

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

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**Group of Negotiations on Services**

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**COMMUNICATION FROM ICELAND**

**Revised MFN Exemption List of Iceland**

The following communication is circulated at the request of Iceland to members of the Group of Negotiation on Services.

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Iceland hereby submits a preliminary listing of those measures that Iceland considers necessary to exempt from the application of Article II.

Iceland, together with the other Nordic countries, has been a proponent of a strong MFN-discipline under the GATS. Therefore, Iceland is of the firm view that the scope of MFN-exemptions should be limited to a minimum.

Over the past years, the Nordic countries have repeatedly raised questions concerning to what extent MFN-exemptions have to be taken for certain measures, such as those contained in social security agreements. The initial list of Icelandic MFN-exemptions reflected this uncertainty. The Nordic countries continue to have questions concerning these measures, and we believe that they are best dealt with through collective solutions. Due to lack of time we are ready to seek procedural solutions which would allow us to address these questions properly at a later stage. However, Iceland will not extend benefits contained in e.g. social security agreements on an MFN-basis.

Iceland has not sought exemptions for measures falling under the Agreement on the European Economic Area (EEA), which provides for the freedom of establishment, or provision of services and of movement of labour between Iceland and the European Community, Austria, Finland, Norway and Sweden. Once the EEA Agreement enters into force, it will be covered by Article V of the GATS.

Should this not have occurred prior to the entry into force of the GATS, there might be need for the addition of these countries to the list of exemptions, and for the exemption of additional measures, to cover existing agreements and arrangements which would be subsumed under the EEA Agreement.

Iceland reserves the right to revise this list of MFN-exemptions against the background of the revised MFN-exemptions lists of other participants.

LIST OF ARTICLE II EXEMPTIONS FOR ICELAND

(1)	(2)	(3)	(4)	(5)
Sector or Sub-Sector	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	Measures aimed at promoting Nordic cooperation such as: - guarantees and loans to investment projects and exports (The Nordic Investment Bank) - 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).	Denmark, Finland, Iceland, Norway and Sweden	Indefinite	To maintain and develop Nordic Cooperation.

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Sector or Sub-Sector	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; transmission of audiovisual programmes to the public	Measures that are adopted for the implementation and in conformity with the regulations such as the EC Television Broadcasting Directive (no 89/552) and which define programmes of European origin in order to extend national treatment to audiovisual programmes meeting specific origin criteria.	Parties to the Council of Europe Convention on Transfrontier Television or other European countries with whom an agreement may be concluded.	Indefinite	The promotion of cultural identity within the broadcasting sector in Europe, as well as achievement of certain linguistic policy objectives.
Audiovisual services; production and distribution of cinematographic works and television programmes	Measures that are adopted for the implementation of benefits in conformity with such support programmes as MEDIA and EURIMAGES to audiovisual programmes and suppliers to these programmes, meeting specific European origin criteria.	European countries	Indefinite	Preservation and promotion of the regional identity of the countries concerned.

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Sector or Sub-Sector	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; production and distribution of cinematographic works and television programmes	-Support programmes for the production and distribution of cinematographic works and television programmes (The Nordic Film and TV Fund)	Denmark, Finland, Norway and Sweden	Indefinite	To maintain and develop Nordic cooperation.
Audiovisual services; production and distribution of cinematographic works and television programmes	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.	All countries with whom cultural cooperation may be desirable (agreements already exist, or are being negotiated, with the following countries: France, Canada.	Indefinite [The promotion of cultural links between countries cannot be time bound]	The aim of these agreements is to promote cultural links between the countries concerned.