

**GENERAL AGREEMENT
ON TRADE IN SERVICES**

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EUROPEAN COMMUNITIES AND THEIR MEMBER STATES

Final List of Article II (MFN) Exemptions

(This is authentic in English only)

EUROPEAN COMMUNITIES AND THEIR MEMBER STATES - FINAL LIST OF ARTICLE II (MFN) EXEMPTIONS

Sector or subsector	Description of measure indicating its inconsistency with Article II	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
Audiovisual services - Distribution of audiovisual works	Redressive duties which may be imposed in order to respond to unfair pricing practices, by certain third countries distributors of audiovisual works.	All Members	Indefinite	Unfair pricing practices may cause serious disruption to the distribution of European works
Audiovisual services	Measures taken to prevent, correct or counterbalance adverse, unfair or unreasonable conditions or actions affecting EC audiovisual services, products or service providers, in response to corresponding or comparable actions taken by other Members.	All Members	Indefinite The need for exemption will lapse together with corresponding exemption from other Members	Need to protect the European Communities and their Member States from adverse, unfair or unreasonable unilateral actions from other Members
Audiovisual Services - Production and distribution of audiovisual works through broadcasting or other forms of transmission to the public.	Measures which define works of European origin, in such a way as to extend national treatment to audiovisual works which meet certain linguistic and origin criteria regarding access to broadcasting or similar forms of transmission.	Parties to the Council of Europe Convention on Transfrontier Television or other European countries with whom an agreement may be concluded.	Indefinite. Exemption needed, for certain countries, only until an economic integration agreement is concluded or completed.	The measures aim, within the sector, to promote cultural values both within EC Member States and with other countries in Europe, as well as achieving linguistic policy objectives

EUROPEAN COMMUNITIES AND THEIR MEMBER STATES (continued)

Sector or subsector	Description of measure indicating its inconsistency with Article II	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
<p>Audiovisual Services - Production and distribution of cinematographic works and television programmes</p>	<p>Measures based upon government-to-government framework agreements, and plurilateral agreements, on coproduction of audiovisual works, which confer National Treatment to audiovisual works covered by these agreements, in particular in relation to distribution and access to funding.</p>	<p>All countries with whom cultural cooperation may be desirable (agreements already exist, or are being negotiated, with the following countries: Algeria, Angola, Argentina, Australia, Brazil, Burkina Faso, Canada, Cape Verde, Chile, Côte d'Ivoire, Colombia, Cuba, Egypt, Guinea Bissau, India, Israel, Mali, Mexico, Morocco, Mozambique, New Zealand, São Tomé e Príncipe, Senegal, States in Central, Eastern and South-Eastern Europe, Switzerland, Tunisia, Turkey, Venezuela).</p> <p>European countries</p>	<p>Indefinite</p>	<p>The aim of these agreements is to promote cultural links between the countries concerned</p>
<p>Audiovisual Services - Production and distribution of television programmes and cinematographic works</p>	<p>Measures granting the benefit of any support programmes (such as Action Plan for Advanced Television Services, MEDIA or EURIMAGES) to audiovisual works, and suppliers of such works, meeting certain European origin criteria.</p>	<p>European countries</p>	<p>Indefinite. Exemption needed, for certain countries, only until an economic integration agreement is concluded or completed.</p>	<p>These programmes aim at preserving and promoting the regional identity of countries within Europe which have long-standing cultural links</p>

EUROPEAN COMMUNITIES AND THEIR MEMBER STATES (continued)

Sector or subsector	Description of measure indicating its inconsistency with Article II	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
Audiovisual - Distribution services	Waiver of the requirement in Spain to obtain licences for the distribution of dubbed films of non-Community origin, granted to films of European origin which are especially recommended for children's audiences.	Parties to the Council of Europe	Indefinite. Exemption needed for certain countries, until an economic integration agreement is concluded or completed.	The measure aims at promoting European cultural values and linguistic policy objectives toward the youth.
Audiovisual services: television and radio broadcasting services	Foreign participation in companies in Italy exceeding 49% of the capital and voting rights, subject to a condition of reciprocity.	All countries	Indefinite	Need to ensure effective market access and equivalent treatment for Italian service suppliers
Audiovisual services: production and distribution of cinematographic works and television programmes in Nordic countries	Measures taken in Denmark that are adopted for the implementation of benefits in conformity with such support programmes as the NORDIC FILM and TV FUND in order to enhance production and distribution of audiovisual works produced in Nordic countries.	Finland, Norway, Sweden, Iceland	Indefinite	Preservation and promotion of the regional identity of the countries concerned

EUROPEAN COMMUNITIES AND THEIR MEMBER STATES (continued)

Sector or subsector	Description of measure indicating its inconsistency with Article II	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
Road transport - passenger and freight	<p>Provisions in existing or future agreements on international road haulage (including combined transport - road/rail) and passenger transport, concluded between the EC or their Member States and third countries, which:</p> <ul style="list-style-type: none"> - reserve or limit the provision of a transport service between the contracting parties or across the territory of the contracting parties to vehicles registered in each contracting party; - provide for tax exemption for such vehicles. 	<p>Switzerland, States in Central, Eastern and South-Eastern Europe and all Members of the Commonwealth of Independent States, Albania, Turkey, Lebanon, Israel, Syria, Jordan, Egypt, Tunisia, Algeria, Morocco, Cyprus, Malta, Iran, Afghanistan, Iraq, Kuwait</p>	<p>Indefinite</p>	<p>The need for exemption is linked to the regional characteristics of the cross-border provision of road transport services</p>
Road transport services - Freight (CPC 7123)	<p>Authorization for the establishment of a commercial presence in Spain may be refused to service suppliers, whose country of origin does not accord effective market access to Spanish service suppliers</p>	<p>All countries</p>	<p>Indefinite</p>	<p>Need to ensure effective market access and equivalent treatment for Spanish service suppliers</p>

EUROPEAN COMMUNITIES AND THEIR MEMBER STATES (continued)

Sector or subsector	Description of measure indicating its inconsistency with Article II	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
CRS and sales and marketing of air transport services	Provision of Article 7 of Regulation (EC) No. 2299/89, as amended by Regulation (EC) No. 3089/93, whereby the obligations of CRS system vendors or of parent and participating air carriers shall not apply where equivalent treatment to that applied under the Regulation is not accorded in the country of origin of the parent carrier or of the system vendor.	All countries where a CRS system vendor or a parent air carrier is located.	Indefinite	The need for the exemption results from the insufficient development of multilaterally agreed rules for the operation of CRS.
Internal waterways transport	Measures based upon existing or future agreements on access to inland waterways (incl. Main-Danube link), which reserve traffic rights for operators based in the countries concerned and meeting nationality criteria regarding ownership.	Switzerland, States in Central, Eastern and South-Eastern Europe and all Members of the Commonwealth of Independent States.	Indefinite. Exemption needed, for certain countries, only until an economic integration agreement is concluded or completed.	To regulate transport capacity on inland waterways taking into account geographic specificity.
Internal waterways transport	Regulations implementing the Mannheim Convention on Rhine Shipping.	Switzerland	Indefinite	To regulate transport capacity on inland waterways taking into account geographic specificity.

EUROPEAN COMMUNITIES AND THEIR MEMBER STATES (continued)

Sector or subsector	Description of measure indicating its inconsistency with Article II	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
Rental/leasing services without operators, relating to ships (CPC 83103). Rental of vessels with crew (CPC 7213, 7223).	Chartering in of foreign ships by consumers resident in Germany may be subject to condition of reciprocity.	All countries	Indefinite	Need to ensure effective market access and equivalent treatment for German service suppliers.
Publishing (Part of CPC 88442)	Foreign participation in companies in Italy exceeding 49% of the capital and voting rights, subject to a condition of reciprocity.	All countries	Indefinite	Need to ensure effective market access and equivalent treatment for Italian service suppliers.
Newsagency Services (Part of CPC 962)	Foreign participation in companies in France publishing publications in the French language exceeding 20% of the capital or of voting rights in the company, subject to a condition of reciprocity.	All countries	Indefinite	Need to ensure effective market access and equivalent treatment for French service suppliers.
Press Agency Services (Part of CPC 962)	Market access in France. Subject to a condition of reciprocity.	All countries	Indefinite	Need to ensure effective market access and equivalent treatment for French service suppliers.

EUROPEAN COMMUNITIES AND THEIR MEMBER STATES (continued)

Sector or subsector	Description of measure indicating its inconsistency with Article II	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
Direct non-life insurance	Measures based on a bilateral agreement between the European Communities and Switzerland on direct insurance other than life insurance. This agreement provides on a reciprocal basis for freedom of establishment and the right to take up or pursue non-life insurance business for agencies and branches of undertakings whose head office is situated in the territory of the other contracting party.	Switzerland	Indefinite	Need to remove obstacles to the taking up and pursuit of non-life insurance business in the framework of an agreement between the European Communities and Switzerland on non-life insurance consistent with the provisions of paragraph 3 of the Annex of Financial Services
Financial services	Measure granting favourable tax treatment (off-shore regime) in Italy to service suppliers trading with the countries to which the measure applies.	States in Central, Eastern and South-Eastern Europe, and all Members of the Commonwealth of Independent States	10 years	The need to aid the countries concerned in their transition to a market economy.

EUROPEAN COMMUNITIES AND THEIR MEMBER STATES (continued)

Sector or subsector	Description of measure indicating its inconsistency with Article II	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
All sectors	<p>Measures taken in Denmark aimed at promoting Nordic cooperation, such as:</p> <ul style="list-style-type: none"> - financial support to R&D projects (the Nordic Industrial Fund); - funding of feasibility studies for international projects (the Nordic Fund for Project Exports); - financial assistance to companies* utilizing environmental technology (the Nordic Environment Finance Corporation). 	Sweden, Finland, Iceland and Norway	Indefinite	To maintain and develop Nordic cooperation.
All sectors	Authorization for purchase of real estate in Italy by foreign natural persons and juridical persons granted on the basis of reciprocity.	All countries	Indefinite	The reciprocity requirement is put in place to ensure equivalent treatment for Italians in other countries.

* Applies to East European companies, which are cooperating with one or more Nordic companies.

EUROPEAN COMMUNITIES AND THEIR MEMBER STATES (continued)

Sector or subsector	Description of measure indicating its inconsistency with Article II	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
All sectors	Waiver of nationality requirements for the exercise, in Portugal, of certain activities and professions by natural persons supplying services from the designated countries	Countries of Portuguese official language (Angola, Brazil, Cape Verde, Guinea-Bissau, Mozambique and São Tomé & Príncipe)	Indefinite	This measure reflects historical links between Portugal and these countries.
All sectors	Facilitation of access procedures in France for the exercise of certain services activities and professions by natural and legal persons of certain third countries	Francophone African countries, Algeria, Switzerland and Romania	10 years	This measure reflects historical links between France and these countries.
All sectors	For citizens of Commonwealth countries with a grandparent born in the UK, the UK waives the requirement for a work permit in all services sectors	Countries members of the British Commonwealth of Nations	Indefinite	This measure reflects historical links between these countries and the UK.
All sectors	Measures based on bilateral agreements between the European Communities and/or their Member States and Switzerland with the objective of providing for the movement of all categories of natural persons supplying services	Switzerland	Indefinite	The agreements reflect a process of progressive trade liberalisation between the EC and its regional trading partner.

EUROPEAN COMMUNITIES AND THEIR MEMBER STATES (continued)

Sector or subsector	Description of measure indicating its inconsistency with Article II	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
All sectors	<p>Measures based on existing or future bilateral agreements between the European Communities and certain Member States and the countries and principalities concerned, providing for:</p> <ul style="list-style-type: none"> a) the right of establishment for juridical and natural persons and; b) waiving the requirements of work permits for natural persons supplying services. 	<p>San Marino, Monaco, Andorra, Vatican City State.</p>	<p>Indefinite</p>	<p>The geographical situation and historical, economic and cultural links between the Member States of the European Communities and the countries and principalities concerned.</p>
All sectors	<p>Measures based upon bilateral agreements between Italy and third countries guaranteeing work permits for seasonal workers.</p>	<p>States in Central Eastern and South-Eastern Europe and in the Mediterranean Basin.</p>	<p>Indefinite</p>	<p>Seasonal shortages of workers and to ensure the orderly movement of seasonal workers.</p>

EUROPEAN COMMUNITIES AND THEIR MEMBER STATES (continued)

Sector or subsector	Description of measure indicating its inconsistency with Article II	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
<p>All sectors - principally construction and hotel and catering</p>	<p>Measures based upon bilateral agreements between Community Member States and European and Mediterranean countries guaranteeing work permits, for the purposes of temporary contract work, on the basis of contracts between an employer of the third country concerned and a company in the Member State concerned, and which permit limited numbers of workers from the countries concerned to be employed in certain service sectors; the numbers are subject to variation according to criteria established in the agreement.</p>	<p>States in Central, Eastern and South-Eastern Europe, including Russia, Ukraine, Belarus and Georgia, and in the Mediterranean Basin.</p>	<p>Indefinite. Exemption needed, for certain countries, only until an economic integration agreement is concluded or completed.</p>	<p>The agreements form part of a broader initiative to assist the countries concerned in their process of economic transition and development.</p>