

**MULTILATERAL TRADE
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Group of Negotiations on Services

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COMMUNICATION FROM SINGAPORE

Revised MFN Exemption List of Singapore

The following communication is circulated at the request of Singapore to the members of the Group of Negotiations on Services.

1. Attached is the revised MFN exemption list of Singapore.
2. Singapore reserves the right, prior to the conclusion of the services negotiations, to modify or amend this list. In particular, Singapore reserves the right to seek an MFN exemption on future liberalization commitments on financial services against Parties whose financial services offers and MFN exemptions in this sector are not satisfactory.
3. Singapore further reserves the right to make technical changes and to correct omissions and inaccuracies to its list of exemptions.

GENERAL AGREEMENT ON TRADE IN SERVICES
EXEMPTION FROM OBLIGATIONS UNDER ARTICLE II
INDICATIVE SCHEDULE SUBMITTED BY SINGAPORE

Sector or Sub-sector	Description of Measure Indicating its Inconsistency with Article II	Countries to which the Measure Applies	Intended Duration	Condition Creating the Need for the Exemption
All sectors: Presence of:	Preference for workers from traditional sources of supply. - unskilled and semi-skilled natural persons - skilled persons (include craftsmen skilled in a particular trade, but exclude specialists/professional personnel at management level)	Traditional sources.	Indefinite Singapore will periodically review this in the light of domestic and national policy considerations.	Due to land constraints and the fundamental need for social cohesion among the multi-racial population, the Government needs to regulate the flow of foreign workers, both skilled and unskilled, to ensure that Singapore is not overpopulated and foreigners who could potentially disrupt social order are not admitted.

Sector or Sub-sector	Description of Measure Indicating its Inconsistency with Article II	Countries to which the Measure Applies	Intended Duration	Condition Creating the Need for the Exemption
All sectors: Investment Guarantee Agreements	Investment guarantee, i.e. obligations to protect foreign investments from unforeseen contingencies such as nationalization, war, etc. are accorded only to co-signatories of Investment Guarantee Agreements.	All countries. Current signatories with whom Singapore has concluded IGAs are: ASEAN countries, France, the Netherlands, Switzerland, the United Kingdom, Belgo-Luxembourg Economic Union, Sri Lanka, People's Republic of China, Vietnam, Taiwan, the United States of America.	Indefinite	Currently, many countries' obligations to protect foreign investments from unforeseen contingencies are governed by the provisions established under bilateral investment guarantee agreements. The agreements also help to provide the economic and political guarantees for the promotion of bilateral relations.
All sectors: Commonwealth Tax Credit Scheme	Section 48 of the Income Tax Act provides for the granting of relief against Singapore tax payable on income derived from a Commonwealth country.	Commonwealth countries which grant reciprocal relief.	Indefinite	This is part of Singapore's cooperation among Commonwealth members.
Legal Services	All measures pertaining to the provision of legal services in Singapore.	All countries.	Indefinite	The exemption is necessary as the establishment of foreign law firms in Singapore is based on case-by-case approval.

Sector or Sub-sector	Description of Measure Indicating its Inconsistency with Article II	Countries to which the Measure Applies	Intended Duration	Condition Creating the Need for the Exemption
Broadcasting Broadcasting is defined to include: - Free-to-air broadcasting - Cable and pay television - Direct broadcast by satellite - Teletext	The Singapore Broadcasting Corporation (SBC) accords preferential broadcast and transmission rights to selected countries with which it has signed bilateral agreements.	All countries. Currently, only Brunei and Indonesia are given preferential broadcast and transmission rights. Singapore will keep the possibility of removing the exemption under review.	Singapore will keep the possibility of removing the exemption under review.	To promote social, economic and cultural relations.

Sector or Sub-sector	Description of Measure Indicating its Inconsistency with Article II	Countries to which the Measure Applies	Intended Duration	Condition Creating the Need for the Exemption
Computer reservation systems	Market access and national treatment are based on reciprocity in mutual concessions, but not necessarily in the same areas, as established under bilateral Air Services Agreements.	All countries. Current countries with whom Singapore has concluded bilateral air services agreements are: Australia, Austria, Bahrain, Bangladesh, Belgium, Brazil, Brunei, Bulgaria, Cambodia, Chile, China, Commonwealth Independent States, Cyprus, Czech and Slovak Republics, Denmark, Egypt, Ethiopia, Fiji, Finland, France, Germany, Greece, Hong Kong, Hungary, India, Indonesia, Iran, Iraq, Ireland, Israel, Italy, Japan, Jordan, Kenya, South Korea, Kuwait, Laos, Lebanon, Luxembourg, Madagascar, Malaysia, Maldives, Malta, Mauritius, Mexico, Mongolia, Myanmar, Nauru, Nepal, the Netherlands, New Zealand, Nigeria, Norway, Oman, Pakistan, Papua New Guinea, the Philippines, Poland, Portugal, Qatar, Romania, Saudi Arabia, Seychelles, South Africa, Spain, Sri Lanka, Sweden Switzerland, Taiwan, Tanzania, Thailand, Turkey, Ukraine, United Arab Emirates, the United Kingdom, the United States of America, Vietnam, Yemen Arab Republic, Yugoslavia, Zambia and Zimbabwe.	Indefinite Singapore will periodically review this in the light of international developments.	Currently, the conditions and level of market access granted in air transport services are primarily governed by other multilateral agreements and/or bilateral air services agreements. In addition, the "Annex on Air Transport Services" contained in the GATS currently has only limited application to measures affecting the air transport services sector.

Sector or Sub-sector	Description of Measure Indicating its Inconsistency with Article II	Countries to which the Measure Applies	Intended Duration	Condition Creating the Need for the Exemption
Press agency services	Malaysian newspapers and publications require permits from the Ministry of Information and the Arts before they can be distributed in Singapore.	Malaysia	Singapore will keep the possibility of removing this exemption under review.	This is a mutual arrangement between Singapore and Malaysia.
Maritime Transport Services:	<p>The undertaking of the commitments to bind the current level of market access and treatment to services and services supplier, in the 4 sub-sectors will be through the conclusion of bilateral shipping agreements.</p> <ul style="list-style-type: none"> - Storage and warehousing - Freight forwarding - Inland trucking - Container station and depot services 	All countries. Current countries with whom Singapore has concluded bilateral shipping agreements are: the Republic of Korea, the People's Republic of China and Vietnam.	Indefinite Singapore will periodically review this in the light of international developments.	Some of Singapore's trading partners do not accord Singapore companies satisfactory access to maritime transport services in their territories.

MFN EXEMPTIONS IN THE FINANCIAL SERVICES SECTOR¹

Sector or Sub-sector	Description of Measure Indicating its Inconsistency with Article II	Countries to which the Measure Applies	Intended Duration	Condition Creating the Need for the Exemption
1. Reinsurance and retrocession	Exception granted to ASEAN Reinsurance Corporation (ASEAN Re), a private-sector venture with equal shareholdings from the 6 ASEAN countries, to be established with a paid-up capital of S\$ 6 million instead of the minimum S\$ 10 million stipulated in the Insurance Act. Other than this, ASEAN Re is subject to the same rules and regulations applied to all reinsurers in Singapore.	ASEAN	ASEAN Re has committed itself to increase its paid-up capital when its premium income increases. Presently, ASEAN Re writes a relatively small amount of business.	To promote greater cooperation among ASEAN in the reinsurance sector.

¹Supplementary information provided for transparency

The Stock Exchange of Singapore (SES) and the Singapore International Monetary Exchange (SIMEX) have established trading linkages with the exchanges of some countries to facilitate the trading of securities and futures. The establishment of trading linkages is a commercial decision of the SES and SIMEX, which are self-regulatory organizations and therefore outside the coverage of the General Agreement on Trade in Services.

Sector or Sub-sector	Description of Measure Indicating its Inconsistency with Article II	Countries to which the Measure Applies	Intended Duration	Condition Creating the Need for the Exemption
2. Banking and other financial services	<p>Under a currency inter-changeability agreement between Singapore and Brunei, the currency issuing authorities of Singapore and Brunei would:</p> <ul style="list-style-type: none"> - accept from banks, notes and coins issued by the other issuing authority, at par and without charge and to exchange such notes and coins into the currency of the country concerned; and - arrange for repatriation at the expense of the respective currency issuing authority, the notes and coins issued by the other currency issuing authority and to receive at par the equivalent in any agreed currency. 	Brunei	Indefinite, until either country terminates the agreement.	The currency inter-changeability agreement was entered into in 1967 arising from special historical and economic ties between Singapore and Brunei.
3. Financial services	Favourable treatment with respect to the granting of approval for establishment of a commercial presence and the application of all measures, including future measures, affecting the provision of financial services in Singapore would be accorded on a discretionary basis to financial institutions of GATS member countries which accord favourable treatment to Singapore financial institutions.	All countries	Indefinite	To provide for greater liberalization in financial services between Singapore and another GATS member.