

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

**RESTRICTED**  
**MTN.GNS/W/211**  
2 December 1993  
Special Distribution

(UR-93-0153)

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Original: English

**Group of Negotiations on Services**

**COMMUNICATION FROM SWITZERLAND**

**Revised MFN Exemption List of Switzerland**

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

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1. Switzerland hereby submits its revised list of MFN exemptions in accordance with Article II:2 and the Annex on Article II Exemptions of the General Agreement on Trade in Services.
  2. Switzerland reserves the right to modify its draft list of MFN exemptions inter alia depending on the final outcome of negotiations on the text of the GATS, on the degree to which other parties are ready to undertake satisfactory and mutually acceptable specific commitments on market access and national treatment, and on the strength of MFN discipline to which the parties are willing to submit themselves. At present no exemption is submitted for measures taken under statutory systems of social security. Switzerland reserves the right to examine these measures in light of the approach taken by other participants.
  3. Switzerland further reserves the possibility to make technical changes to its draft list of MFN exemptions and to correct omissions and inaccuracies.
  4. Attached to the present Swiss draft list of MFN exemptions is the draft list of MFN exemptions of the Principality of Liechtenstein. The Principality of Liechtenstein reserves the right to modify its draft list on MFN exemptions as indicated in the headnote thereof. The Principality of Liechtenstein assumes the entire responsibility for its commitments taken under the Agreement. Switzerland, however, is mandated to negotiate on behalf of the authorities of the Principality of Liechtenstein.

LIST OF ARTICLE II EXEMPTIONS FOR SWITZERLAND

<b>Sector or Sub-sector</b>	<b>Description of Measure Indicating its Inconsistency with Article II</b>	<b>Countries to which the Measure Applies</b>	<b>Intended Duration</b>	<b>Conditions Creating the Need for the Exemption</b>
Distribution services	To grant work permits, without certain limitations, to employees of establishments of enterprises of member countries of the convention establishing the European Free Trade Association (EFTA), the establishment's activity being commerce in goods.	Members of EFTA	Indefinite	Flanking measure to the provisions on free trade in goods under the EFTA Agreement.
Audio-visual services	To confer national treatment to audio-visual works covered by bi- or plurilateral agreements on co-production in the field of audio-visual works; such works may, in particular, receive funding which otherwise would not be available.	All countries with whom cultural co-operation may be desirable (at present agreements exist with member countries of the Council of Europe and with Canada)	Indefinite	Promotion of common cultural objectives.
Audio-visual services	Measures granting the benefit of support programmes such as MEDIA and EURIMAGES to audio-visual works and to suppliers of audio-visual services, meeting European origin criteria.	European countries	Indefinite	Promotion of cultural objectives based on long-standing cultural links.
Audio-visual services	Concessions for the operation of radio or television broadcast stations may be granted, normally on the basis of bilateral agreements, to persons of countries other than Switzerland.	All countries with whom cultural co-operation may be desirable.	Indefinite	Promotion of common cultural objectives, and to regulate access to a market limited in scale (given the size of Switzerland) in order to preserve diversity of supply.

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
Internal waterways transport	To allow transport services on the Rhine including cabotage to vessels registered in countries other than Switzerland on the basis of the Mannheim Convention (including related additional articles and protocols) and other agreements on internal waterways transport in Europe.	Beneficiaries of the Mannheim Convention and other agreements relating to internal waterways transport in Europe to which Switzerland may be a member (at present members of the EC).	Indefinite	To regulate transport capacity on inland waterways.
Road transport services (passenger and freight)	To allow, on the basis of mutual access to the market, transport services by vehicles registered in countries other than Switzerland to undertake transportation of goods and/or passengers in, into, out of, or in transit through Swiss territory, normally based on bilateral agreements.	All countries with whom bilateral agreements on road transport or other arrangements relating to road transport exist or may be desirable (at present approximately 30 countries).	Exemption needed until multilateral liberalization of road transport services, taking into account regional specificity and environmental effects of road transport, will have been agreed upon.	To take into account regional specificity of the provision of road transport services and to protect the integrity of road infrastructure and environment.
Road transport services (freight)	To allocate transit quota for perishable or otherwise urgent cargo by trucks heavier than 28 tons registered in countries other than Switzerland in case capacity of combined transport is exhausted.	EC	To be reviewed 12 years after entry into force of the bilateral agreement between Switzerland and the EC.	To protect the integrity of road infrastructure and of the environment.
All sectors	To mutually grant permits of temporary stay and permanent residency in the territory of the parties, without certain limitations, to citizens of the parties of the agreements on temporary stay and permanent residency between Switzerland and the Principality of Liechtenstein.	Principality of Liechtenstein	Indefinite	Flanking measure to customs, monetary- and postal union between Switzerland and the Principality of Liechtenstein.

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	Preferential treatment accorded to nationals of countries other than Switzerland, belonging to traditional recruiting areas according to Swiss legislation on immigration, when granting permits for entry, stay and work in Switzerland (year-round resident, short-time resident, seasonal workers) to natural persons providing services other than essential persons as defined in the Swiss schedule on initial commitments on trade in services, horizontal provision No. 2)	EC and EFTA countries	Indefinite	To regulate immigration into Switzerland by measures based on long-standing links with traditional recruiting areas.
Banking and other financial services (excluding insurance)	To allow persons established in the Principality of Liechtenstein, without requiring a commercial presence in Switzerland, to participate in settlement and clearing networks and to lead-manage Swiss-franc denominated issues.	Principality of Liechtenstein	Indefinite	Measures ensuing from the monetary union between Switzerland and the Principality of Liechtenstein.
Financial services	Switzerland has reciprocity provisions in the area of financial services. Switzerland intends to list these provisions as specific exemptions from the obligation under Article II:1 of the Agreement if the final initial commitments of the negotiating parties in the financial services sector fail to secure an adequate balance of rights and obligations under the Agreement.			

Revised MFN Exemption List of Liechtenstein

1. Liechtenstein hereby submits its revised list of MFN exemptions in accordance with Article II:2 and the Annex on Article II Exemptions of the General Agreement on Trade in Services.
2. Liechtenstein reserves the right to modify its draft list of MFN exemptions inter alia depending on the final outcome of negotiations on the text of the GATS, on the degree to which other parties are ready to undertake satisfactory and mutually acceptable specific commitments on market access and national treatment, and on the strength of MFN discipline to which the parties are willing to submit themselves. At present no exemption is submitted for measures taken under statutory systems of social security. Liechtenstein reserves the right to examine these measures in light of the approach taken by other participants.
3. Liechtenstein further reserves the possibility to make technical changes to its draft list of MFN exemptions and to correct omissions and inaccuracies.

LIST OF ARTICLE II EXEMPTIONS FOR LIECHTENSTEIN

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
Distribution services	To grant work permits, without certain limitations, to employees of establishments of enterprises of member countries of the convention establishing the European Free Trade Association (EFTA), the establishment's activity being commerce in goods.	Members of EFTA	Indefinite	Flanking measure to the provisions on free trade in goods under the EFTA Agreement.
All sectors	To mutually grant permits of temporary stay and permanent residency in the territory of the parties, without certain limitations, to citizens of the parties of the agreements on temporary stay and permanent residency between the Principality of Liechtenstein and Switzerland.	Switzerland	Indefinite	Flanking measure to customs, monetary- and postal union between the Principality of Liechtenstein and Switzerland.
All sectors	Preferential treatment accorded to nationals of countries other than Liechtenstein, belonging to traditional recruiting areas according to Liechtenstein legislation on immigration, when granting permits for entry, stay and work in Liechtenstein (year-round resident, short-time resident, seasonal workers) to natural persons providing services.	EC and EFTA countries	Indefinite	To regulate immigration into Liechtenstein by measures based on long-standing links with traditional recruiting areas.

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
Road transport services (passenger and freight)	To allow, on the basis of mutual access to the market, transport services by vehicles registered in countries other than Liechtenstein to undertake transportation of goods and/or passengers in, into, out of, or in transit through Liechtenstein territory, normally based on bilateral agreements.	All countries with whom bilateral agreements on road transport or other arrangements relating to road transport exist or may be desirable (at present approximately 30 countries).	Exemption needed until multilateral liberalization of road transport services, taking into account regional specificity and environmental effects of road transport, will have been agreed upon.	To take into account regional specificity of the provision of road transport services and to protect the integrity of road infrastructure and environment.
Audio-visual services	Measures granting the benefit of support programmes such as MEDIA and EURIMAGES to audio-visual works and to suppliers of audio-visual services, meeting European origin criteria.	European countries	Indefinite	Promotion of cultural objectives based on long-standing cultural links.
Audio-visual services	Concessions for the operation of radio or television broadcast stations may be granted to persons of countries other than Liechtenstein.	All countries with whom cultural co-operation may be desirable.	Indefinite	Promotion of common cultural objectives, and to regulate access to a market limited in scale in order to preserve diversity of supply.
Audio-visual services	To confer national treatment to audio-visual works covered by bi- or plurilateral agreements on co-production in the field of audio-visual works; such works may, in particular, receive funding which otherwise would not be available.	All countries with whom cultural co-operation may be desirable.	Indefinite	Promotion of common cultural objectives.

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
Banking and other financial services (excluding insurance)	To allow persons established in Switzerland, without requiring a commercial presence in Liechtenstein, to participate in settlement and clearing networks and to lead-manage Swiss-franc denominated issues.	Switzerland	Indefinite	Measures ensuing from the monetary union between Liechtenstein and Switzerland.
Insurance services	To grant permit for establishment to insurance companies from countries other than Liechtenstein only to companies which are supervised by the Swiss insurance supervision authority.	All countries	Indefinite	Measure to ensure supervision of foreign insurance companies.
All sectors	According to the Liechtenstein legislation the right of commercial presence and the right of presence of natural persons in all sectors is dependent on reciprocity for service providers from Liechtenstein. Liechtenstein intends to list the reciprocity provisions as specific exemption from the obligation under Article II.1 of the Agreement if the final initial commitments of the negotiating parties fail to secure adequate balance of rights and obligations under the Agreement.			