

ANNEX XIV

REFERRED TO IN ARTICLE 6.4

RESERVATIONS

APPENDIX 1: Georgia

APPENDIX 2: Iceland

APPENDIX 3: Liechtenstein

APPENDIX 4: Norway

APPENDIX 5: Switzerland

APPENDIX 1 TO ANNEX XIV

REFERRED TO IN ARTICLE 6.4

RESERVATIONS BY GEORGIA

GEORGIA

Sector:	Fishing
Sub-sector:	-
Legal source or authority of the measure:	Resolution #138 of the Government of Georgia (August 11, 2005) on “Approval of Regulations on Rules and Conditions on Issuance of Fishing License”
Succinct description of the measure:	Fishing license can be granted only to the resident legal or natural persons of Georgia.
Purpose or motivation of the measure:	Fisheries policy considerations.

GEORGIA

Sector:	Agriculture
Sub-sector:	Agricultural Cooperation
Legal source or authority of the measure:	Law of Georgia on “Agricultural Cooperatives” (July 12, 2013)
Succinct description of the measure:	A member of an agricultural cooperative may be a 18-year or older citizen of Georgia and/or agricultural cooperative registered in Georgia, which actually participates in agricultural activities carried out by the cooperative and owns membership share. The citizen of foreign country and/or other legal entity of private law (including legal entities registered in foreign country) has a right to be an associated member of the agricultural cooperative, provided they have contributed membership fee, based on this law or decision of cooperative member assembly. The associated member may participate in an assembly, but he/she has only the right of deliberative vote. The associated member has the right to receive dividends from the contributed membership fee; He/she can be elected as the member of the supervisory board or executive council. The associated member may not be directly involved in agricultural activities carried out by the agricultural cooperative.
Purpose or motivation of the measure:	Agricultural cooperation policy considerations.

GEORGIA

Sector:	Agriculture
Sub-sector:	Purchasing of a state owned agricultural land
Legal source or authority of the measure:	Law of Georgia on “State Property” (July 21, 2010)
Succinct description of the measure:	A state owned agricultural land can be purchased by the citizen of Georgia or a private legal entity, registered in Georgia. Georgia reserves the right to maintain or amend the measure or adopt any other measure with respect to the agricultural land.
Purpose or motivation of the measure:	Land policy considerations.

GEORGIA

Sector:	Power and Energy
Sub-sector:	-
Legal source or authority of the measure:	Not applicable
Succinct description of the measure:	Georgia reserves the right to maintain or adopt any measure with respect to the power and energy sector.
Purpose or motivation of the measure:	Energy policy considerations.

APPENDIX 2 TO ANNEX XIV

REFERRED TO IN ARTICLE 6.4

RESERVATIONS BY ICELAND

ICELAND

Sector:	All sectors
Sub-sector:	
Legal source or authority of the measure:	Law No. 138/1994 Respecting Private Limited Companies, Law No. 2/1995 Respecting Public Limited Companies, Law No. 34/1991 on Investment by Non-Residents in Business Enterprises.
Succinct description of the measure:	The majority of the founders, the manager(s) and at least half the board of directors, of a private limited company or a public limited company must either be resident in Iceland, in another member state of the European Economic Area, in another member state of the European Free Trade Association or in the Faroe Islands. ¹ The Minister of Commerce can grant exemptions from these restrictions.
Purpose or motivation of the measure:	To secure that the legal venue of the majority of the board of directors and managers is within Icelandic jurisdiction.

¹ The exclusion of the residency criteria for residents of an EEA Member State, an EFTA State or the Faroe Islands is not a reservation on national treatment, but the sentence is included to give an exhaustive description of the measure.

ICELAND

Sector:	All sectors
Sub-sector:	
Legal source or authority of the measure:	Law No. 19/1966 on the Right to Own and Use Real Estate, Law No. 34/1991 on Investment by Non-Residents in Business Enterprises.
Succinct description of the measure:	Only Icelandic citizens and Icelandic legal entities and citizens and legal entities from another member state of the European Economic Area, another member state of the European Free Trade Association or from the Faroe Islands are allowed to own real estate in Iceland unless the ownership and use is linked to an investment in real estate pertaining to the business activity of the investor. ² The same applies to the hiring of a real estate if the duration of the lease lasts for more than 3 years. These restrictions do not apply to a non-European Economic Area (EEA) citizen who has been residing in Iceland for at least five years. The Minister of Justice can grant exemptions from these restrictions.
Purpose or motivation of the measure:	Fluctuations in real estate prices due to possible excess foreign demand can adversely affect the domestic market for housing and summer houses (secondary homes).

²

The exclusion of citizenship and legal entity criteria for residents of an EEA Member State, an EFTA State or the Faroe Islands is not a reservation on national treatment, but the sentence is included to give an exhaustive description of the measure.

ICELAND

Sector:	Fisheries
Sub-sector:	Fishing, whaling
Legal source or authority of the measure:	Law No. 22/1998 on the Fishing and Fish processing of Foreign Vessels in Iceland's Economic Zone, Law No. 34/1991 on Investment by Non-Residents in Business Enterprises, Law No. 26/1949 on Whaling.
Succinct description of the measure:	Only the following may conduct fishing operations within the Icelandic fisheries jurisdiction: (a) Icelandic citizens and other Icelandic persons. (b) Icelandic legal persons which are wholly owned by Icelandic persons or Icelandic legal persons which: (i) are controlled by Icelandic entities; (ii) are not under more than 25% ownership of foreign residents calculated on the basis of share capital or initial capital. However, if the share of an Icelandic legal person in a legal person conducting fishing operations in the Icelandic fisheries jurisdiction or fish processing in Iceland is not above 5%, the share of the foreign resident may be up to 33%; (iii) are in other respects under the ownership of Icelandic citizens or Icelandic legal persons controlled by Icelandic persons.
Purpose or motivation of the measure:	The relative economic importance of the fishing industry for Iceland, with fish and fish products constituting around half of the country's foreign earnings, as well as Iceland's determination to maintain a sustainable yield from its fishing stocks. The control and surveillance regarding the preservation of Icelandic fish stocks needs to be under Icelandic jurisdiction.

ICELAND

Sector:	Fisheries
Sub-sector:	Fish Processing
Legal source or authority of the measure:	Law No. 34/1991 on Investment by Non-Residents in Business Enterprises.
Succinct description of the measure:	Only the following may own or run enterprises engaged in fish processing in Iceland: (a) Icelandic citizens and other Icelandic persons. (b) Icelandic legal persons which are wholly owned by Icelandic persons or Icelandic legal persons which: (i) are controlled by Icelandic entities; (ii) are not under more than 25% ownership of foreign residents calculated on the basis of share capital or initial capital. However, if the share of an Icelandic legal person in a legal person conducting fishing operations in the Icelandic fisheries jurisdiction or fish processing in Iceland is not above 5%, the share of the foreign resident may be up to 33%; (iii) are in other respects under the ownership of Icelandic citizens or Icelandic legal persons controlled by Icelandic persons. Fish processing in this context is freezing, salting, drying and any other process used to initially preserve fish and fish products, including melting and meal processing. This reservation does not apply to secondary fish processing.
Purpose or motivation of the measure:	The reservation on fish processing is an integral part of retaining control in the field of fishing and whaling. The relative economic importance of the fishing industry for Iceland, with fish and fish products constituting around half of the country's foreign earnings, as well as Iceland's determination to maintain a sustained yield from its fishing stocks. The control and surveillance regarding the preservation of Icelandic fish stocks needs to be under Icelandic jurisdiction.

ICELAND

Sector:	Fisheries
Sub-sector:	Fish Auctioning
Legal source or authority of the measure:	Law No. 79/2005 on the Auctioning of Fish.
Succinct description of the measure:	Only Icelandic citizens and Icelandic legal entities and citizens and legal entities from another member state of the European Economic Area, from another member state of the European Free Trade Association or from the Faroe Islands are allowed to own and manage enterprises engaged in fish auctioning in Iceland. ³
Purpose or motivation of the measure:	The reservation on fish auctioning is an integral part of retaining control in the field of fishing and whaling. The relative economic importance of the fishing industry for Iceland, with fish and fish products constituting around half of the country's foreign earnings, as well as Iceland's determination to maintain a sustained yield from its fishing stocks. The control and surveillance regarding the preservation of Icelandic fish stocks needs to be under Icelandic jurisdiction.

³

The exclusion of citizenship and legal entity criteria for residents of an EEA Member State, an EFTA State or the Faroe Islands is not a reservation on national treatment, but the sentence is included to give an exhaustive description of the measure.

ICELAND

Sector:	Energy
Sub-sector:	Energy production and distribution
Legal source or authority of the measure:	Law No. 34/1991 on Investment by Non-Residents in Business Enterprises.
Succinct description of the measure:	Only Icelandic citizens and legal entities, and citizens and legal entities from another member state of the European Economic Area, from another member state of the European Free Trade Association or from the Faroe Islands, can own the right to harness hydroelectric and geothermal power other than for own personal home use. ⁴ The same applies to investment in enterprises engaged in power production and power distribution.
Purpose or Motivation of the Measure:	Apart from the fish stock, hydroelectric power and geothermal power are Iceland's most important natural resources. Their utilisation need to be centrally administered through licensing and co-generation agreements. The power production and power distribution are public utilities which to a large degree operate as public monopolies.

⁴

The exclusion of citizenship and legal entity criteria for residents of an EEA Member State, an EFTA State or the Faroe Islands is not a reservation on national treatment, but the sentence is included to give an exhaustive description of the measure.

APPENDIX 3 TO ANNEX XIV

REFERRED TO IN ARTICLE 6.4

RESERVATIONS BY LIECHTENSTEIN

LIECHTENSTEIN

Sector:	All sectors
Sub-sector:	-
Legal source or authority of the measure:	<i>Gewerbegesetz</i> (Act on Commercial Law) of 10 December 1969, LR (Systematic Collection of Liechtenstein Law) 930.1, and relevant laws as mentioned in Article 2, paragraph 1 of that Act, as well as relevant Parliament or Government decisions.
Succinct description of the measure:	The establishment of a commercial presence by a juridical person (including branches) is subject to the requirement that no objection for reasons of national economy is made (balanced proportion of national and foreign capital; balanced ratio of foreigners in comparison with the number of resident population; balanced ratio of total number of jobs in the economy in comparison with the number of the resident population; balanced geographic situation; balanced development of the national economy, between and within the sectors).
Purpose or motivation of the measure:	To ensure a balanced development of the national economy taking into account the specific geographic situation of the country, its limited resources and the small labour market.

LIECHTENSTEIN

Sector:	All sectors
Sub-sector:	-
Legal source or authority of the measure:	<i>Gewerbegesetz</i> (Commercial Law Act) of 10 December 1969, LR 930.1; <i>Personen- und Gesellschaftsrecht</i> (Company Law) of 20 January 1926, LR 216.0.
Succinct description of the measure:	The establishment of a commercial presence by an individual is subject to the requirement of prior residence during a certain period of time and of permanent domicile in Liechtenstein. The establishment of a commercial presence by a juridical person (including branches) is subject to the following requirements: At least one of the managers has to fulfil the requirements of prior residence during a certain period of time and of permanent domicile in Liechtenstein. The majority of the administrators (authorised to manage and represent the juridical person) must be residents in Liechtenstein and have either to be Liechtenstein citizens or have prior residence during a certain period of time in Liechtenstein. The general and the limited partnership have to fulfil the same conditions as corporations with limited liability (juridical person). In addition, the majority of the associates have to be Liechtenstein citizens or to have prior residence during a certain period of time in Liechtenstein. The Liechtenstein company law does not prohibit joint stock companies from foreseeing in their articles of incorporation the preclusion or limitation of the transfer of registered shares.
Purpose or motivation of the measure:	To facilitate judicial proceedings.

LIECHTENSTEIN

Sector:	All sectors
Sub-sector:	-
Legal source or authority of the measure:	<i>Grundverkehrsgesetz</i> (Law on the acquisition of real estate) of 9 December 1992, LR 214.11.
Succinct description of the measure:	All acquisitions of real estate are subject to authorisation. Such authorisation is granted only if an actual and proven requirement for living or business purposes is given and a certain period of residence has been completed. Non-residents are excluded from the acquisition of real estate.
Purpose or motivation of the measure:	Extreme scarcity of available land. Preservation of access to real estate for the resident population and maintenance of a balanced geographic situation.

LIECHTENSTEIN

Sector:	Power and Energy sector
Sub-sector:	-
Legal source or authority of the measure:	Not applicable
Succinct description of the measure:	Liechtenstein reserves the right to maintain or adopt any measure with respect to the power and energy sector.
Purpose or motivation of the measure:	Energy policy considerations.

APPENDIX 4 TO ANNEX XIV

REFERRED TO IN ARTICLE 6.4

RESERVATIONS BY NORWAY

NORWAY

Sector:	All sectors
Sub-sector:	-
Legal source or authority of the measure:	Companies Act of 13 June 1997 No. 44 (<i>aksjeloven</i>) and Joint Stock Public Companies Act of 13 June 1997, No. 45 (<i>allmennaksjeselskapsloven</i>).
Succinct description of the measure:	The general manager in a joint stock company and at least half of the members of the board of directors and of the corporate assembly must be residents of Norway. The residency criteria do not apply to nationals of a European Economic Area (EEA) Member State who are permanent residents of one of these States. ¹ The Ministry of Trade, Industry and Fisheries may grant exemptions from this provision.
Purpose or motivation of the measure:	The resident criteria are based on reasons of jurisdiction, in order to ensure that the persons responsible for the company's affairs are accessible.

¹ The exclusion of the residency criteria for permanent residents of an EEA Member State is not a reservation on national treatment, but the sentence is included to give an exhaustive description of the measure.

NORWAY

Sector:	Power and Energy sector
Sub-sector:	-
Legal source or authority of the measure:	Not applicable
Succinct description of the measure:	Norway reserves the right to maintain or adopt any measure with respect to the power and energy sector.
Purpose or motivation of the measure:	Energy policy considerations.

NORWAY

Sector:	Repair of Transport Equipment sector
Sub-sector:	-
Legal source or authority of the measure:	Not applicable
Succinct description of the measure:	Norway reserves the right to maintain or adopt any measure with respect to the repair of transport equipment sector in Chapter 6 (Establishment), as all activities in this sector shall be treated as services under the Agreement.
Purpose or motivation of the measure:	To ensure the policy that any commitments in this area are adopted in Chapter 5 (Trade in Services) of the Agreement.

NORWAY

Sector:	Fishing and fish processing
Sub-sector:	-
Legal source or authority of the measure:	Marine Resources Act of 6 June 2008, No. 37 Regulation of Participation in Fishing Act of 26 March 1999, No. 15. Economic Zone Act of 17 December 1976, No. 91. The Fishing Limit Act of 17 June 1966, No. 19.
Succinct description of the measure:	A concession to acquire a fishing vessel or share in a company which owns such vessels can only be given to a Norwegian citizen or a body that can be defined as a Norwegian citizen. A company is regarded as having equal rights with a Norwegian citizen when its main office is situated in Norway and the majority of the Board, including the Chair of the Board, are Norwegian citizens and have stayed in the country the last two years. Norwegian citizens also have to own a minimum of 60% of the shares and have to be authorised to vote for at least 60% of the votes. Ownership to the fishing fleet shall be reserved for professional fishermen. To obtain the right to own a fishing vessel, one has to have a record of active, professional fishing on a Norwegian fishing boat for at least three of the last five years. It is prohibited for other persons than Norwegian nationals or companies, as defined above, to process, pack or transship fish, crustaceans and molluscs or parts and products of these inside the fishing limits of the Norwegian Economic Zone. This applies to catches from both Norwegian and foreign vessels. Exceptions are granted under special circumstances.
Purpose or motivation of the measure:	Resource conservation and management.

NORWAY

Sector:	All sectors
Sub-sector:	-
Legal source or authority of the measure:	Not applicable
Succinct description of the measure:	Collective copyright and neighbouring rights' management systems; royalties, levies, grants and funds.
Purpose or motivation of the measure:	To preserve and promote linguistic and cultural diversity in Norway.

NORWAY

Sector:	All sectors
Sub-sector:	-
Legal source or authority of the measure:	Not applicable
Succinct description of the measure:	Norway reserves the right to apply measures inconsistent with Article 6.3 of the Agreement for the imposition, enforcement or collection of direct taxes in so far as such measures do not contravene any tax treaty which is in force between Norway and Georgia.
Purpose or motivation of the measure:	Taxation policy considerations

APPENDIX 5 TO ANNEX XIV

REFERRED TO IN ARTICLE 6.4

RESERVATIONS BY SWITZERLAND

SWITZERLAND

Sector:	All sectors
Sub-sector:	-
Legal source or authority of the measure:	Federal Act of 30 March 1911 (Code of Obligations) supplementing the Swiss Civil Code (Systematic Collection of Federal Laws and Regulations, RS 220).
Succinct description of the measure:	For a “corporation” (<i>société anonyme/ Aktiengesellschaft</i>), a “corporation with unlimited partners” (<i>société en commandite par actions/ Kommanditaktiengesellschaft</i>), a “limited liability company” (<i>société à responsabilité limitée/ Gesellschaft mit beschränkter Haftung</i>) and a “cooperative” (<i>société cooperative/ Genossenschaft</i>) at least one member of the governing body of the legal person or another person with the right to represent the legal person must be domiciled in Switzerland. A foreign legal person may also establish one or several branch offices in Switzerland. At least one person of the branch office with the right to represent the branch office must be domiciled in Switzerland.
Purpose or motivation of the measure:	To facilitate judicial proceedings.

SWITZERLAND

Sector:	All sectors
Sub-sector:	-
Legal source or authority of the measure:	Federal Act of 16 December 1983 on the Acquisition of Real Estate by Persons Abroad (RS 211.412.41).
Succinct description of the measure:	Acquisition of real estate by persons abroad is subject to authorisation by the relevant cantonal authority. For the purpose of a permanent business establishment or a main residence, authorization is granted upon verification of the purpose.
Purpose or motivation of the measure:	Scarcity of available land.

SWITZERLAND

Sector:	Energy
Sub-sector:	Oil Prospection and Exploitation
Legal source or authority of the measure:	Concordat of 24 September 1955 on Oil Prospecting and Exploitation.
Succinct description of the measure:	The inter-cantonal agreement (among 10 cantons) stipulates that oil concessions may be granted only to companies that are at least 75 percent Swiss-owned. Other cantons apply similar restrictions.
Purpose or motivation of the measure:	Energy policy considerations and national security.

SWITZERLAND

Sector:	Energy
Sub-sector:	Nuclear energy
Legal source or authority of the measure:	Federal Act of 21 March 2003 on Atomic Energy (RS 732.1).
Succinct description of the measure:	A concession to construct and operate nuclear facilities is granted only to a corporation, a cooperative or a legal person of public law. A foreign company must have a registered subsidiary in Switzerland. Without prejudice to international obligations, the Federal Council may refuse the concession to a foreign company if its home state does not grant reciprocity.
Purpose or motivation of the measure:	Energy policy considerations and national security.

SWITZERLAND

Sector:	Energy
Sub-sector:	Hydroelectric power
Legal source or authority of the measure:	Federal Act of 22 December 1916 on the Uses of Hydroelectric Power (RS 721.80).
Succinct description of the measure:	When granting concessions, cantons take public interest considerations into account (they may in particular require the concession-holder to have its registered office in the relevant canton).
Purpose or motivation of the measure:	Energy policy considerations and national security.

SWITZERLAND

Sector:	Energy
Sub-sector:	Pipelines
Legal source or authority of the measure:	Federal Act of 4 October 1963 on Pipelines for Liquid or Gaseous Fuels (RS 746.1).
Succinct description of the measure:	For foreign-owned or controlled companies a registered office and management presence in Switzerland is required.
Purpose or motivation of the measure:	Energy policy considerations and national security.
