

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Group of Negotiations on Services

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COMMUNICATION FROM CYPRUS

**Conditional Offer of the Republic of Cyprus Concerning
Initial Commitments on Trade in Services**

Corrigendum

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

With reference to the "Conditional Offer of the Republic of Cyprus concerning Initial Commitments on Trade in Services" contained in document MTN.GNS/W/175/Rev.1 of 15 November 1993, we attach hereto a corrigendum to page 4 of the said document regarding "Horizontal Measures that apply to all sectors".

Under the title "Limitations on National Treatment" at the end of the paragraph, the sentence: "In the case of branches of foreign companies borrowing is not normally permitted" should be corrected to read "In the case of branches of foreign companies, borrowing from local sources is not normally permitted".

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Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
ALL SECTORS (cont'd)	<p>Under the Exchange Control Law the permission of the Central Banks is required for the participation of any non-resident in a corporate body or partnership in Cyprus. There may be limitations in certain sectors regarding foreign participation, which is normally restricted to up to 49%.</p>	<p>In case the non-resident participation exceeds 24%, any additional financing for working capital requirements or otherwise should be raised from local and foreign sources in proportion to the participation of residents and non-residents in the entity's equity. In the case of branches of foreign companies, borrowing from local sources is not normally permitted.</p> <p>In the case of public companies, foreign equity participation is normally allowed to the extent of up to 30%. In Mutual Funds the extent of allowable foreign ownership is 40%.</p> <p>The decision to grant permission for foreign ownership is based on an economic needs test, for which the following criteria are used in general:</p> <ul style="list-style-type: none"> (a) Provision of services which are new to Cyprus. 	<p>(1) Cross-border Supply (2) Consumption Abroad (3) Commercial Presence (4) Presence of Natural Persons</p>