

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

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**Group of Negotiations on Services**

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**COMMUNICATION FROM SINGAPORE**

**Draft Final MFN Exemption List of Singapore**

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

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1. Singapore reserves the right, prior to the conclusion of the services negotiations, to modify or amend this list.
  2. Singapore further reserves the right to make technical changes and to correct omissions and inaccuracies to its list of exemptions.

## LIST OF ARTICLE II EXEMPTIONS FOR SINGAPORE

Sector or Sub-Sector	Description of Measure Indicating Inconsistency with Article II	Countries to which the Measure Applies	Intended Duration	Condition Creating the Need for the Exemption
All Sectors: Presence of:	<p>Preference for workers from traditional sources of supply.</p> <ul style="list-style-type: none"> <li>- unskilled and semi-skilled natural persons</li> <li>- skilled persons (include craftsmen skilled in a particular trade, but exclude specialists/ professionals personnel at management level)</li> </ul>	Traditional sources.	<p>Indefinite.</p> <p>Singapore will periodically review this in the light of domestic and national policy considerations.</p>	<p>Due to land constraints and the fundamental need for social cohesion among the multi-racial population, the Government needs to regulate the flow of foreign workers, both skilled and unskilled, to ensure that Singapore is not overpopulated and foreigners who could potentially disrupt social order are not admitted.</p>

Sector or Sub-Sector	Description of Measure Indicating Inconsistency with Article 11	Countries to which the Measure Applies	Intended Duration	Condition Creating the Need for the Exemption
All Sectors: Investment Guarantee Agreements	Investment guarantee, i.e. obligations to protect foreign investments from unforeseen contingencies such as nationalisation, war, etc., are accorded only to co-signatories of Investment Guarantee Agreements.	All countries. Current signatories with whom Singapore has concluded IGAs are: ASEAN countries, France, Netherlands, Switzerland, United Kingdom, Belgio-Luxembourg Economic Union, Sri Lanka, People's Republic of China, Vietnam, Taiwan, US.	Indefinite. Singapore will periodically review this in the light of international developments.	Currently, many countries' obligations to protect foreign investments from unforeseen contingencies are governed by the provisions established under bilateral investment guarantee agreements. The agreements also help to provide the economic and political guarantees for the promotion of bilateral relations.
All Sectors: Commonwealth Tax Credit Scheme	Section 48 of the Income Tax Act provides for the granting of relief against Singapore tax payable on income derived from a Commonwealth country.	Commonwealth countries which grant reciprocal relief.	Indefinite. Singapore will periodically review this in the light of international developments.	This is part of Singapore's cooperation among Commonwealth members.
Legal services	All measures pertaining to the provision of legal services in Singapore.	All countries.	Indefinite. Singapore will keep the possibility of removing this exemption under review.	The exemption is necessary as the establishment of foreign law firms in Singapore is based on case-by-case approval.

Sector or Sub-Sector	Description of Measure Indicating Inconsistency With Article II	Countries to Which the Measure Applies	Intended Duration	Condition Creating the Need for the Exemption
Broadcasting Broadcasting is defined to include - Free-to-air broadcasting - Cable and Pay television - Direct broadcast by satellite - Teletext - all broadcasting services listed in Services Sectoral Classification List, MTN-GNS/W120	The Singapore Broadcasting Corporation (SBC) accords preferential broadcast and transmission rights to selected countries with which it has signed bilateral agreements.	All countries. Currently, only Brunei and Indonesia are given preferential broadcast and transmission rights.	Singapore will keep the possibility of removing the exemption under review.	To promote social, economic and cultural relations.

Sector or Sub-Sector	Description of Measure Indicating Inconsistency with Article II	Countries to which the Measure Applies	Intended Duration	Condition Creating the Need for the Exemption
Computer reservation systems	Market access and national treatment are based on reciprocity in mutual concessions, but not necessarily in the same areas, as established under bilateral Air Services Agreements.	All countries. Current countries with whom Singapore has concluded bilateral air services agreements are: Australia, Austria, Bahrain, Bangladesh, Belgium, Brazil, Brunei, Bulgaria, Cambodia, Chile, China, Commonwealth Independent States, Cyprus, Czech and Slovak Republics, Denmark, Egypt, Ethiopia, Fiji, Finland, France, Germany, Greece, Hong Kong, Hungary, India, Indonesia, Iran, Iraq, Ireland, Israel, Italy, Japan, Jordan, Kenya, South Korea, Kuwait, Laos, Lebanon, Luxembourg, Madagascar, Malaysia, Maldives, Malta, Mauritius, Mexico, Mongolia, Myanmar, Nauru, Nepal, the Netherlands, New Zealand, Nigeria, Norway, Oman, Pakistan, Papua New Guinea, the Philippines, Poland, Portugal, Qatar, Romania, Saudi Arabia, Seychelles, South Africa, Spain, Sri Lanka, Sweden, Switzerland, Taiwan, Tanzania, Thailand, Turkey, Ukraine, United Arab Emirates, the United Kingdom, the US, Vietnam, Yemen Arab Republic, Yugoslavia, Zambia and Zimbabwe.	Indefinite. Singapore will periodically review this in the light of international developments.	Currently, the conditions and level of market access granted in air transport services are primarily governed by other multilateral agreements and/or bilateral air services agreements. In addition, the "Annex on Air Transport Services" contained in the GATS currently has only limited application to measures affecting the air transport services sector.
Maritime Transport Services :	- storage and warehousing - freight forwarding - inland trucking - container station and depot services	All countries. Current countries with whom Singapore has concluded bilateral shipping agreements are : ROK, PRC and Vietnam.	Indefinite. Singapore will periodically review this in the light of international developments.	Some of Singapore's trading partners do not accord Singapore companies satisfactory access to maritime transport services in their territories.

**MFN EXEMPTIONS IN THE FINANCIAL SERVICES SECTOR<sup>1</sup>**

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
1. Reinsurance and retrocession	Exception granted to ASEAN Reinsurance Corporation (ASEAN Re), a private-sector venture with equal shareholdings from the 6 Asean countries, to be established with a paid-up capital of S\$6 million instead of the minimum S\$10 million stipulated in the Insurance Act. Other than this, ASEAN Re is subject to the same rules and regulations applied to all reinsurers in Singapore.	Asean		ASEAN Re has committed itself to increase its paid-up capital when its premium income increases. Presently, ASEAN Re writes a relatively small amount of business.

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Supplementary information provided for transparency

The Stock Exchange of Singapore (SES) and the Singapore International Monetary Exchange (SIMEX) have established trading linkages with the exchanges of some countries to facilitate the trading of securities and futures. The establishment of trading linkages is a commercial decision of the SES and SIMEX.

Sector or Sub-Sector	Description of Measure Indicating its Inconsistency with Article 11	Countries to which the Measure Applies	Intended Duration	Conditions Creating the Need for the Exemption
2. Banking and other financial services	<p>Under a currency interchangeability agreement between Singapore and Brunei, the currency issuing authorities of Singapore and Brunei would:-</p> <ul style="list-style-type: none"> <li>• accept from banks, notes and coins issued by the other issuing authority, at par and without charge and to exchange such notes and coins into the currency of the country concerned; and</li> <li>• arrange for repatriation at the expense of the respective currency issuing authority, the notes and coins issued by the other currency issuing authority and to receive at par the equivalent in any agreed currency.</li> </ul>	Brunei	Indefinite, until either country terminates the agreement.	The currency inter-changeability agreement was entered into in 1967 arising from special historical and economic ties between Singapore and Brunei.

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
3. Financial services	Treatment with respect to the granting of approval to establish offshore banks and merchant banks (subject to MAS' entry requirements), expand existing operations and conduct new activities in the financial services sector may be accorded to service suppliers of another member in a differentiated manner and at the discretion of the Monetary Authority of Singapore.	All countries	Indefinite	To accord differentiated treatment to another member which accords favourable treatment to Singapore financial institutions.