MULTILATERAL TRADE NEGOTIATIONS THE URUGUAY ROUND

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COMMUNICATION FROM MALAYSIA

Revised MFN Exemption List of Malaysia

The attached communication is circulated at the request of Malaysia to the members of the Group of Negotiations on Services.

GATT SECRETARIAT

LIST OF ARTICLE II EXEMPTIONS FOR MALAYSIA

(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 Financial Services, including Insurance	Future liberalisation of measures in the financial sector may be accorded to financial services and service suppliers of another Member in a differentiated manner and at the discretion of the relevant authorities.	All countries	Indefinite	To enable differentiated treatment to be accorded to another Member which commensurates with the commitments of that Member to assist Malaysia to achieve specific economic and financial targets, enhance trade and investment and promote technological innovation and expansion of its financial sector which would result in net benefit to Malaysia.
All Sectors	Liberalisation of measures affecting movement of foreign semi-skilled and unskilled workers into Malaysia may be carried out in a differentiated manner based on reasons including proximity, either contiguous or regional, religious and/or cultural compatibility.	All countries	Indefinite	The measure is required to: 1. maintain the arrangements under existing bilateral agreements; and 2. ensure that the movement of foreign semi-skilled and unskilled workers contribute to the social stability and industrial harmony in Malaysia.

(1) Sector or Sub-Sector	(2) Description of Measure Indicating its Inconsistency with Article II	(3) Countries to which the Measure Applies	(4) Intended Duration	(5) Conditions Creating the Need for the Exemption
Advertising services	20 per cent foreign content limitation for advertising is waived for these countries.	Brunei Darussalam Indonesia Philippines Singapore Thailand	5 years	The measure is required to promote intra-ASEAN tourism.
All sectors	Future liberalisation of measures affecting limitations on foreign equity or interest in companies established in Malaysia shall be carried out in a differentiated manner, and at the discretion of the relevant authorities.	All countries	Indefinite	The measure would be applied in a differentiated manner to those investment that match Malaysia's specific development requirements with the abilities and facilities provided by foreign enterprises and their home countries. The objective is to maximise economic benefits of foreign participation in the Malaysian economy.