MULTILATERAL TRADE NEGOTIATIONS THE URUGUAY ROUND

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Group of Negotiations on Services

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COMMUNICATION FROM EGYPT

Draft Schedule of Egypt concerning Initial Commitments on Trade in Services

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

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1. Egypt submits herewith its draft schedule concerning initial commitments under the General Agreement on Trade in Services.

2. This draft schedule is presented on the condition that the overall outcome of the Uruguay Round is satisfactory to it. Egypt also reserves the right to withdraw or modify its draft schedule at any prior time to the final conclusion of the Uruguay Round negotiations, depending, inter-alia, upon the scope as well as the number of MFN exemptions sought by other participants, particularly in financial services.

3. Egypt further reserves its right to make technical changes and to correct any errors, omissions, or inaccuracies before finalizing its schedule.

Part 1 Horizontal Notes

1. The entry and temporary stay of natural persons

According to the Labour Code (Law No. 137/1981) and its executive regulations, the number of foreign personnel necessary to the supply of services in any entity, regardless of number of its branches, shall not exceed 10 per cent of the total number of personnel employed therein, unless otherwise specified in a sectoral entry of this schedule.

2. Acquisition of land

Acquisition of land and/or real-estate property which is necessary to the supply of services, other than those entities to be established under the Investment Law (No. 230/1989), is subject to the approval of the Egyptian authorities concerned.

SCHEDULE OF SPECIFIC COMMITMENTS OF EGYPT

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
CONSTRUCTION AND RELATED ENGINEERING SERVICES :		
- Construction work for civil engineering:	**(1)** Unbound*	**(1)** Unbound*
- Bridges, elevated highways, tunnels and subways - Waterways, harbours, dams and other water work - Long distance pipelines, communication and power lines (cables) - Constructions for mining and manufacturing	**(2)** Unbound*	**(2)** Unbound*
- Special trade construction work: - Steel bending and erection (incl. welding) - Other special trade construction work	**(3)**-Commercial presence is only allowed for joint-venture companies. - Foreign capital equity shall not exceed 49% of the total capital required for the project.	**(3)** None
- Installation work: - Gas fitting construction work	**(4)** None	**(4)** None
- Electrical work: - Fire alarm construction work - Other electrical construction work		

Key: **(1)** Cross - Border supply
(2) Consumption abroad
(3) Commercial Presence
(4) Presence of Natural Persons

SCHEDULE OF SPECIFIC COMMITMENTS OF EGYPT

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
- Other installation work		
- Lift and escalator construction work		
- Renting services related to equipment for construction or demolition of buildings or civil engineering works, with operator.		

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SCHEDULE OF SPECIFIC COMMITMENTS OF EGYPT

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
Tourism & Travel Related services	**(1)** Unbound*	**(1)** Unbound*
1 - Hotels & Restaurants	**(2)** None	**(2)** None
A. Hotels and other Commercial Accomodations:		
a. Hotels and Motels **b.** Resort Hotels and Accomodation Facilities **c.** Casino Hotels	**(3)** - A licence will be given according to the requirement of economic needs test (main criteria: market needs and locating different categories of hotels.) - Casino services can be provided only through 5 stars hotels (gambling allowed only for foreigners.) - Limitations on the total number of services operations depend on the requirement of economic needs test (geographical location, increase in the number and categories of tourists). - Foreign capital equity should not exceed 49% in projects to be established in Sinai. - Training of Egyptian employees should be perfomed by the foreign natural persons within the terms of the contract.	**(3)** None
B. Restaurants, Bars and Canteens **a.** Full Service Restaurants **b.** Fast Food Restaurants and Cafeteria	**(4)** None	**(4)** None

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SCHEDULE OF SPECIFIC COMMITMENTS OF EGYPT

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
2 - Travel Agencies and Tour Operators	**(1)** Unbound	**(1)** Unbound
	(2) None	**(2)** None
a. Tour Operators, Packagers and Wholesalers **b.** Travel Agencies	**(3)**- Limitations on the total number of services operations depend on the requirement of economic needs test . - Training of Egyption employees should be performed by the foreign natural persons within the terms of the contract.	**(3)** None
	(4) None	**(4)** None
3 - Other Tourism Services	**(1)** None	**(1)** None
A. Tourism management Services	**(2)** None	**(2)** None
a. Tourism Property Management **b.** Rental / Lease Tourism Property	**(3)** - Bound only for representative offices. - Limitations on the total number of services Operations depend on the requirement of economic needs test. - Training of Egyptian employees should be performed by the foreign natural persons within terms of the contract.	**(3)** None
	(4) None	**(4)** None

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SCHEDULE OF SPECIFIC COMMITMENTS OF EGYPT

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
B. Tourism Transport Services	(1) Unbound	(1) Unbound
	(2) None	(2) None
a. Land Transport Services	(3) None	(3) None
1- Long Distance tour buses 2- Short Distance tour buses	(4) Unbound	(4) Unbound
b. Inland Water Ways	(1) Unbound	(1) Unbound
1- Inland Water Passenger transport	(2) None	(2) None
2- Inland Water local tours	(3) The addition to the inland water passenger and/or local tours	(3) None
3- Cruise ships	is subject to the physical capacity of the Nile river.	
	(4) None	(4) None
C. Tourism Training Institutions	(1) None	(1) None
	(2) None	(2) None
	(3) None	(3) None
	(4) None	(4) None

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SCHEDULE OF SPECIFIC COMMITMENTS OF EGYPT

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
D. Tourism Related Conventions	**(1)** None	**(1)** None
	(2) None	**(2)** None
	(3) None	**(3)** None
	(4) None	**(4)** None
E. Institutional Food Service Caterers (with the exception of Airport Catering Facilities which are confined only to the national air carriers).	**(1)** None	**(1)** None
	(2) None	**(2)** None
	(3) None	**(3)** None
	(4) None	**(4)** None

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SCHEDULE OF SPECIFIC COMMITMENTS OF EGYPT
Financial Services

Measures of specific application :

Commercial Presence for conducting the activities of other Financial Services (Capital Market Services excluding trading in securities) should take the form of a joint-stock Company or a Partership limited by shares or limited liability Company).

The main criteria on which the economic needs tests concerning the Insurance and Reinsurance Services (both branches of foreign Companies and joint-venture Companies) are based, are as follows :

1- Surplus demand to traditional classes of insurance gives new companies an opportunity of working without harmful competition to the market or financial positions of existing companies and consequently policy holders.

2- Exhausting of 50% of the capacity of the existing companies, which is calculated on the basis of solvency margin, there is a surplus demand in excess of the capacity which enables a new company to achieve its purpose.

3- Setting up of a new company leads to an increase of total retention in the market; taking into account the technical considerations.

4- The new companies shall introduce new covers.

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
INSURANCE & INSURANCE RELATED SERVICES **1- Life, Health, personal accident.**	**(1)** None **(2)** None **(3)** Foreign and joint venture Companies are allowed only to carry on business in free zones, provided that their activities shall be confined to the transactions carried out in convertible currencies. - Inland commercial presence, other than in free zones, will be allowed within five years from the entry into force of the GATS. Economic needs test shall apply then. - Foreign capital equity shall not exceed 49% of the total capital required for the company. - 50% in excess of the retention on the basis of risk premium of any Company must be ceded to the Egyptian Reinsurance Co., and 5% of the Company's treaties to the African Reinsurance Co.	**(1)** None **(2)** None **(3)** None

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SCHEDULE OF SPECIFIC COMMITMENTS OF EGYPT
Financial Services (Cont.)

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
	(4) The managing directors should be national and have not less than 15 years of experience in the insurance and reinsurance business.	**(4)** None
2- Non-Life Insurance	**(1)** *Unbound*	**(1)** *Unbound*
	(2) None	**(2)** None
	(3) Foreign and joint venture Companies are allowed only to carry on business in free zones, provided that their activities shall be confined to the transactions carried out in convertible currencies. - Inland commercial presence, other than in free zones, will be allowed within five years from the entry into force of the GATS. Economic needs test shall apply then. - Foreign capital equity shall not exceed 49% of the total capital required for the Company. - 30% on proportional basis of the total transactions must be ceded to the Egyptian Reinsurance Co., and 5% of the Company's treaties to the African Reinsurance Co.	**(3)** None
	(4) The managing directors should be national and have not less than 15 years of experience in the insurance and reinsurance business.	**(4)** None

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SCHEDULE OF SPECIFIC COMMITMENTS OF EGYPT
Financial Services (Cont.)

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
3- Reinsurance and Retrocession	**(1)** None	**(1)** None
	(2) None	**(2)** None
	(3) Foreign and joint venture Companies are allowed only to carry on business in free zones, provided that their activities shall be confined to the transactions carried out in convertible currencies. - Economic needs test shall apply to the inland Commercial Presence (other than in free zones). - Foreign capital equity shall not exceed 49% of the total capital required for the company. - Insurance and reinsurance Companies are not allowed to deal with reinsurers not listed in the supervisory authority list. - 5% of the Company's treaties must be ceded to the African Reinsurance Co. - The Egyptian Reinsurance Co. pledges to accept the following shares: - Life business: 50% in excess of the retention on the base of risk premium of any Company. - Non-Life business: 30% on proportional basis of the total transactions.	**(3)** None
	(4) The managing directors and the technical executives must have a minimum level of experience.	**(4)** None

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SCHEDULE OF SPECIFIC COMMITMENTS OF EGYPT
Financial Services (Cont.)

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
4- Auxiliary services other than intermediation:		
a) Actuarial services.	**(1)** Unbound	**(1)** Unbound
	(2) Unbound	**(2)** Unbound
	(3) Foreign service supplier must be resident.	**(3)** None
	(4) None	**(4)** None
b) consultancy (Risk assessment and risk management only)	**(1)** None	**(1)** None
	(2) None	**(2)** None
	(3) The Insurance supervisor authority shall specify the conditions of Commercial Presence.	**(3)** None
	(4) None	**(4)** None

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SCHEDULE OF SPECIFIC COMMITMENTS OF EGYPT
Banking Services

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
A - Joint Venture Banks (JVB's):		
- Acceptance of deposits and other forms of repayable funds.	**(1)** Unbound	**(1)** Unbound
- All types of lending , including consumer credit, and financing of commercial transactions.	**(2)** Unbound	**(2)** Unbound
- All payment and money transmission services, including credit, charge and debit cards, traveller cheques and bankers draft.	**(3)** Foreign Capital equity should not exceed 51%.	**(3)** None
- Guarantees and Committments.	**(4)** The General Manager should be national and have not less than 10 years experience in banking business in Egypt.	**(4)** None
- Trading for own account or for account of customers in: **a)** Money market instruments (Cheques, Bills and Certificate of Deposits) **b)** Foreign exchange **c)** Securities	- Foreign Service suppliers, in the context of JVB's, are required to offer on-job training for national employees.	
- Participation in share issues and the provision of services related to such issues.		
- Money broking.		
- Portfolio management & advice.		
- Safekeeping of securities.		
- Credit reference services and		
- Safe custody services		

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SCHEDULE OF SPECIFIC COMMITMENTS OF EGYPT
Banking Services (Cont.)

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
B- Foreign Bank Branches Same activities specified under (A) above.	**(1)** Unbound **(2)** Unbound **(3)** - Economic needs test shall apply. - Terms and conditions specified by the Minister of Economy and foreign Trade. **(4)** None	**(1)** Unbound **(2)** Unbound **(3)** Branches of foreign banks established after June 5th 1992, (the date of enforcement of Law No 37 of 1992) may be licensed to deal in local currency in addition to foreign currency dealings, subject to the terms and conditions specified by the Minister of Economy and Foreign Trade.* **(4)** None

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(*) - For clarity purposes, branches of foreign banks establised prior to June 5, 1992, may be licensed to deal in local currency in addition to their foreign currency dealings, provided that, such branches submit an application for license to the Central Bank of Egypt, along with certain documents provided for in this law.

SCHEDULE OF SPECIFIC COMMITMENTS OF EGYPT
Banking Services (Cont.)

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
C - Representative Offices of Foreign Banks (R.O's) :		
	(1) Unbound	**(1)** Unbound
	(2) Unbound	**(2)** Unbound
	(3) Foreign banks which desire to set up representative offices should not have branches in Egypt. - Activities of R.O's should be confined to conducting studies and potential investments, they should act as liaison with their head offices and contribute to solving problems and difficulties that may encounter their head offices' correspon--dents in Egypt.	**(3)** Unbound*
	(4) None	**(4)** None

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SCHEDULE OF SPECIFIC COMMITMENTS OF EGYPT

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
OTHER FINANCIAL SERVICES : (Capital Market Services)		
1- Underwriting	**(1)** None	**(1)** None
	(2) None	**(2)** None
	(3) None	**(3)** None
	(4) None	**(4)** None
2- Brokerage	**(1)** None	**(1)** None
	(2) None	**(2)** None
	(3) None	**(3)** None
	(4) None	**(4)** None

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SCHEDULE OF SPECIFIC COMMITMENTS OF EGYPT

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
3- Trading in Securities (Buy and Sell by individual or institution on the stock-exchange)	**(1)** None	**(1)** None
	(2) None	**(2)** None
	(3) None	**(3)** None
	(4) None	**(4)** None
4- Clearing and Settlement	**(1)** None	**(1)** None
	(2) None	**(2)** None
	(3) None	**(3)** None
	(4) None	**(4)** None

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SCHEDULE OF SPECIFIC COMMITMENTS OF EGYPT

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
5- Marketing and Market Promotion	**(1)** None	**(1)** None
	(2) None	**(2)** None
	(3) None	**(3)** None
	(4) None	**(4)** None
6- Portfolio and Investment Management	**(1)** None	**(1)** None
	(2) None	**(2)** None
	(3) None	**(3)** None
	(4) None	**(4)** None

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SCHEDULE OF SPECIFIC COMMITMENTS OF EGYPT

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
7- Establishment of collective investment funds	**(1)** None	**(1)** None
	(2) None	**(2)** None
	(3) None	**(3)** None
	(4) None	**(4)** None
8- Venture Capital	**(1)** None	**(1)** None
	(2) None	**(2)** None
	(3) None	**(3)** None
	(4) None	**(4)** None

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MARITIME TRANSPORT

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
International Maritime Transport		
A) Passenger Transportation	**(1)** Unbound	**(1)** Unbound
B) Freight Transportation	**(2)** None	**(2)** None
	(3) Commercial presence is only allowed for joint-venture companies. - Foreign capital equity should not exceed 49%. - All ships owned by the established companies should be registred at the Egyptian ship register as a pre-requisite to fly the Egyptian flag.	**(3)** None
	(4)-95% of the crew should be national and their wages and salaries should not be less than 90% of the total paid up wages and salaries. - The Chairman and majority of the Board of Directors must be Nationals.	**(4)** None

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MARITIME TRANSPORT

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
Supporting services for Maritime Transport: Port dredging	**(1)** Unbound	**(1)** Unbound
	(2) Unbound*	**(2)** Unbound*
	(3) Commercial Presence is only allowed for joint-venture companies. - Foreign Capital equity should not exceed 75 %.	**(3)** None
	(4) At least 25% of both the personnel and members of the Board of Directors must be Nationals.	**(4)** None

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