

ANNEX VII

REFERRED TO IN PARAGRAPH 3 OF ARTICLE 84

SCHEDULES OF SPECIFIC COMMITMENTS

ANNEX VII REFERRED TO IN PARAGRAPH 3 OF ARTICLE 84

ICELAND – SCHEDULES 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
Unless otherwise indicated, the classification of services sectors are based on the 1991 Provisional Central Product Classification of the United Nations Statistical Office.			
I. HORIZONTAL COMMITMENTS			
ALL SECTORS INCLUDED IN THIS SCHEDULE	3) All foreign currency transfers must be reported to the Central Bank of Iceland for statistical purposes Service providers shall inform the Ministry of Commerce of investments made by non-residents in business enterprises in Iceland and the Central Bank of Iceland of investments made by non-residents in securities in Iceland.	3) Treatment accorded to subsidiaries of third-country companies formed in accordance with the law of an EEA Member State or an EFTA Member State and having their registered office, central administration or principal place of business within an EEA Member State or an EFTA Member State may be extended to branches or agencies established in an EEA Member State or an EFTA Member State by a third-country company if they show that they possess an effective and continuous link with the economy of one of the EEA Member States or an EFTA Member State	

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
	All foreign investment of a Foreign State or companies/organizations owned by a Foreign State requires a special concession of the Ministry of Commerce Non-residents cannot conclude an agreement on real-estate lease without the permission of the Ministry of Justice if the lease is for a period exceeding three years and not for use in conducting its normal business activities	The majority of founders of limited liability companies must be resident in Iceland unless exempted from this requirement by the Ministry of Commerce. Citizens of other EEA and EFTA Member States are exempted from the residency requirement Managers and the majority of the members of the board of directors in all domestic enterprises must be resident in Iceland unless exempted from this requirement by the Ministry of Commerce. Citizens of other EEA and EFTA Member States are exempted from the residency requirement At least one of the auditors of an Icelandic limited liability company must be a resident in Iceland or a competent resident CPA company	
		Non-residents may only acquire real estate in conjunction to their business activities and can only obtain ordinary proprietary rights linked to the real estate. Non-residents are thus excluded from obtaining full property rights of real estate if unusual rights are linked to it, such as exploitation rights as regards waterfalls, geothermal energy, etc	

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
		Contracts concerning ownership and long-term use of real-estate by non-residents are not valid until the Ministry of Justice has endorsed it in writing	
All sectors: Movement of personnel	Temporary entry of service providers 4) Unbound except the temporary entry of the following service providers as intra-corporate transferees, which Iceland shall permit without requiring compliance with labour market tests: <u>Executives</u>: persons who primarily direct the management of the organization covered by the agreement and establish its goals and generally have a wide decision-making authority. Executives would not necessarily perform tasks related to the actual provision of the service.	Temporary entry of service providers 4) Unbound except for measures concerning the categories of natural persons referred to in the market access column.	

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
	<u>Managers</u>: persons who direct the Organization covered by the agreement or its department and are in a senior level responsible of the service providing functions of the organization by supervising and controlling and having also authority to hire and fire personnel or recommend such and other personnel actions.		
	<u>Specialists</u>: persons within the organization who possess knowledge at an advanced level of expertise or otherwise essential or proprietary to the organization's service, research equipment, techniques or management. <u>Service sellers</u>: persons who as representatives of a service provider covered by the agreement are seeking temporary entry for purposes of negotiation for the sale of services or entering into agreements to sell services for that service provider, where this selling activity is not directed to the general public.		

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
All sectors: Subsidies (The issue of a definition of subsidies remains to be determined in the context of negotiations under Article XV of the GATS).	3) None	3) Eligibility for subsidies may be limited to juridical persons established within the territory of Iceland. Subsidies related to research and development are unbound.	
	4) None	4) Subsidies available only to natural persons may be limited to Icelandic citizens.	

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			
1. BUSINESS SERVICES			
A. <u>Professional Services</u>			
Legal Services (Applicable parts of CPC 861)			
- Legal advice activities on home country law	1) None 2) None 3) Members of the General Bar Association of Iceland have an exclusive right to represent clients before courts in Iceland. 4) Unbound except as indicated in the horizontal section.	2) None 1),3) Unbound 4) Unbound except as indicated in the horizontal section. Icelandic law exam or an equivalent thereto.	
- Legal advice on international law and foreign legal consultancy	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) None	

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
(b)	Accounting, auditing and book-keeping services (CPC 862)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	Icelandic exam for certified accountants (CPA's) required or an equivalent thereto	
(c)	Taxation services (CPC 863)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	
(d)	Architectural services (CPC 8671)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	
(e)	Engineering services (CPC 8672)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	
(f)	Integrated Engineering services (CPC 8673)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	

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Sector or Sub-sector		Limitations on Market Access		Limitations on National Treatment		Additional Commitments
(g)	Urban planning and landscape architectural services (CPC 8674)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	
(i)	Veterinary services (CPC 932)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	Ability in the Icelandic language required.	
		4)	Unbound except as indicated in the horizontal section. Number of veterinarians in rural districts is limited.	4)	Ability in the Icelandic language required.	

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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) Unbound except as indicated in the horizontal section		1) None 2) None 3) None 4) None		
(b)	Software development (including software implementation) (CPC 842)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		1) None 2) None 3) None 4) None		
(c)	Data processing services (CPC 843)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		1) Concession needed if personal-data is to be processed outside Icelandic jurisdiction 2) None 3) None 4) None		
(d)	Data base services (CPC 844)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		1) Concession needed if personal-data is to be processed outside Icelandic jurisdiction 2) None 3) None 4) None		

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(e) Other - Maintenance and repair services of office machinery and equipment including computers (CPC 845) - Other computer services (CPC 849) C. <u>Research and development Services</u>	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) Concession needed if personal-data is to be processed outside Icelandic jurisdiction 2) None 3) None 4) None	
(a) R&D services on Natural Sciences (CPC 851)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1),2) A license is needed for the importation of research equipment. Natural history specimens must not be exported from the country unless permitted by the Icelandic Institute of Natural History ("Náttúrufræðistofnun Íslands"). 3),4) None.	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(b) R&D services on social sciences and humanities (CPC 852)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1),2) Archaeological finds must not be exported from the country unless permitted by the Museum Council ("Safnaráð") 3),4) All archaeological research whether by Icelandic or foreign researchers is subject to a permit granted by the Archaeological Preservation Agency ("Fornleifanefnd ríkisins")	
(c) Interdisciplinary R&D services (CPC 853) D. <u>Real Estate Services</u> (a) Real estate services involving own or leased property (CPC 821)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section 1) None 2) None 3) Deposits or liability insurance to cover loss caused to clients. All licenses to provide services on sales of real estate are personal authorizations. 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) None 1) None 2) None 3),4) Condition of one year previous residency in order to obtain licence to provide services in residential building and land sales, and other related intermediary services for purchase and sale of real-estate	

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
(b)	On a Fee or Contract basis (CPC 822)	1)	None	1)	None	
		2)	None	2)	None	
		3)	Deposits or liability insurance to cover loss caused to clients. All licences to provide services on sales of real-estate are personal authorization.	3),4)	Condition of one year previous residency in order to obtain licence to provide services in residential building and land sales, and other related intermediary services for purchase and sale of real-estate	
		4)	Unbound except as indicated in the horizontal section			
E.	<u>Rental/Leasing Services without Operators</u>	1)	None	1)	None	
		2)	None	2)	None	
		3)	Leasing services must be provided either by corporation with a limited liability (leasing companies) or registered commercial banks or savings banks	3)	Majority of the board of a leasing company shall be resident in Iceland. The manager shall be resident in Iceland and a citizen of a Nordic Country.	
		4)	Unbound except as indicated in the horizontal section	4)	None	
(a)	Relating to ships (CPC 83103)	1)	None	1)	None	
		2)	None	2)	None	
		3)	To be registered in the ship register the ship must be owned by Icelandic natural or juridical persons who are resident in Iceland. Further nationality restrictions on fishing vessels.	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	

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
(b)	Relating to aircraft (CPC 83104)	1)	None	1)	None	
		2)	None	2)	None	
		3)	To be registered in the aircraft register the aircraft must be owned by Icelandic natural or juridical persons resident in Iceland	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	
(c)	Relating to other transport equipment (CPC 83101 + 83102 + 83105)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	Residency requirement for car rental services	
		4)	Unbound except as indicated in the horizontal section	4)	Residency requirement for car rental services	
(d)	Relating to other machinery and equipment (CPC 83106 - 83109)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	
(e)	Other (CPC 832)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	
F.	<u>Other Business Services</u>					

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Sector or Sub-sector		Limitations on Market Access		Limitations on National Treatment		Additional Commitments
(a)	Advertising services (CPC 871)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	
(b)	Market research and public opinion polling services (CPC 864)	1)	None	1)	Concession needed if personal data is to be processed outside Icelandic jurisdiction	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	
(c)	Management consulting services (CPC 865)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	
(d)	Services related to man. consulting (CPC 866)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	
(e)	Technical testing and analysis services (CPC 8676)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	

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Sector or Sub-sector		Limitations on Market Access		Limitations on National Treatment		Additional Commitments
(f)	Services incidental to agriculture, hunting and forestry (CPC 881)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	
(i)	Services incidental to manufacturing (CPC 884 + 885 /except for 88442)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	
(k)	Placement and supply services of personnel (CPC 872)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	
(m)	Related scientific and technical consulting services (CPC 8675)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	
(n)	Maintenance and repair of equipment (CPC 633+8861-8866; not including maritime vessels, aircraft or other transport equipment)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	

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Sector or Sub-sector		Limitations on Market Access		Limitations on National Treatment		Additional Commitments
(o)	Building-cleaning services (CPC 874)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	
(p)	Photographic services (CPC 875)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	
(q)	Packaging services (CPC 876)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	
(r)	Printing and publishing (CPC 88442)	1)	None	1)	None	
		2)	None	2)	None	
		3)	Residency requirement for publishing of newspapers or magazines within the national territory. Residency requirement for editors	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	

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
(s) Convention services (CPC 87909)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section.	1) None 2) None 3) None 4) None	

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
2. COMMUNICATION SERVICES			
C. <u>Telecommunication Services</u>			
(a) Voice telephony	1) None	1) None	
(b) Packet-switched data transmission services	2) None 3) None 4) Unbound except as indicated in the horizontal section	2) None 3) None 4) Unbound except as indicated in the horizontal section	
(c) Circuit-switched data transmission services			
(d) Telex services			
(e) Telegraph services			
(f) Facsimile services			
(g) Leased circuit services			
(o) Other			
- Mobile and personal communications services and systems			

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
3.	Value-added services ¹	1)	None	1)	None	
	Electronic mail,	2)	None	2)	None	
	Voice mail, On-line information and Data Base Retrieval, EDI, Code and Protocol Conversion	3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	
CONSTRUCTION AND RELATED ENGINEERING SERVICES						
A.	<u>General Construction Work for Buildings</u> (CPC 512)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section.	4)	None	
B.	<u>General Construction Work for Civil Engineering</u> (CPC 513)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	

¹ Excludes voice telephony, telegraph, telex, packet and circuit switched data services, mobile radiotelephony, paging and satellite services.

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Sector or Sub-sector		Limitations on Market Access		Limitations on National Treatment		Additional Commitments
C.	<u>Installation and Assembly Work</u> (CPC 514+516)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	
D.	<u>Building Completion and Finishing Work</u> (CPC 517)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	
4.	DISTRIBUTION SERVICES (excluding trade in arms, alcoholic beverages, tobacco and pharmaceutical products)					
A.	<u>Commissions Agents' Services</u> (CPC 621)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	
B.	<u>Wholesale Trade Services</u> (CPC 622)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	

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Sector or Sub-sector		Limitations on Market Access		Limitations on National Treatment		Additional Commitments
C.	Retailing Services (CPC 631+632 + 6111 + 6113 + 6121)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	
D.	Franchising (CPC 8929)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	
6. ENVIRONMENTAL SERVICES						
A.	<u>Sewage Services</u> (CPC 9401)	1)	Unbound*	1)	Unbound*	
		2)	None	2)	None	
		3)	Environmental operation license required	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	

* Unbound due to lack of technical feasibility.

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Sector or Sub-sector		Limitations on Market Access		Limitations on National Treatment		Additional Commitments
B.	<u>Refuse Disposal Waste</u> (CPC 9402)	1)	Unbound*	1)	Unbound*	
		2)	None	2)	None	
		3)	Environmental operating license required	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	
C.	<u>Sanitation and Similar Services</u> (CPC 9403)	1)	Unbound*	1)	Unbound*	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	
D.	Other (9409)	1)	Unbound*	1)	Unbound*	
		2)	None	2)	None	
		3)	Environmental operating license required	3)	None	
		4)	Unbound except as indicated in the horizontal section.	4)	None	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
7. FINANCIAL SERVICES (i) Iceland undertakes commitments on financial services in accordance with the "Understanding on Commitments in Financial Services" (the Understanding). (ii) Market access commitments with respect to modes 1) and 2) and bound in this Schedule to the extent of the obligations in B.3 and B.4 of the Understanding.			
A. <u>Insurance and Insurance related Services</u>	1) The supply of direct insurance is reserved for Icelandic insurance undertakings or authorized insurance undertakings from another EEA and EFTA Member State. The supply of insurance broker services is reserved for insurance brokers authorized by the Ministry of Commerce or insurance brokers authorized by competent authorities of another EEA Member State or an EFTA Member State.	1) None	

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
	2) None 3) Insurance undertakings not established in an EEA Member State or an EFTA Member State require authorization to establish branch offices in Iceland.	2) None 3) The majority of the founders of an insurance undertaking must be Icelandic residents or legal entities registered in Iceland, citizens of another EEA or EFTA Member State residing in an EEA or EFTA Member State or legal entities registered in an EEA or EFTA Member State. Managers and board members of insurance undertakings shall be resident in Iceland. Citizens of other EEA and EFTA Member States are exempted from the residency requirement. The Minister of Commerce may grant exemptions from this requirement.	

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
B. <u>Banking and Other Financial Services</u> (excluding insurance)	Any investor, whether resident or non-resident, who acquires or intends to acquire a qualifying holding in an insurance undertaking must give advance notice to the Financial Supervisory Authority. The Authority may refuse the acquisition or the exercise of ownership if it believes that the acquisition will affect the sound functioning of the enterprise.	Branch offices of non-EEA insurance undertakings must be managed by a resident agent. Insurance brokers must be resident in Iceland or citizens or legal entities of another EEA Member State or an EFTA Member State residing in an EEA Member State or an EFTA Member State. The Minister of Commerce may grant exemptions from this requirement.	
	4) Unbound except as indicated in the horizontal section.	4) None	
	1) None	1) Domestic financial institutions shall inform the Central Bank of Iceland of the balances of service providers' accounts held by non-residents.	
	2) None 3) Credit institutions and undertakings engaged in securities services established in a non-EEA Member State or an EFTA Member State can establish a branch or a representative office, subject to authorization by the Financial Supervisory Authority, FME.	2) None 3) A founder of a credit institution shall be a natural or legal person resident in Iceland. The Minister of Commerce can grant exemptions from this requirement. Citizens and legal persons of other EEA and EFTA Member States are exempted from the residency requirement	

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
	Credit institutions and undertakings engaged in securities services can only be established as companies with limited liability. Commercial banks and savings banks have exclusive rights to accept deposits and other repayable funds from the public. Public issue of securities shall be conducted by securities undertakings or other parties authorized to provide such services.	Managers and the majority of the board members of credit institutions and undertakings engaged in securities services and UCITS shall be resident in Iceland. Citizens of other EEA and EFTA Member States are exempted from the residency requirement. The Minister of Commerce may grant citizens of non-EEA Member States or non-EFTA Member States the same exemptions. Service providers shall inform the Ministry of Commerce of investments made by non-residents in business enterprises in Iceland and the Central Bank of Iceland of investments made by non-residents in securities in Iceland.	
	4) Unbound except as indicated in the horizontal section.	4) None	

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
9. TOURISM AND TRAVEL RELATED SERVICES			
A. <u>Hotels and Restaurants (including catering)</u> (CPC 641-643)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) Condition of licences is residence. 4) Condition of licences is residence.	
B. <u>Travel Agencies and Tour Operators</u> (CPC 7471)	1) None 2) None 3) Deposits or liability insurance to cover loss caused to clients due to bankruptcy 4) Unbound except as indicated in the horizontal section	1) None 2) None 3),4) Condition of licences is residence of the manager	
C. <u>Tourist Guides Services</u> (CPC 7472)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) The right to exercise the profession is reserved for resident tourist guides. Non-resident tourist guides may be granted temporary work permit on ad hoc basis.	

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
10.	RECREATIONAL CULTURAL AND SPORTING SERVICES (other than audiovisual services)			
A.	<u>Entertainment Services</u> (including theatre, live bands and circus services) (CPC 9619)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) Targeted financial support to specific local, regional or national activities. 4) None	
B.	<u>News Agency Services</u> (CPC 962)	1),2),3) None other than access to management functions is subject to discretionary authorizations by competent authorities 4) Condition of residency for the editor of a paper or magazine. Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) None	

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
C.	<u>Libraries,</u> <u>Archives,</u> <u>Museums and other</u> <u>Cultural Services</u> (CPC 963)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	Targeted financial support to specific local, regional or national activities	
		4)	Unbound except as indicated in the horizontal section	4)	None	
D.	Sporting and other Recreational Services (CPC 964)	1)	None	1)	None	
		2)	None	2)	None	
		3)	Gambling, coin machines and like activities are subject to licensing. Professional boxing is illegal but amateur boxing is allowed.	3)	Targeted financial support to specific local, regional or national activities	
		4)	Unbound except as indicated in the horizontal section	4)	None	

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
11. TRANSPORT SERVICES			
A. <u>Maritime Transport Services</u> International transport (freight and passengers) CPC 7211 and 7212 <u>including</u> Cabotage transport 1).	1) None 2) None 3)(a) Establishment of a registered company for the purpose of operating a fleet under Icelandic flag: Unbound except as indicated in the horizontal section. (b) Other forms of commercial presence 2): None. 4)(a) Ships' crew: Unbound except as indicated in the horizontal section. (b) Key personnel employed in relation to a commercial presence as defined under mode 3(b) above: Unbound except as indicated in the horizontal section.	1) None 2) None 3)(a) Unbound (b) None 4)(a) Unbound (b) Unbound	

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
<u>Maritime Auxiliary Services</u>			
- Maritime Cargo Handling Services 3)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) None	
- Storage and Warehousing Services (CPC 742); Customs Clearance Services 4); Container Station and Depot 5)	1) Unbound* 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) Unbound* 2) None 3) None 4) None	
- Maritime Agency Services 6); Freight Forwarding Services 7)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) None	
- Other Supporting and Auxiliary Transport Services 8)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) None	

* A commitment on this mode of delivery is not feasible.

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
Auxiliary Services as required by Maritime Transport Operators:			The following services are made available to international maritime transport suppliers on reasonable and non-discriminatory terms and conditions: 1. Pilotage 2. Towing and tug assistance 3. Provisioning, fuelling, watering 4. Garbage collecting, ballast waste disposal 5. Port Captain's services 6. Navigation aids 7. Shore-based operational services essential to ship operations, incl. communications, water, electrical supplies 8. Emergency repair facilities 9. Anchorage, berth, berthing services 10. Container handling, storage and warehousing, freight transport.

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
			Where road, coastal shipping and related auxiliary services are not otherwise fully covered in this schedule, a multimodal transport operator shall have the ability to rent, hire or charter trucks and related equipment for the purpose of inland forwarding of international cargoes carried by sea, or have access to and use of such multimodal activities for the purpose of providing multimodal transport services.

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
C. <u>Air Transport Services</u>					
Maintenance and repair of aircraft and parts thereof	1)	Unbound*	1)	Unbound*	
	2)	None	2)	None	
	3)	None	3)	None	
	4)	Unbound except as indicated in the horizontal section	4)	None	
Sales and marketing	1)	None	1)	None	
	2)	None	2)	None	
	3)	None	3)	None	
	4)	Unbound except as indicated in the horizontal section	4)	None	
Computer Reservations System	1)	None	1)	None	
	2)	None	2)	None	
	3)	None	3)	None	
	4)	Unbound except as indicated in the horizontal section	4)	None	

* Unbound due to lack of technical feasibility

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
F.	<u>Road Transport Services</u>					
(a)	Passenger transportation (CPC 7121 + 7122)	1) None 2) None 3) Authorization required for commercial land transport services. Numerical quotas may be imposed as well as exclusive licenses for certain areas or routes. 4) Unbound except as indicated in the horizontal section		1) None 2) None 3) None 4) None		
(b)	Freight transportation (CPC 7123)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		1) None 2) None 3) None 4) None		
(c)	Rental of commercial vehicles with operator (CPC 7124)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		1) None 2) None 3) None 4) None		
(d)	Maintenance and repair of road transport equipment (CPC 6112+8867)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		1) None 2) None 3) None 4) None		

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
(e)	Supporting services for road transport services (CPC 744)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	
H.	<u>Services auxiliary to all modes of transport</u>					
(b)	Storage and warehousing services (CPC 742)	1)	Unbound*	1)	Unbound*	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	
(c)	Freight transport agency services (CPC 748)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	
d)	Other (CPC 749)	1)	None	1)	None	
		2)	None	2)	None	
		3)	None	3)	None	
		4)	Unbound except as indicated in the horizontal section	4)	None	

* Unbound due to lack of technical feasibility.

Additional Commitments by Iceland

Scope

The following are definitions and principles on the regulatory framework for the basic telecommunications services underpinning the market access commitments by Iceland.

Definitions

Users mean service consumers and service suppliers.

Essential facilities mean facilities of a public telecommunications transport network and service that

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

A major supplier 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, alone 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.

2.2 Interconnection to be ensured

Within the limits of permitted market access, interconnection with a major supplier will be ensured at any technically feasible point in the network. Such interconnection is provided¹:

- (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 affiliates²,
- (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.

¹ Suppliers of services or networks not generally available to the public, such as closed user groups, have guaranteed rights to connect with the public telecommunications transport network or services on terms, conditions and rates which are non-discriminatory, transparent and cost-oriented. Such terms, conditions and rates may, however, vary from the terms, conditions and rates applicable to interconnection between public telecommunications networks or services.

² Different terms, conditions and rates may be set in Iceland for operators in different market segments, on the basis of non-discriminatory and transparent national licensing provisions, where such differences can be objectively justified because these services are not considered "like services".

4. Public availability of licensing criteria

Where a licence 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 application for a licence and
- (b) the terms and conditions of individual licences.

The reasons for the denial of a licence 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, numbers 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

NOTES TO MARITIME TRANSPORT

"Reasonable and non-discriminatory terms and conditions" means, for the purpose of multimodal transport operations, the ability of the multimodal transport operator to arrange for the conveyance of its merchandise on a timely basis, including priority over other merchandise which has entered the port at a later date. A "multimodal transport operator" means the person on whose behalf the bill of lading/multimodal transport document, or any other document evidencing a contract of multimodal carriage of goods, is issued and who is responsible for the carriage of goods pursuant to the contract of carriage.

1. "Cabotage" is defined as maritime transport of goods and passengers between ports in Iceland.
2. "Other forms of commercial presence for the supply of international maritime transport services" means the ability for international maritime transport service suppliers of the other Members to undertake locally all activities, which are necessary for the supply to their customers of a partially or fully integrated transport service, within which the maritime transport constitutes a substantial element. (This commitment shall however not be construed as limiting in any manner the commitments undertaken under the cross-border mode of delivery).

These activities include, but are not limited to:

- (a) marketing and sales of maritime transport and related services through direct contact with customers, from quotation to invoicing, these services being those operated or offered by the service supplier itself or by service suppliers with which the service seller has established standing business arrangements;
 - (b) the acquisition, on their own account or on behalf of their customers (and the resale to their customers) of any transport and related services, including inward transport services by any mode, particularly inland waterways, road and rail, necessary for the supply of the integrated service;
 - (c) the preparation of documentation concerning transport documents, customs documents, or other documents related to the origin and character of the goods transported;
 - (d) the provision of business information by any means, including computerised information systems and electronic data interchange (subject to the provisions of the annex on telecommunications);
 - (e) the setting of any business arrangements (including participation in the stock of a company) and the appointment of personnel recruited locally (or, in the case of foreign personnel, subject to the horizontal commitment on movement of personnel) with any locally established shipping agency;
 - (f) acting on behalf of the companies, organising the call of the ship or taking over cargoes when required.
3. "Maritime cargo handling services" means activities exercised by stevedore companies, including terminal operators, but not including the direct activities of dockers, when this workforce is organized independently of the stevedoring or terminal operator companies. The activities covered include the organisation and supervision of:
 - the loading/discharging of cargo to/from a ship;
 - the lashing/unlashing of cargo;
 - the reception/delivery and safekeeping of cargoes before shipment or after discharge.

4. "Customs clearance services" (alternatively "customs house brokers' services") means activities consisting in carrying out on behalf of another party customs formalities concerning import, export or through transport of cargoes, whether this service is the main activity of the service provider or a usual complement of its main activity.

5. "Container station and depot services" means activities consisting in storing containers, whether in port areas or inland, with a view to their stuffing/stripping, repairing, and making them available for shipments.

6. "Maritime agency services" means the activities consisting in representing, within a given geographic area, as an agent the business interests of one or more shipping lines of shipping companies, for the following purposes:

- marketing and sales of maritime transport and related services, from quotation to invoicing, and issuance of bills of lading on behalf of the companies; acquisition and resale of the necessary related services, preparation of documentation, and provision of business information;
- acting on behalf of the companies organising the call of the ship or taking over cargoes when required.

7. "Freight forwarding services" means the activity consisting of organising and monitoring shipment operations on behalf of shippers, through the acquisition of transport and related services, preparation of documentation and provision of business information.

8. "Other supporting and auxiliary transport services" means freight brokerage services; bill auditing and freight rate information services; transportation document preparation services; packing and crating and unpacking and de-crating services; freight inspection, weighing and sampling services; and freight receiving and acceptance services (including local pick-up and delivery).

ANNEX VII REFERRED TO IN PARAGRAPH 3 OF ARTICLE 84

THE PEOPLE'S REPUBLIC OF CHINA - 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	Limitation on national treatment	Additional commitments
I. HORIZONTAL COMMITMENTS			
ALL SECTORS INCLUDED IN THIS SCHEDULE	(3) In China, foreign invested enterprises include foreign capital enterprises (also referred to as wholly foreign-owned enterprises) and joint venture enterprises and there are two types of joint venture enterprises: equity joint ventures and contractual joint ventures.¹ The proportion of foreign investment in an equity joint venture shall be no less than 25 per cent of the registered capital of the joint venture. The establishment of branches by foreign enterprises is unbound, unless otherwise indicated in specific sub-sectors, as the laws and regulations on branches of foreign enterprises are under formulation. Representative offices of foreign enterprises are permitted to be established in China, but they shall not engage in any profit-making activities except for the representative offices under CPC 861, 862, 863, 865 in the sectoral specific commitments.	(3) Unbound for all the existing subsidies to domestic services suppliers in the sectors of audio-visual, aviation and medical services. Unbound for all the subsidies to domestic services suppliers in any new sector and sub-sector scheduled after China's Accession to the WTO.	

¹ The terms of the contract, concluded in accordance with China's laws, regulations and other measures, establishing a "contractual joint venture" govern matters such as the manner of operation and management of the joint venture as well as the investment or other contributions of the joint venture parties. Equity participation by all parties to the contractual joint venture is not required, but is determined pursuant to the joint venture contract. "Foreign invested enterprise" in this schedule means a foreign invested enterprise duly constituted or otherwise organized under "Law on Chinese-Foreign Equity Joint Ventures", "Law on Chinese-Foreign Contractual Joint Ventures" and "Law on Foreign-Capital Enterprises".

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	Limitation on national treatment	Additional commitments
	The conditions of ownership, operation and scope of activities, as set out in the respective contractual or shareholder agreement or in a licence establishing or authorizing the operation or supply of services by an existing foreign service supplier, will not be made more restrictive than they exist as of the date of China's accession to the WTO. Any new sector and sub-sector scheduled after China's accession to the WTO shall not be subject to the preceding sentence. The land in the People's Republic of China is State-owned. Use of land by enterprises and individuals is subject to the following maximum term limitations: (a) 70 years for residential purposes; (b) 50 years for industrial purposes; (c) 50 years for the purpose of education, science, culture, public health and physical education; (d) 40 years for commercial, tourist and recreational purposes; (e) 50 years for comprehensive utilization or other purposes. (4) Unbound except for measures concerning the entry and temporary stay of natural persons who fall into one of the following categories:	(4) Unbound except for the measures concerning the entry and temporary stay of natural persons who fall into the categories referred to in the market access column.	

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	Limitation on national treatment	Additional commitments
	(a) Managers, executives and specialists defined as senior employees of a corporation of a WTO Member that has established a representative office, branch or subsidiary in the territory of the People's Republic of China, temporarily moving as intra-corporate transferees, shall be permitted entry for an initial stay of three years; (b) Managers, executives and specialists defined as senior employees of a corporation of WTO Members, being engaged in the foreign invested enterprises in the territory of the People's Republic of China for conducting business, shall be granted a long-term stay permit as stipulated in the terms of contracts concerned or an initial stay of three years, whichever is shorter; (c) Service salespersons – persons not based in the territory of the People's Republic of China and receiving no remuneration from a source located within China, and who are engaged in activities related to representing a service supplier for the purpose of negotiation for the sale of services of that supplier where: (a) such sales are not directly made to the general public and (b) the salesperson is not engaged in supplying the service: entry for salespersons is limited to a 90-day period.		

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	Limitation on national treatment	Additional commitments
II. SPECIFIC COMMITMENTS			
A. Professional Services (a) Legal Services (CPC 861, excluding Chinese law practice)	(1) None (2) None (3) Foreign law firms can provide legal services only in the form of representative offices. Representative offices can engage in profit-making activities.	(1) None (2) None (3) All representatives shall be resident in China no less than six months each year. The representative office shall not employ Chinese national registered lawyers.	

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	Limitation on national treatment	Additional commitments
	Business scope of foreign representative offices is only as follows: (a) to provide clients with consultancy on the legislation of the country/region where the lawyers of the law firm are permitted to engage in lawyer's professional work, and on international conventions and practices; (b) to handle, when entrusted by clients or Chinese law firms, legal affairs of the country/region where the lawyers of the law firm are permitted to engage in lawyer's professional work; (c) to entrust, on behalf of foreign clients, Chinese law firms to deal with the Chinese legal affairs; (d) to enter into contracts to maintain long-term entrustment relations with Chinese law firms for legal affairs; (e) to provide information on the impact of the Chinese legal environment. Entrustment allows the foreign representative office to directly instruct lawyers in the entrusted Chinese law firm, as agreed between both parties.		

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	Limitation on national treatment	Additional commitments
(b) Accounting, auditing and bookkeeping services (CPC 862)	The representatives of a foreign law firm shall be practitioner lawyers who are members of the bar or law society in a WTO member and have practiced for no less than two years outside of China. The Chief representative shall be a partner or equivalent (e.g., member of a law firm of a limited liability corporation) of a law firm of a WTO member and have practiced for no less than three years outside of China. (4) Unbound except as indicated in horizontal commitments. (1) None (2) None (3) Partnerships or incorporated accounting firms are limited to Certified Public Accountants (CPAs) licensed by the Chinese authorities. (4) Unbound except as indicted in horizontal commitments.	(4) Unbound except as indicated in horizontal commitments. (1) None (2) None (3) None (4) Unbound except as indicted in horizontal commitments.	- Foreign accounting firms are permitted to affiliate with Chinese firms and enter into contractual agreements with their affiliated firms in other WTO Members. - Issuance of licenses to those foreigners who have passed the Chinese national CPA examination shall be accorded national treatment. - Applicants will be informed of results in writing no later than 30 days after submission of their applications.

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	Limitation on national treatment	Additional commitments
			- Accounting firms providing services in CPC 862 can engage in taxation and management consulting services. They will not be subject to requirements on form of establishment in CPC 865 and 8630.
(c) Taxation services (CPC 8630)	(1) None (2) None (3) Only in the form of joint ventures, with foreign majority ownership permitted. None, within six years of China's accession, foreign firms will be permitted to establish wholly foreign-owned subsidiaries. (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	
(d) Architectural services (CPC 8671)	(1) None for scheme design. Co-operation with Chinese professional organisations is required except scheme design.	(1) None	
(e) Engineering services (CPC 8672)	(2) None	(2) None	
(f) Integrated engineering services (CPC 8673)	(3) Only in the form of joint ventures, with foreign majority ownership permitted. Within five years after China's accession to the WTO, wholly foreign-owned enterprises will be permitted.	(3) Foreign service suppliers shall be registered architects/engineers, or enterprises engaged in architectural/engineering/urban planning services, in their home country.	
(g) Urban planning services (except general urban planning) (CPC 8674)	(4) Unbound, except as indicated in horizontal commitments.	(4) Unbound, except as indicated in horizontal 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	Limitation on national treatment	Additional commitments
(h) Medical and dental services (CPC 9312)	(1) None (2) None (3) Foreign service suppliers are permitted to establish joint venture hospitals or clinics with Chinese partners with quantitative limitations in line with China's needs, with foreign majority ownership permitted. (4) Unbound, except as indicated in horizontal commitments and as follows: Foreign doctors with professional certificates issued by their home country shall be permitted to provide short-term medical services in China after they obtain licenses from the Ministry of Public Health. The term of service is six months and may extend to one year.	(1) None (2) None (3) The majority of doctors and medical personnel of the joint venture hospital and clinics shall be of Chinese nationality. (4) Unbound, except as indicated in horizontal commitments.	
B. Computer and Related Services (Computer and related services do not cover the economic activity consisting of the provision of content services which require computer and related services as means of supply)	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Qualifications are as follows: certified engineers, or personnel with Bachelor's degree (or above) and three years of experience in these fields.	
(a). Consultancy services related to the installation of computer hardware (CPC 841)			

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	Limitation on national treatment	Additional commitments
(b) Software implementation services (CPC 842)	(1) None (2) None (3) Wholly foreign-owned enterprises will be allowed.	(1) None (2) None (3) None	
(c) Data processing services (CPC 843)	(4) Unbound except as indicated in horizontal commitments.	(4) Qualifications are as follows: certified engineers, or personnel with Bachelor's degree (or above) and three years of experience in these fields.	
- Input preparation services (CPC 8431)			
- Data processing and tabulation services (CPC 8432)	(1) None (2) None (3) None	(1) None (2) None (3) None	
- Time-sharing services (CPC 8433)	(4) Unbound except as indicated in horizontal commitments.	(4) Qualifications are as follows: certified engineers, or personnel with Bachelor's degree (or above) and three years of experience in these fields.	

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	Limitation on national treatment	Additional commitments
D. Real Estate Services	(1) None	(1) None	
(a) Real estate services involving own or leased property (CPC 821)	(2) None	(2) None	
	(3) Wholly foreign-owned enterprises will be allowed.	(3) None	
	(4) Unbound except as indicated in horizontal commitments.		
(b) Real estate services on a fee or contract basis (CPC 822)		(4) Unbound except as indicated in horizontal commitments.	
	(1) None	(1) None	
	(2) None	(2) None	
	(3) Wholly foreign-owned enterprises will be allowed.	(3) None	
	(4) Unbound except as indicated in horizontal commitments.		
		(4) Unbound except as indicated in horizontal 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	Limitation on national treatment	Additional commitments
F. Other Business Services		(1) None	
(a) Advertising Services (CPC 871)	(1) Only through advertising agents registered in China who have the right to provide foreign advertising services. (2) Only through advertising agents registered in China who have the right to provide foreign advertising services. (3) Foreign service suppliers are permitted to establish advertising enterprises in China, wholly foreign-owned subsidiaries will be permitted. (4) Unbound except as indicated in horizontal commitments.	(2) None (3) None (4) Unbound except as indicated in horizontal commitments.	
(b) Market research services (CPC 86401, only limited to investigation services designed to secure information on the prospects and performance of an organization's products in the market)	(1) Unbound (2) Unbound (3) Only in the form of joint ventures, with foreign majority ownership permitted. Economic needs tests are required. (4) Unbound except as indicated in horizontal commitments. Requirement for a commercial presence.	(1) Unbound (2) Unbound (3) Unbound (4) Unbound except as indicated in horizontal 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	Limitation on national treatment	Additional commitments
(c) Management Consulting services (CPC 865)	(1) None (2) None (3) Wholly foreign-owned subsidiaries will be allowed. (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	
(d) Services related to management consulting (only limited to the following sub-sector) - Project management services other than for construction (CPC 86601)	(1) None (2) None (3) Only in the form of joint ventures, with foreign majority ownership permitted. Economic needs tests are required. (4) Unbound except as indicated in horizontal commitments.	(1) Unbound (2) Unbound (3) Unbound (4) Unbound except as indicated in horizontal commitments.	
(e) Technical testing and analysis services (CPC 8676) and freight inspection covered by CPC 749, excluding statutory inspection services for freight inspection services	(1) None (2) None (3) Foreign services suppliers which have been engaged in inspection services in their home countries for more than three years are permitted to establish joint venture technical testing, analysis and freight inspection companies with no less than US\$ 350,000 in registered capital. Wholly foreign-owned subsidiaries will be permitted. (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal 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	Limitation on national treatment	Additional commitments
(f) Services incidental to agriculture, forestry, hunting and fishing (CPC 881, 882)	(1) None (2) None (3) Only in the form of joint ventures, with foreign majority ownership permitted. (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	
m. Related scientific technical consulting services (CPC 8675) - Offshore oil-field services geological, geophysical and other scientific prospecting services (CPC 86751) - Sub-surface surveying services (CPC 86752)	(1) None (2) None (3) Only in the form of petroleum exploitation in cooperation with Chinese partners (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal 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	Limitation on national treatment	Additional commitments
- Onshore oil-field services	(1) None (2) None (3) Only in the form of petroleum exploitation in cooperation with China National Petroleum Corp. (CNPC) in the designated areas approved by the Chinese government. In order to carry out the petroleum contract, the foreign service supplier shall establish a branch, subsidiary or representative office within the territory of the People's Republic of China and go through registration formalities in accordance with the laws. The domiciles of the said offices shall be determined through consultation with CNPC. The foreign service supplier shall open its bank account with a bank approved by the Chinese authorities to engage in foreign exchange business within the Chinese territory. (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) The foreign service supplier shall furnish CNPC accurately and promptly with the reports on the petroleum operations, and shall submit to CNPC the data and samples as well as various technological, economic, accounting and administrative reports related to petroleum operations. CNPC shall have the ownership of all of the data records, samples, vouchers and other original information acquired during the implementation of the petroleum operations. The investment of foreign service suppliers shall be made in US dollars or other hard currencies. (4) Unbound except as indicated in horizontal commitments.	
(o) Building-cleaning services (CPC 874)	(1) Unbound* (2) None (3) Wholly foreign-owned enterprises will be allowed. (4) Unbound except as indicated in horizontal commitments.	(1) Unbound* (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	

* Unbound due to lack of technical feasibility.

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	Limitation on national treatment	Additional commitments
(p) Photographic services (CPC 875)	(1) None (2) None (3) Only in the form of joint ventures, with foreign majority ownership permitted. (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	
(q) Packaging services (CPC 876)	(1) None (2) None (3) Foreign service suppliers will be permitted to establish, wholly foreign-owned subsidiaries. (4) Unbound, except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound, except as indicated in horizontal commitments.	
(r) Printing of packaging materials, on a fee or contract basis (Only limited to the printing of packaging materials)	(1) Unbound (2) Unbound (3) Wholly foreign-owned enterprises will be permitted. Economic needs tests are required. (4) Unbound except as indicated in Horizontal Commitments.	(1) Unbound (2) Unbound (3) Unbound (4) Unbound except as indicated in Horizontal Commitments.	
(s) Convention services (CPC 87909)	(1) None (2) None (3) Only in the form of joint ventures, with foreign majority ownership permitted. (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal 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	Limitation on national treatment	Additional commitments
(t) Translation and interpretation services (CPC 87905)	(1) None (2) None (3) Wholly foreign-owned enterprises will be allowed. (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Qualifications are as follows: three years of experience in translation or interpretation and a good command of the working language(s).	
- Maintenance and repair services(CPC 63, 6112 and 6122) - Maintenance and repair services of office machinery and equipment including computers (CPC 845 and 886) - Rental and leasing services (CPC 831, 832, excluding CPC 83202)	(1) None (2) None (3) Wholly foreign-owned subsidiaries will be permitted. For Rental and Leasing services, service suppliers will have global assets of US\$ 5 million. (4) Unbound, except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound, except as indicated in horizontal 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	Limitation on national treatment	Additional commitments
2. COMMUNICATION SERVICES			
B. Courier Services (CPC 75121, except for those currently specifically reserved to Chinese postal authorities by law)	(1) None (2) None (3) Foreign service suppliers will be permitted to establish wholly foreign-owned subsidiaries (4) Unbound, except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound, except as indicated in horizontal commitments.	
C. Telecommunication Services ² Value-added Services Including the following: (h) Electronic mail (i) Voice mail (j) On-line information and database retrieval (k) Electronic data interchange (l) Enhanced/Value-added facsimile services (including store and forward, store and retrieve) (m) Code and protocol conversion (n) On-line information and/or data processing (including transaction processing)	(1) See mode 3 (2) None (3) Foreign service suppliers will be permitted to establish joint venture value-added telecommunication enterprises and foreign investment in the joint ventures shall be no more than 50 percent. (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	

² China's commitments are scheduled in accordance with the following: Notes for Scheduling Basic Telecom Services Commitments (S/GBT/W/2/REV/1) and Market Access Limitations on Spectrum Availability (S/GBT/W/3) attached hereto. All international telecommunications services shall go through gateways established with the approval of China's telecommunications authorities, which will act as an independent regulatory authority in accordance with the principles of paragraph 5 of the Reference Paper. Further liberalization of this sector, including with respect to the level of equity participation permitted, will be discussed in the services negotiations during the new round of WTO trade talks.

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	Limitation on national treatment	Additional commitments
Basic Telecommunication Services - Paging Services	(1) See mode 3 (2) None (3) Foreign service suppliers will be permitted to establish joint venture enterprises, and foreign investment in the joint ventures shall be no more than 50 per cent. (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	China undertakes the obligations contained in the Reference Paper in Annex 1 attached hereto.

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	Limitation on national treatment	Additional commitments
Mobile Voice and Data Services: - Analogue / Digital / Cellular Services - Personal Communication Services	(1) See mode 3 (2) None (3) Foreign service suppliers will be permitted to establish joint venture enterprises, and foreign investment in the joint ventures shall be no more than 49 percent. (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal 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	Limitation on national treatment	Additional commitments
- Domestic Services (a) Voice services (b) Packet-switched data transmission services (c) Circuit-switched data transmission services (f) Facsimile services (g) Domestic private leased circuit services - International Services (a) Voice services (b) Packet-switched data transmission services (c) Circuit-switched data transmission services (f) Facsimile services (g) International closed user group voice and data services (use of private leased circuit service is permitted)	(1) See mode 3 (2) None (3) Foreign service suppliers will be permitted to establish joint venture enterprises, and foreign investment in the joint ventures shall be no more than 49 percent. (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal 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	Limitation on national treatment	Additional commitments
D. Audiovisual Services	(1) None	(1) None	Without prejudice to compliance with China's regulations on the administration of films, China will allow the importation of motion pictures for theatrical release on a revenue-sharing basis and the number of such imports shall be 20 on an annual basis.
- Videos, including entertainment software and (CPC 83202), distribution services	(2) None	(2) None	
- Sound recording distribution services	(3) Foreign services suppliers will be permitted to establish contractual joint ventures with Chinese partners to engage in the distribution of audiovisual products, excluding motion pictures, without prejudice to China's right to examine the content of audio and video products (see footnote 1).	(3) None	
	(4) Unbound, except as indicated in horizontal commitments.	(4) Unbound, except as indicated in horizontal commitments.	
- Cinema Theatre Services	(1) None	(1) None	
	(2) None	(2) None	
	(3) Foreign services suppliers will be permitted to construct and/or renovate cinema theatres, with foreign investment no more than 49 per cent.	(3) None	
	(4) Unbound, except as indicated in horizontal commitments.	(4) Unbound, except as indicated in horizontal 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	Limitation on national treatment	Additional commitments
3. CONSTRUCTION AND RELATED ENGINEERING SERVICES (CPC 511, 512, 513 ³ , 514, 515, 516, 517, 518 ⁴)	(1) Unbound* (2) None (3) Joint ventures, with foreign majority ownership will be permitted. Wholly foreign-owned enterprises will be permitted. Wholly foreign-owned enterprises can only undertake the following four types of construction projects. 1. Construction projects wholly financed by foreign investment and/or grants. 2. Construction projects financed by loans of international financial institutions and awarded through international tendering according to the terms of loans. 3. Chinese-foreign jointly constructed projects with foreign investment equal to or more than 50 per cent; and Chinese-foreign jointly constructed projects with foreign investment less than 50 per cent but technically difficult to be implemented by Chinese construction enterprises alone.	(1) Unbound* (2) None (3) None	

³ Including dredging services relating to infrastructure construction.

⁴ Coverage of CPC 518 is limited only to the rental and leasing services of construction and/or demolition machines with operator which are owned and used by foreign construction enterprises in their supply of services.

* Unbound due to lack of technical feasibility.

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	Limitation on national treatment	Additional commitments
4. DISTRIBUTION SERVICES (as defined in Annex 2) A. Commission Agents' Services (excluding salt, tobacco) B. Wholesale Trade Services⁵ (excluding salt, tobacco)	4. Chinese invested construction projects which are difficult to be implemented by Chinese construction enterprises alone can be jointly undertaken by Chinese and foreign construction enterprises with the approval of provincial government (4) Unbound except as indicated in horizontal commitments. (1) Unbound (2) None (3) Wholly foreign-owned enterprises will be allowed, except that foreign service suppliers are not permitted to engage in the distribution of chemical fertilizers, processed oil and crude oil within five years after accession. (4) Unbound except as indicated in horizontal commitments.	(4) Unbound except as indicated in horizontal commitments. (1) Unbound (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	Foreign-invested enterprises are permitted to distribute their products manufactured in China, including the products listed in the market access or sector or sub-sector column, and provide subordinate services as defined in Annex 2. Foreign service suppliers are permitted to provide the full range of related subordinate services, including after sales services, as defined in Annex 2, for the products they distribute.

⁵ The restrictions on mode 1 shall not undermine the rights of WTO Members to the right to trade as stipulated in Chapter 5 of China's Protocol of accession to the WTO.

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	Limitation on national treatment	Additional commitments
C. Retailing Services (excluding tobacco).	(1) Unbound except for mail order. (2) None (3) Foreign service suppliers will be permitted to engage in the retailing of all products, except for the retailing of chemical fertilizers within five years after accession. Wholly foreign-owned enterprises will be allowed, except for: - chain stores which sell products of different types and brands from multiple suppliers with more than 30 outlets. For such chains stores with more than 30 outlets, foreign majority ownership will not be permitted if those chain stores distribute any of the following products: motor vehicles (for a period of five years after accession at which time the equity limitation will have been eliminated), books, newspapers, magazines, pharmaceutical products, pesticides, mulching films, processed oil, chemical fertilizers and products listed in Annex 2a of the Protocol of China's WTO Accession. The foreign chain store operators will have the freedom of choice of any partner, legally established in China according to China's laws and regulations. (4) Unbound except as indicated in horizontal commitments.	(1) Unbound except for mail order. (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	Foreign-invested enterprises may distribute their products manufactured in China, including those excepted products as listed in the market access or sector or sub-sector column, and provide subordinate services as defined in Annex 2. Foreign service suppliers are permitted to provide full range of related subordinate services, including after sales services, as defined in Annex 2, for the products they distribute.
D. Franchising	(1) None (2) None (3) None. (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None. (4) Unbound except as indicated in horizontal 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	Limitation on national treatment	Additional commitments
E. Wholesale or retail trade services away from a fixed location.	(1) None (2) None (3) None ⁶ . (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None. (4) Unbound except as indicated in horizontal commitments.	

⁶ See paragraph 310 of the Working Party Report.

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	Limitation on national treatment	Additional commitments
5. EDUCATIONAL SERVICES (Excluding special education services e.g. military, police, political and party school education) A. Primary education services (CPC 921, excluding national compulsory education in CPC 92190) B. Secondary education services (CPC 922, excluding national compulsory education in CPC 92210) C. Higher education services (CPC 923) D. Adult education services (CPC 924) E. Other education services (CPC 929, including English language training)	(1) Unbound (2) None (3) Joint schools will be established, with foreign majority ownership permitted. (4) Unbound except as indicated in horizontal commitments and the following: foreign individual education service suppliers may enter into China to provide education services when invited or employed by Chinese schools and other education institutions.	(1) Unbound (2) None (3) Unbound (4) Qualifications are as follows: - possession of Bachelor's degree or above; - and an appropriate professional title or certificate, with two years' professional experiences.	

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	Limitation on national treatment	Additional commitments
6. ENVIRONMENTAL SERVICES (excluding environmental quality monitoring and pollution source inspection) A. Sewage Services (CPC 9401) B. Solid Waste Disposal Services (CPC 9402) C. Cleaning Services of Exhaust Gases (CPC 9404) D. Noise Abatement Services (CPC 9405) E. Nature and Landscape Protection Services (CPC 9406) F. Other Environmental Protection Services (CPC 9409) G. Sanitation Services (CPC 9403)	(1) Unbound except for environmental consultation services. (2) None (3) Foreign services suppliers engaged in environmental services are permitted to provide services only in the form of joint ventures, with foreign majority ownership permitted. (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal 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	Limitation on national treatment	Additional commitments
7. FINANCIAL SERVICES			
A. All Insurance and Insurance-Related Services⁷ (a) Life, health and pension/annuities insurance (b) Non-life insurance (c) Reinsurance (d) Services auxiliary to insurance	(1) Unbound except for : (a) reinsurance; (b) international marine, aviation, and transport insurance; and (c) brokerage for large scale commercial risks, international marine, aviation, and transport insurance, and reinsurance. (2) Unbound for brokerage. Other, none. (3) A. <u>Form of establishment</u> Foreign non-life insurers will be permitted to establish as a branch or as a wholly-owned subsidiary; i.e., with no form of establishment restrictions. Foreign life insurers will be permitted 50 per cent foreign ownership in a joint venture with the partner of their choice.	(1) None (2) None (3) None, except for: - Foreign insurance institutions shall not engage in the statutory insurance business. (4) Unbound except as indicated in horizontal commitments.	

⁷ Any further authorization provided to foreign insurers after accession under more favorable conditions than those contained in this schedule (including the extension of grandfathered investments through branching, sub-branching or any other legal form), will be made available to other foreign service suppliers which so requested.

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	Limitation on national treatment	Additional commitments
	The joint venture partners can freely agree the terms of their engagement, provided they remain within the limits of the commitments contained in this schedule. For brokerage for insurance of large scale commercial risks and brokerage for reinsurance and brokerage for international marine, aviation, and transport insurance and reinsurance: foreign equity share up to 51 percent will be permitted; within five years after China's accession, wholly foreign owned subsidiary will be permitted. For other brokerage services: Unbound. Internal branching for an insurance firm will be permitted consistent with the phase out of geographic restrictions.		

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	Limitation on national treatment	Additional commitments
	B. <u>Business Scope</u> Foreign non-life insurers will be permitted to provide "master policy" insurance/insurance of large scale commercial risks, which has no geographic restrictions. In accordance with national treatment, foreign insurance brokers will be permitted to provide "Master policy" no later than Chinese brokers, under conditions no less favourable.		

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	Limitation on national treatment	Additional commitments
	Foreign non-life insurers will be permitted to provide the full range of non-life insurance services to both foreign and domestic clients. Foreign insurers are permitted to provide health insurance, individual/group insurance and pension/annuities insurance to foreigners and Chinese. Foreign insurers will be permitted to provide reinsurance services for life and non-life insurance as a branch, joint venture, or wholly foreign-owned subsidiary, without geographic or quantitative restrictions on the number of licenses issued.		

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	Limitation on national treatment	Additional commitments
	D. <u>Licenses</u> Licenses will be issued with no economic needs test or quantitative limits on licenses. Qualifications for establishing a foreign insurance institution are as follows: - the investor shall be a foreign insurance company with more than 30 years of establishment experience in a WTO member; - it shall have a representative office for two consecutive years in China; - it shall have total assets of more than US \$5 billion at the end of the year prior to application, except for insurance brokers. Insurance brokers shall have total assets of more than US\$ 200 million. (4) Unbound except as indicated in horizontal 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	Limitation on national treatment	Additional commitments
B. Banking and Other Financial Services (excluding insurance and securities) Banking services as listed below: a. Acceptance of deposits and other repayable funds from the public; b. Lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transaction; c. Financial leasing; d. All payment and money transmission services, including credit, charge and debit cards, travellers cheques and bankers drafts(including import and export settlement); e. Guarantees and commitments; f. Trading for own account or for account of customers: foreign exchange.	(1) Unbound except for the following: - Provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services; - Advisory, intermediation and other auxiliary financial services on all activities listed in subparagraphs (a) through (k), including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy. (2) None (3) A. <u>Geographic coverage</u> For foreign currency business, there will be no geographic restriction upon accession. For local currency business, the geographic restriction will be phased out as follows: Upon accession, Shanghai, Shenzhen, Tianjin and Dalian; Within one year after accession, Guangzhou, Zhuhai, Qingdao, Nanjing and Wuhan; within two years after accession, Jinan, Fuzhou, Chengdu and Chongqing; within three years after accession, Kunming, Beijing and Xiamen; Within four years after accession, Shantou, Ningbo, Shenyang and Xi'an. Within five years after accession, all geographic restrictions will be removed.	(1) None (2) None (3) Except for geographic restrictions and client limitations on local currency business (listed in the market access column), foreign financial institution may do business, without restrictions or need for case-by-case approval, with foreign invested enterprises, non-Chinese natural persons, Chinese natural persons and Chinese enterprises. Otherwise, none.	For financial leasing services, foreign financial leasing corporations will be permitted to provide financial leasing service at the same time as domestic corporations.

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	Limitation on national treatment	Additional commitments
	B. <u>Clients</u> For foreign currency business, foreign financial institutions will be permitted to provide services in China without restriction as to clients upon accession. For local currency business, within two years after accession, foreign financial institutions will be permitted to provide services to Chinese enterprises. Within five years after accession, foreign financial institutions will be permitted to provide services to all Chinese clients. Foreign financial institutions licensed for local currency business in one region of China may service clients in any other region that has been opened for such business. C. <u>Licensing</u> Criteria for authorization to deal in China's financial services sector are solely prudential (i.e., contain no economic needs test or quantitative limits on licenses). Within five years after accession, any existing non-prudential measures restricting ownership, operation, and juridical form of foreign financial institutions, including on internal branching and licenses, shall be eliminated. Foreign financial institutions who meet the following condition are permitted to establish a subsidiary of a foreign bank or a foreign finance company in China		

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	Limitation on national treatment	Additional commitments
	: - total assets of more than US \$10 billion at the end of the year prior to filing the application. Foreign financial institutions who meet the following condition are permitted to establish a branch of a foreign bank in China: - total assets of more than US \$20 billion at the end of the year prior to filing the application. Foreign financial institutions who meet the following condition are permitted to establish a Chinese-foreign joint bank or a Chinese-foreign joint finance company in China: - total assets of more than US \$10 billion at the end of the year prior to filing the application. Qualifications for foreign financial institutions to engage in local currency business are as follows: - three years business operation in China and being profitable for two consecutive years prior to the application, otherwise, none. (4) Unbound except as indicated in horizontal commitments.	(4) Unbound except as indicated in horizontal 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	Limitation on national treatment	Additional commitments
- Motor vehicle financing by non-bank financial institutions	(1) Unbound except for the following: - Provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services; - Advisory, intermediation and other auxiliary financial services on all activities listed in subparagraphs (a) through (k), including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy. (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	(1) Unbound (2) None (3) None (4) Unbound except as indicated in horizontal 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	Limitation on national treatment	Additional commitments
- Securities	(1) Unbound except for the following: - Foreign securities institutions may engage directly (without Chinese intermediary) in B share business. (2) None (3) None (a) Unbound, except for the following: - Representative offices in China of foreign securities institutions may become Special Members of all Chinese stock exchanges. - Foreign service suppliers will be permitted to establish joint ventures with foreign investment up to 49 per cent to conduct domestic securities investment fund management business. Foreign securities institutions will be permitted to establish joint ventures, with foreign minority ownership not exceeding 1/3, to engage (without Chinese intermediary) in underwriting A shares and in underwriting and trading of B and H shares as well as government and corporate debts, launching of funds. (b). Criteria for authorization to deal in China's financial industry are solely prudential (i.e., contain no economic needs test or quantitative limits on licenses). (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal 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	Limitation on national treatment	Additional commitments
9. TOURISM AND TRAVEL RELATED SERVICES A. Hotels (including apartment buildings) and Restaurants (CPC 641-643)	(1) None (2) None (3) Foreign services suppliers may construct, renovate and operate hotel and restaurant establishments in China. Wholly foreign-owned subsidiaries will be permitted. (4) Unbound, except as indicated in horizontal commitments and as follows: - Foreign managers, specialists including chefs and senior executives who have signed contracts with joint venture hotels and restaurants in China shall be permitted to provide services in China.	(1) None (2) None (3) None (4) Unbound, except as indicated in horizontal commitments.	
B. Travel Agency and Tour Operator (CPC 7471)	(1) None (2) None (3) Foreign services suppliers who meet the following conditions are permitted to provide services in the form of joint venture travel agencies and tour operators in the holiday resorts designated by the Chinese government and in the cities of Beijing, Shanghai, Guangzhou and Xi'an: (a) a travel agency and tour operator mainly engaged in travel business; (b) Annual world-wide turnover exceeds US\$ 40 million.	(1) None (2) None (3) None except that joint ventures or wholly-owned travel agencies and tour operators are not permitted to engage in the activities of Chinese travelling abroad and to Hong Kong China, Macao China and Chinese Taipei.	

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	Limitation on national treatment	Additional commitments
	The registered capital of joint venture travel agency/tour operator shall be no less than RMB 2.5 million. Foreign majority ownership will be permitted. Within six years after accession, wholly foreign-owned subsidiaries will be permitted and geographic restrictions will be removed. The business scope of the travel agency/tour operator is as follows: (a) travel and hotel accommodation services for foreign travellers which can be made directly with transportation and hotel operators in China covering such operations;		

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	Limitation on national treatment	Additional commitments
10. RECREATIONAL, CULTURAL AND SPORTING SERVICES (other than audiovisual services)	(b) travel services and hotel accommodation services for domestic travellers which can be made directly with transportation and hotel operators in China covering such operations; (c) conducting of tours within China for both domestic and foreign travellers, and (d) travellers check cashing services within China. None within six years after accession, there will be no restriction on the establishment of branches of the joint venture travel agency/tour operator and the requirement on registered capital of foreign-invested travel agency/tour operator will be the same as that of Chinese travel agency/tour operator. (4) Unbound, except as indicated in horizontal commitments.	(4) Unbound, except as indicated in horizontal commitments.	
D. Sporting and other recreational services (Only limited to CPC 96411, 96412, 96413, excluding golf)	(1) Unbound (2) Unbound (3) Wholly foreign-owned enterprises will be allowed. Economic needs tests are required. (4) Unbound except as indicated in horizontal commitments.	(1) Unbound (2) Unbound (3) Unbound (4) Unbound except as indicated in horizontal 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	Limitation on national treatment	Additional commitments
11. TRANSPORT SERVICES			
A. Maritime Transport Services - International transport (freight and passengers) (CPC 7211 and 7212 less cabotage transport services)	(1) (a) Liner shipping (including passenger transportation): None (b) Bulk, tramp and other international shipping (including passenger transportation): None (2) None (3) (a) Establishment of registered companies for the purpose of operating a fleet under the national flag of the People's Republic of China: - Foreign service suppliers are permitted to establish joint venture shipping companies. - Foreign investment shall not exceed 49 per cent of the total registered capital of the joint venture. - The chairman of board of directors and the general manager of the joint venture shall be appointed by the Chinese side. (b) Other forms of commercial presence for the supply of international maritime transport services: Unbound (4) (a) Ship's crew: Unbound except as indicated in horizontal commitments. (b) Key personnel employed by Commercial Presence as defined under mode (3) (b) above: Unbound except as indicated in horizontal commitments.	(1) (a) None (b) None (2) None (3) (a) None (b) Unbound (4) (a) Unbound except as indicated in horizontal commitments. (b) Unbound except as indicated in horizontal commitments.	The following services at the port are made available to international maritime transport suppliers on reasonable and non-discriminatory terms and conditions: 1. Pilotage 2. Towing and tug assistance 3. Provisioning, fuelling and watering 4. Garbage collecting and ballast waste disposal 5. Port Captain's services 6. Navigation aids 7. Shore-based operational services essential to ship operations, including communications, water and electrical supplies 8. Emergency repair facilities 9. Anchorage, berth and berthing services.

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	Limitation on national treatment	Additional commitments
H. Auxiliary Services	(1) Unbound*	(1) Unbound*	
(a) Maritime cargo-handling services (CPC 741)	(2) None	(2) None	
(c) Customs clearance services for maritime transport	(3) Only in the form of joint ventures, with foreign majority ownership permitted.	(3) None	
	(4) Unbound except as indicated in horizontal commitments.	(4) Unbound except as indicated in horizontal commitments.	
(d) Container station and depot services	(1) Unbound*	(1) Unbound*	
	(2) None	(2) None	
	(3) Only in forms of joint ventures, with foreign majority ownership permitted.	(3) None	
	(4) Unbound except as indicated in horizontal commitments.	(4) Unbound except as indicated in horizontal commitments.	
(e) Maritime agency services	(1) None	(1) None	
	(2) None	(2) None	
	(3) Only in forms of joint ventures, with foreign equity share no more than 49 per cent.	(3) None	
	(4) Unbound except as indicated in horizontal commitments.	(4) Unbound except as indicated in horizontal commitments.	

* Unbound due to lack of technical feasibility.

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	Limitation on national treatment	Additional commitments
B. Internal Waterways Transport (b) Freight transport (CPC 7222)	(1) Only international shipping in ports open to foreign vessels shall be permitted. (2) None (3) Unbound (4) Unbound except as indicated in horizontal commitments.	(1) Limitations as indicated under market access column. (2) None (3) Unbound (4) Unbound except as indicated in horizontal commitments	
C. Air Transport Services (d) Aircraft repair and maintenance services (CPC 8868)	(1) Unbound* (2) None (3) Foreign service suppliers are permitted to establish joint venture aircraft repair and maintenance enterprises in China. The Chinese side shall hold controlling shares or be in a dominant position in the joint ventures. Licenses for the establishments of joint ventures are subject to economic needs test. (4) Unbound except as indicated in horizontal commitments.	(1) Unbound* (2) None (3) The joint ventures have the obligation to undertake business in the international market. (4) Unbound except as indicated in horizontal commitments.	
- Computer Reservation System (CRS) services	(1) (a) Foreign Computer Reservation System, when having agreements with Chinese aviation enterprises and Chinese Computer Reservation System, may provide services to Chinese aviation enterprises and Chinese aviation agents by connecting with Chinese Computer Reservation System.	(1) None	

* Unbound due to lack of technical feasibility.

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	Limitation on national treatment	Additional commitments
	(b) Foreign Computer Reservation System may provide services to representative offices and sales offices established in the destination cities in China by foreign aviation enterprises which have the right to engage in business according to the bilateral aviation agreements. (c) Direct access to and use of foreign Computer Reservation System by Chinese aviation enterprises and agents of foreign aviation enterprises are subject to approval of the General Administration of Civil Aviation of China (CAAC). (2) None (3) Unbound (4) Unbound except as indicated in horizontal commitments	(2) None (3) Unbound (4) Unbound except as indicated in horizontal 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	Limitation on national treatment	Additional commitments
E. Rail Transport Services F. Road Transport Services - Freight transportation by rail (CPC 7112) - Freight transportation by road in trucks or cars (CPC 7123) - Passenger transportation (CPC 71213)	(1) None (2) None (3) For rail transport, only in the form of joint ventures, foreign majority ownership will be permitted, within six years after China's accession, wholly foreign-owned subsidiaries will be permitted. For road transport, wholly foreign-owned subsidiaries will be permitted. (4) Unbound except as indicated in horizontal commitments. (1) Unbound (2) Unbound (3) Only in the form of joint ventures, with foreign investment not to exceed 49 per cent. Economic needs tests are required. (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal commitments. (1) Unbound (2) Unbound (3) None (4) Unbound except as indicated in horizontal commitments.	
H. Services Auxiliary to all Modes of Transport - Storage and warehousing services (CPC 742)	(1) Unbound (2) None (3) Wholly foreign-owned subsidiaries will be permitted. (4) Unbound except as indicated in horizontal commitments.	(1) Unbound (2) None (3) None (4) Unbound except as indicated in horizontal 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	Limitation on national treatment	Additional commitments
- Freight forwarding agency services (CPC 748 and 749 excluding freight inspection)	(1) None (2) None (3) Foreign freight forwarding agencies which have at least three consecutive years experience are permitted to set up freight forwarding agency joint ventures in China, wholly foreign-owned subsidiaries will be permitted. Operation term of the joint ventures shall not exceed 20 years. After one year operating in China, the joint venture can set up branches.	(1) None (2) None (3) None	

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	Limitation on national treatment	Additional commitments
	A foreign freight forwarding agency may set up a second joint venture after its first joint venture has been in operation for two years. (4) Unbound except as indicated in horizontal commitments.	(4) Unbound except as indicated in horizontal commitments.	

Reference Paper

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 feasibly be economically or technically substituted in order to provide a service.

A major supplier 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, alone 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 licence 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 application for a licence; and
- (b) the terms and conditions of individual licences.

The reasons for the denial of a licence 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, numbers 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.

WORLD TRADE ORGANIZATION

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Group on Basic Telecommunications

Note by the Chairman

Revision

It has been suggested by a number of delegations that it might be helpful to produce a brief and simple note on assumptions applicable to the scheduling of commitments in basic telecoms. The purpose of the attached note is to assist delegations in ensuring the transparency of their commitments and to promote a better understanding of the meaning of commitments. This note is not intended to have or acquire any binding legal status.

NOTES FOR SCHEDULING BASIC TELECOM SERVICES COMMITMENTS

1. Unless otherwise noted in the sector column, any basic telecom service listed in the sector column:

- (a) encompasses local, long distance and international services for public and non-public use;
- (b) may be provided on a facilities-basis or by resale; and
- (c) may be provided through any means of technology (e.g., cable¹, wireless, satellites).

2. Subsector (g) --private leased circuit services -- involves the ability of service suppliers to sell or lease any type of network capacity for the supply of services listed in any other basic telecom service subsector unless otherwise noted in the sector column. This would include capacity via cable, satellite and wireless network.

3. In view of points 1 and 2 above, it should not be necessary to list cellular or mobile services as a separate subsector. However, a number of Members have done so, and a number of offers have commitments only in these subsectors. Therefore, in order to avoid extensive changes in schedules, it would seem appropriate for Members to maintain separate entries for these subsectors.

¹Including all types of cable.

CHAIRMAN'S NOTEMarket Access Limitations on Spectrum Availability

Many Members have entries in the market access column of their schedules indicating that commitments are "subject to availability of spectrum/frequency" or similar wording. In light of the physical nature of spectrum and the constraints inherent in its use, it is understandable that Members may have sought to rely on these words to adequately protect legitimate spectrum management policies. There is, however, doubt that words such as "subject to availability of spectrum/frequency" as listed in the market access column of many Members' schedules achieve that objective.

Spectrum/frequency management is not, *per se*, a measure which needs to be listed under Article XVI. Furthermore under the GATS each Member has the right to exercise spectrum/frequency management, which may affect the number of service suppliers, provided that this is done in accordance with Article VI and other relevant provisions of the GATS. This includes the ability to allocate frequency bands taking into account existing and future needs. Also, Members which have made additional commitment in line with the Reference Paper on regulatory principles are bound by its paragraph 6.

Therefore, words such as "subject to availability of spectrum/frequency" are unnecessary and should be deleted from Members' schedules.

Attachment 2

Distribution Services

Distribution trade services are comprised of four main sub-sectors:

- commission agents services;
- wholesaling;
- retailing; and
- franchising.

The principal services rendered in each subsector can be characterized as reselling merchandise, accompanied by a variety of related subordinated services, including inventory management; assembly, sorting and grading of bulk lots; breaking bulk lots and redistributing into smaller lots; delivery services; refrigeration, storage, warehousing and garage services; sales promotion, marketing and advertising, installation and after sales services including maintenance and repair and training services. Distribution services are generally covered by CPC 61, 62, 63 and 8929.

Commission Agents' Services consist of sales on a fee or contract basis by an agent, broker or auctioneer or other wholesalers of goods/merchandise and related subordinated services.

Wholesaling consist of the sale of goods/merchandise to retailers to industrial, commercial, institutional, or other professional business users, or to other wholesalers and related subordinated services.

Retailing services consist of the sale of goods/merchandise for personal or household consumption either from a fixed location (e.g., store, kiosk, etc.) or away from a fixed location and related subordinated services.

Franchising services consist of the sale of the use of a product, trade name or particular business format system in exchange for fees or royalties. Product and trade name franchising involves the use of a trade name in exchange for fees or royalties and may include an obligation for exclusive sale of trade name products. Business format franchising involves the use of an entire business concept in exchange for fees and royalties, and may include the use of a trade name, business plan, and training materials and related subordinated services.

Attachment 3

Insurance: Definition of "Master Policy"

Master policy is the policy that provides blanket coverage for the same legal person's property and liabilities located in different places. Master policy may only be issued by the business department of an insurer's head office or that of its authorized province-level branch offices. Other branches are not allowed to issue master policy.

Master policy business with the state key construction projects as its subject-matter insured. If investors on the state key construction projects (i.e., projects that are so listed and annually announced by the State Development and Planning Commission) meet either of the following requirements, they may purchase master policy from insurers that are located in the same place as the investors' legal persons do.

The investment on the subject-matter insured is all from China (including the reinvestment from the foreign-invested enterprises in China), and the sum of investment of the investor accounts for over 15 per cent of the total investment.

The investment is partially from abroad, and partially from China (including the reinvestment from the foreign-invested enterprises in China), and the sum of investment of the Chinese investor accounts for over 15 per cent for the total domestic investment.

For those projects that draw investment all from abroad, every insurer may provide coverage in the form of master policies.

Master policy covering different subjects-matter insured of the same legal person. For those subjects-matter insured located in different places and owned by the same legal person (excluding financial, railway, and post and telecommunications industries and enterprises), master policy may be issued on the basis of either of the following conditions.

For the sake of payment of premium tax, insurance companies incorporated where the legal person or accounting unit of the insurance applicant is located are allowed to issue master policy.

If over 50 per cent of insurance amount of the subject-matter insured is from a larger or medium sized city, then insurers in that city are allowed to issue master policy, no matter whether the insurance applicant's legal person or accounting unit is located in the city.

Motor insurance, credit insurance, employer liabilities insurance, statutory insurance, and other insurance business excluded by the CIRC can not be underwritten or co-insured by insurers located other than where the subject-insured are located, or covered under a master policy.

