</p> <p>4) Unbound save as provided for in the headnote for Banking and other Financial Services above.</p>	<p>4) Unbound save as provided for in the headnote for Banking and other Financial Services above</p> <p>1) None. 2) None. 3) None (except as indicated in market access columns).</p> <p>4) Unbound save as provided for in the headnote for Banking and other Financial Services above.</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. (CPC 8119+**-81323*)</p>	<p>1) As for (a) (1) above for this activity. Unbound for BSE listed equity and other securities. 2) Unbound for BSE listed equity and other securities. 3) Licence required from the BMA. For depository services in respect of BSE listed equity and other securities, approval required from the BSE. Locally incorporated companies and branches of foreign companies whose objects prescribe for the provision of custodial services shall be licenced to provide custodial services by the BMA.</p> <p>4) Unbound save as provided for in the headnote for Banking and other Financial Services above.</p>	<p>1) Unbound. 2) Unbound. 3) No limited liability companies (W.L.L.s) can undertake making investments on behalf of third persons. 4) Unbound save as provided for in the headnote for Banking and other Financial Services above.</p>	

Mode 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
(j) Settlement and clearing services for financial assets, including securities, derivative products, and other negotiable instruments. (CPC 81339** or 81319**)	1) Unbound for BD cheques, which must be done through the BMA. BSE listed equity and other securities must be done through the BSE. 2) Unbound for BD cheques, which must be done through the BMA. BSE listed equity and other securities must be done through the BSE 3) Unbound for BD clearing. 4) Unbound save as provided for in the headnote for Banking and other Financial Services above.	1) None (except as indicated in market access columns). 2) None (except as indicated in market access columns). 3) None (except as indicated in market access columns). 4) Unbound save as provided for in the headnote for Banking and other Financial Services above.	
⊕ (k) Advisory intermediation , and other auxiliary financial services on all the activities listed in subparagraphs (a) through (k) (j) above, including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy. (CPC 8131)	1) As for (a) (1) above for this activity. 2) None 3) Investment Advisers and Representative Offices require a licence to undertake activities in/from Bahrain. Credit referencing agencies should adhere to requirements for confidentiality set by the BMA for banks' customers. 4) Unbound save as provided for in the headnote for Banking and other Financial Services above.	1) None. 2) None. 3) None. 4) Unbound save as provided for in the headnote for Banking and other Financial Services above.	

Mode 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
<p>(K) (I) Provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services. (CPC 8131)</p> <p>8. HEALTH RELATED AND SOCIAL SERVICES</p> <p>E. <u>Social Services</u> (CPC 933)</p>	<p>1) Unbound for BSE listed equity and other securities.</p> <p>2) Unbound for BSE listed equity and other securities.</p> <p>3) Unbound for BSE listed equity and other securities. Licence from the Ministry of Cabinet Affairs and Information and the Ministry of Transportation required for provision and transfer of financial information. Confidentiality requirements for banks' customers set by the Agency apply.</p> <p>4) Unbound save as provided for in the headnote for Banking and other Financial Services above.</p> <p>1) None 2) None 3) None 4) None</p>	<p>1) Unbound for BSE listed equity and other securities.</p> <p>2) Unbound for BSE listed equity and other securities.</p> <p>3) None (except as indicated in the market access columns).</p> <p>4) Unbound save as provided for in the headnote for Banking and other Financial Services above.</p> <p>1) None 2) None 3) None 4) None</p>	
<p>9. TOURISM AND TRAVEL RELATED SERVICES</p>			
<p>1). According to the Amiri Decree no. (15) 1986 along with the Ministerial resolution no.(4) 1994 Ministerial resolution no. (1) 1996, Tourism Affairs is responsible to obtain the legal taxes on Hotels, Tourist Flats which is known as Hotel Service Charges. These charges consist of 5% of the total income of the hotel from tourist apartments and it will be obtained every 3 months.</p> <p>2) It is incumbent to adhere to the laws of copyrights, journalism, publications, press and the Law of works and labour.</p> <p>3) Assume management responsibility for any obscure activity and consequences of financial obligations, no selling or transfer of the C.R. unless receiving a written agreement from Ministry of Information.</p> <p>4) Adherence to customs, traditions, and morals within a social framework which is permitted in the kingdom of Bahrain in tackling certain topics which the media institution / company in production , preparation for broadcast or distribution or exhibiting in deals.</p> <p>5) Ban all political parties, and military institutions to invest in media domain in general.</p>			

Mode 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
<p>A. <u>Hotels and Restaurants (CPC 641-643)</u></p> <p>11. TRANSPORT SERVICES</p> <p>C. <u>Air Transport Services</u></p> <p>a) Maintenance and repair of aircraft (excluding line maintenance)</p> <p>b) Selling and Marketing of air transport services</p> <p>c) Computer Reservation System services</p>	<p>1) None</p> <p>2) None</p> <p>3) Just for hotels 4 and 5 stars. 2 hotels in a year</p> <p>4) Unbound, except as indicated in the horizontal section</p> <p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound, except as indicated in the horizontal section</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound, except as indicated in the horizontal section</p>	<p>1. Casinos are prohibited completely in the Kingdom of Bahrain</p>

REFERENCE PAPER FOR BASIC TELECOM

Scope:

The following are definitions and principles on the regulatory framework for the basic telecommunications services.

Definitions:

Users: mean service consumers and service suppliers.

Essential facilities: mean facilities of a public telecommunications transport network or service that

- a) are exclusively or predominantly provided by a single or limited number of suppliers; and
- b) cannot feasible be economically or technically substituted in order to provide a service.

A major suppliers: is a supplier which has the ability to materially affect the terms of participation (having regard to price and supply) in the relevant market for basic telecommunications services as a result of:

- a) control over essential facilities; or
- b) use of its position in the market

1. Competitive safeguards:

1.1 Prevention of anti-competitive practices in telecommunications:

Appropriate measures shall be maintained for the purpose of preventing suppliers who, along or together, are a major supplier from engaging in or continuing anti-competitive practices.

1.2 Safeguards:

The anti-competitive practices referred to above shall include in particular:

- a) engaging in anti-competitive cross-subsidization;
- b) using information obtained from competitors with anti-competitive results; and
- c) not making available to other services suppliers on a timely basis technical information about essential facilities and commercially relevant information which are necessary for them to provide services.

2. Interconnection:

2.1 This section applies to linking with suppliers providing public telecommunications transport networks or services in order to allow the users of one supplier to

communicate with users of another supplier and to access services provided by another supplier, where specific commitments are undertaken.

2.2 Interconnection to be ensured:

Interconnection with a major supplier will be ensured at any technically feasible point in the network. Such interconnection is provided:

- a) under non-discriminatory terms, conditions (including technical standards and specifications) and rates and of a quality no less favourable than that provided for its own like services or for like services of non-affiliated service suppliers or for its subsidiaries or other affiliates;
- b) in a timely fashion, on terms, conditions (including technical standards and specifications) and cost-oriented rates that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled so that the supplier need not pay for network components or facilities that it does not require for the service to be provided; and
- c) upon request, at points in addition to the network termination points offered to the majority of users, subject to charges that reflect the cost of construction of necessary additional facilities.

2.3 Public availability of the procedures for interconnection negotiations:

The procedures applicable for interconnection to a major supplier will be made publicly available.

2.4 Transparency of interconnection arrangements:

It is ensured that a major supplier will make publicly available either its interconnection agreements or a reference interconnection offer.

2.5 Interconnection: dispute settlement:

A service supplier requesting interconnection with a major supplier will have recourse, either:

- a) at any time or
- b) after a reasonable period of time which has been made publicly known.

to an independent domestic body, which may be a regulatory body as referred to in paragraph 5 below, to resolve disputes regarding appropriate terms, conditions and rates for interconnection within a reasonable period of time, to the extent that these have not been established previously.

3. Universal service:

Any Member has the right to define the kind of universal service obligation it wishes to maintain. Such obligations will not be regarded as anti-competitive *per se*, provided they are administered in a transparent, non-discriminatory and competitively neutral manner and are not more burdensome than necessary for the kind of universal service defined by the Member.

4. Public availability of licensing criteria:

Where a license is required, the following will be made publicly available:

- a) **all the licensing criteria and the period of time normally required to reach a decision concerning an applicable for a license and**
- b) **the terms and conditions of individual licenses.**

The reasons for the denial of a license will be made known to the applicant upon request.

5. Independent regulators:

The regulatory body is separate from, and not accountable to, any supplier of basic telecommunications services. The decisions of and the procedures used by regulators shall be impartial with respect to all market participants.

6. Allocation and use of scarce resources

Any procedures for the allocation and use of scarce resources, including frequencies, number and rights of way, will be carried out in an objective, timely, transparent and non-discriminatory manner. The current state of allocated frequency bands will be made publicly available, but detailed identification of frequencies allocated for specific government uses is not required.

ATTACHMENT

Kingdom of Bahrain
Classification of Basic telecom services

"Basic data service" means a telecommunications service that consists of the conveyance of messages, excluding:

- (a) any additional service having been provided in respect of the conveyance of those message;**
- (b) any deliberate removal or addition to the information content of those messages.**
- (c) two-way real-time speech; and**
- (d) mobile radio communications.**

"Basic voice service" means a telecommunications service involving the transmission of two-way real-time speech, excluding;

- (a) any additional service having been provided in respect of the real-time two way speech conversation;**
- (b) any deliberate removal or addition to the information content of that real-time two-way speech conversation; and**
- (c) mobile radio communications.**

"National fixed telecommunications network" means a public telecommunications network which facilitates the conveyance by whatever means, including, but not limited to, fixed wireless technology, of signals between network termination points at fixed locations within the licensed area but which does not comprise any telecommunications equipment designed for use for mobile radio communications

"National fixed telecommunications service" means any basic data service or basic voice service (including public payphone, telegraph and telex services) other than an international telecommunication service or mobile radio communications.

"International telecommunications facilities" means any other telecommunications facilities used or intended for use in connecting the Kingdom of Bahrain to other countries for the provision of an international telecommunications service.

"International telecommunications service" means the provision of telecommunications services between the Kingdom of Bahrain and other countries.

"Mobile telecommunications network" means a public telecommunication network which facilitates the conveyance by whatever means of signals between network termination points at fixed locations within the licensed area and which significantly comprises telecommunications equipment designed or adapted for use for mobile radio communications.

"Mobile telecommunications service" means any basic data service or basic voice service provided by means of GSM mobile radio communications (including international telecommunications service) and third generation and associated services. The licensee is

authorized, on a non-exclusive basis, to provide by means of its mobile telecommunications network the mobile telecommunications services in the licenses area.

"Paging services" means telecommunications services that consist of the one-way conveyance of a message to a subscriber by way of mobile radio communications. Nothing in the preceding sentence shall authorize the licensee to provide any telecommunications service that would require a mobile telecommunications license.

"VSAT services" means telecommunications services, including international telecommunications services, provided by means of a satellite telecommunications network between fixed points that are equipped with very small aperture terminals equipment.

"Public access mobile radio services" means telecommunications services that consist of the two-way conveyance of messages between the members of the same closed user group, by way of mobile radio communications, provided that such conveyance may not originate from or terminate on a public telecommunications network. Nothing in the preceding sentence shall authorize the licensee to provide any telecommunications service that would require a mobile telecommunications license.

"Internet" mean an integrated computer network through which users are connected to each other by means of the TCP/IP family of protocols;

"Internet services" means services provided to the public whose provision consists of subscriber interaction with the Internet or the transmission of information to or over the Internet. The licensee may not offer a basic voice service between the kingdom of Bahrain and other countries, nor may it facilitate by the use of its telecommunications network the offer by a third party of such a service, unless and until such time as it is granted an international telecommunication license in accordance with the Telecommunications Law.

"Value added services" means enhanced of value added telecommunications data and or voice service that act on the format, content, code of protocol of information in order to provide the user with additional or different information or that involve subscriber interaction with stored information, including computer and data processing services, data information and exchange services, credit card verification services but excluding transmission services to or over the internet.

"Call" include communications conveying voice and data.

"Free-phone services" means an automated reversed charge mechanism whereby a caller pays nothing while the person receiving such calls bears all costs.

"Licensed area" means the territory of the Kingdom of Bahrain.

"Operator assistance service" means a telecommunications service by means of which a member of the public may, at any time, request to be connected to another person by means of terminal equipment which is lawfully connected to a national fixed telecommunications network and which is capable of transmitting and receiving unrestricted two-way voice telephony services.

"Public emergency call service" means a telecommunications service by means of which any member of the public may, at any time without incurring any charge or use any coin or other token, by means of any terminal equipment which is lawfully connected to a national fixed telecommunications network and which is capable of transmitting and receiving unrestricted

two-way voice telephony services, communicate which any of emergency organizations for the purpose of notifying such organization of an emergency.

"Public payphone" means a telephone, including telephone kiosks, that is available to the general public for the use of telecommunications services, the means of payment for which is coins or other means.

"Resale services" means telecommunications services purchased from the licensee by another licensed operator and made available to any user, together with such additional services as the licensed operator may provide.

"Telegraph service" means the transmission of telegraph signals via a national fixed telecommunications network.

"Telex service" means a service which is provided for the purpose of text communication only by directly transmitting text message between terminal equipment connected to a national fixed telecommunications network.

"Terminal equipment" means any appliance, apparatus or accessory connected to the public telecommunications network to enable reception and transmission of telecommunications services.

"Mobile terminal equipment" means any appliance, apparatus or accessory connected to the mobile telecommunications network to enable reception and transmission of telecommunications services.

"Third Generation services" means the telecommunications services associated from time to time with a mobile telecommunications network complying with the 3GPP specification adopted by the Regulator.

"Cable landing station" means the point at which any cable landed in Bahrain connects to another public telecommunications network within the Kingdom of Bahrain, including, but not limited to, buildings, equipment and land necessary to establish and maintain such connection.

"Message"(1) means any data, writing or visual image or combination of them, but excludes

- (a) speech, music or other sounds; and**
- (b) Video.**

"Message"(2) means that part of any transmitted signal representing information to be conveyed from one end user to another.

"Closed user group" means a group of persons (not being the general public) whose members subscribe for the licensed services and have a common identifiable interest that is independent of, and predates, the licensed services.

"Mobile Virtual Network Operators": Please use public domain definition.
