

**EL SALVADOR**

**Schedule of Specific Commitments**

**(This is authentic in Spanish only)**

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**EL SALVADOR - SCHEDULE OF SPECIFIC COMMITMENTS**

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<p><b>I. HORIZONTAL COMMITMENTS</b></p> <p><b>ALL SECTORS INCLUDED IN THIS SCHEDULE</b></p>	<p>3) For a foreign company to be able to engage in commercial activities in El Salvador, it must:</p> <ul style="list-style-type: none"> <li>- prove that it is legally established in accordance with the law of the country in which it has been set up;</li> <li>- permanently maintain in the country a representative with broad powers to perform all the acts that must be carried out and must have effect in the country;</li> <li>- accept to be subject to the laws, courts and authorities of the country in respect of the acts performed or having effect in the country.</li> </ul>	<p>1), 2) 3) and 4) Any type of income obtained in the country, other than dividends, paid to legal persons not domiciled in the country is subject to a deduction of 20 per cent.</p>	

EL SALVADOR (continued)

Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments	
	<p>All foreign investors wishing to be eligible for the benefits and guarantees extended to their investment must be registered in the foreign investment register kept by the Ministry of the Economy. For this purpose, the Ministry shall take into account the nature, value, origin, destination and date of entry of the investment, as well as any modification during its presence in and exit from the country.</p> <p>Registered investment is subject to the following limitations:</p> <ul style="list-style-type: none"> <li>- in the case of investment in commercial and services activities, the amount of the net profits obtained in each financial year that may be remitted abroad is up to 50 per cent of the registered investment;</li> <li>- free remittance of payments for rights to use foreign trademarks and patents, technical assistance and other similar services, provided the value does not exceed 10 per cent of net sales.</li> </ul> <p>Small-scale trade, industry and provision of services are reserved exclusively for persons who are nationals of El Salvador by birth, and the law shall establish the ceilings for the classification of such activities.</p>			

**EL SALVADOR (continued)**

Modes of supply: 1) Sector or subsector	2) Cross-border supply	3) Consumption abroad	4) Commercial presence	5) Presence of natural persons
	Limitations on market access	Limitations on national treatment	Additional commitments	
	<p>4) Every employer must employ Salvadorian national, in a proportion of at least 90 per cent of the personnel of his enterprise. In special circumstances the Ministry of Labour and Social Security may authorize the employment of more foreigners when it is difficult or impossible to replace them by nationals, but employers remain obliged to train Salvadorian personnel under the supervision and control of the Ministry within a period of not more than five years. The amount of wages to Salvadorians may not be less than 85 per cent of the total wages paid. This percentage may be changed with the authorization of the above-mentioned Ministry.</p> <p>Foreigners may not hold the positions of administrator, director, manager or representative of a small-scale enterprise in the trade, industrial or services sector.</p>			

EL SALVADOR (continued)

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<b>II. SECTOR-SPECIFIC COMMITMENTS</b>			
1. BUSINESS SERVICES			
A. <u>Professional services</u>			
a) Legal services	1) None	1) None	
Solely: legal advisory and information services (86190)	2) None	2) None	
	3) None	3) None	
	4) In order to practise as a lawyer, in other words, to act as an attorney in accordance with national law, the authorization of the Supreme Court of Justice is required. If a Salvadorian who has acquired his degree outside El Salvador applies to be authorized to practise law, he must present his duly authenticated degree and show that it is recognized by the University of El Salvador. A foreigner wishing to practise as a lawyer in El Salvador must be a graduate of a Salvadorian university. To practise as a notary it is necessary to be Salvadorian.	4) Unbound, except as indicated in the horizontal section	

**EL SALVADOR (continued)**

Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access		Limitations on national treatment	
b) Accounting and auditing services  Solely: financial auditing services (86211); accounting review services (86212); bookkeeping services, except tax returns (86220)	1) Unbound 2) Unbound 3) None 4) Unbound		1) Unbound 2) Unbound 3) None 4) Unbound	
c) Tax advisory services  Solely: business tax planning (86301); business tax return preparation (86302)	1) Unbound 2) Unbound 3) None 4) Unbound		1) Unbound 2) Unbound 3) None 4) Unbound	
d) Architectural services  Solely: advisory and pre-design architectural services (86711); architectural design services (86712)	1) None 2) None 3) None 4) Unbound		1) None 2) None 3) None 4) Unbound	

EL SALVADOR (continued)

Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access		Limitations on national treatment	
e) Engineering services Solely: advisor and consultative engineering services (86721)	1) None 2) None 3) None 4) Unbound		1) None 2) None 3) None 4) Unbound	Additional commitments
b. <u>Computer and related services</u>	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section		1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
c) Data processing services Solely: Input preparation services (310); data processing services (84320); time sharing services (84330); other data processing services (84390)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section		1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	

**EL SALVADOR** (continued)

Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access		Limitations on national treatment	
E. <u>Rental/leasing services without operators</u>				
c) Rental/leasing services relating to other transport equipment without operators	1) Unbound	1) Unbound		
Solely: leasing of cars (83101)	2) None	2) None		
Solely: leasing of cars (83101)	3) None	3) None		
F. <u>Other business services</u>				
a) Advertising services	1) Unbound	1) Unbound		
Solely: sale of advertising space (87110); planning, creating and placement services of advertising (87120); other advertising services (87190)	2) Unbound	2) Unbound		
	3) None	3) None		
	4) Unbound, except as indicated in the horizontal section	4) Unbound, except as indicated in the horizontal section		



EL SALVADOR (continued)

Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access		Limitations on national treatment	
			Additional commitments	
<p>2. COMMUNICATION SERVICES</p>				
<p>C. <u>Telecommunication services</u> Value-added services Solely: mobile telephone services (75213); business services by private satellite networks (75221, 75222); data transmission services (75231, 75232); programme transmission services (75241, 75242); paging services (75291); teleconferencing services (75292); radioelectric link concentration systems (75299); radio and television cable services (75300); equipment rental services (75410); equipment sales services (75420); connection services (75430); consulting services (75440); communication equipment maintenance</p>	<p>1) Unbound 2) None 3) It is necessary to apply to ANTEL for a concession or licence to provide these services, and the applicant must be domiciled in El Salvador 4) Unbound, except as indicated in the horizontal section</p>	<p>1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section</p>		

**EL SALVADOR (continued)**

Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons	
Sector or subsector	Limitations on market access		Limitations on national treatment		Additional commitments
<p>6. ENVIRONMENTAL SERVICES</p> <p>Solely: cleaning services of exhaust gases (94040); noise abatement services (94050); nature and landscape protection services (94060); other environmental protection services (94090)</p>	<p>1) Unbound</p> <p>2) Unbound</p> <p>3) It is necessary to apply to the municipal authorities for the concession or licence to provide refuse disposal services, with the requirement that the applicant be domiciled in El Salvador</p> <p>4) Unbound</p>		<p>1) Unbound</p> <p>2) Unbound</p> <p>3) Unbound</p> <p>4) Unbound</p>		

EL SALVADOR (continued)

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	1)	2)	3)	4)	Additional commitments
<b>7. FINANCIAL SERVICES</b>					
<b>B. Banking and other financial services</b>					
a) Acceptance of deposits and other repayable funds from the public	1) Unbound 2) Unbound	1) Unbound 2) Unbound	1) Unbound 2) Unbound	1) Unbound 2) Unbound	
Solely: sight deposits in banks and branches of foreign banks (81116); time deposits and saving accounts (81116, 81119)	3) Branches, or through participation in the ownership of domestic banks or finance. For companies that have been or are in the process of being privatized, the ceiling on shareholding by a natural or legal person is five per cent of the capital of the institution. Foreign entities wishing to establish branches in the country must obtain authorization from the Financial System Supervisory Department.	3) At least 50 per cent of ownership of shares in banks or finance companies set up in El Salvador must be maintained for Salvadorian natural persons. Creditors domiciled in El Salvador enjoy preferential rights over assets which a foreign financial institution owns in the country.			
	4) Unbound, except as indicated in the horizontal section	4) Unbound, except as indicated in the horizontal section	4) Unbound, except as indicated in the horizontal section	4) Unbound, except as indicated in the horizontal section	

**EL SALVADOR (continued)**

Modes of supply:	1)	Cross-border supply	2)	Consumption abroad	3)	Commercial presence	4)	Presence of natural persons
Sector or subsector	Limitations on market access				Limitations on national treatment		Additional commitments	
<p>b) Granting of loans</p> <p>Solely: granting of mortgage loans (81131); personal instalment loans (81132); credit cards services (81133); issue and acceptance of letters of credit and documentary credits in banks and branches of foreign banks (81139)</p>	1) Unbound	2) Unbound	3) Branches, or through participation in the ownership of domestic banks or finance companies. For banks and finance companies that have been or are in the process of being privatized, the ceiling on shareholding by a natural or legal person is five per cent of the capital of the institution. Foreign entities wishing to establish branches in the country must obtain authorization from the Financial System Supervisory Department. This authorization is also required by foreign financial institutions intending to open agencies or offices to serve as information centres for their clients or for the placement of funds in the country in the form of credits or investments, without engaging in deposit operations in the national territory.	4) Unbound, except as indicated in the horizontal section	1) Unbound	2) Unbound	3) At least 50 per cent of ownership of shares in banks or finance companies set up in El Salvador must be maintained for Salvadorian natural persons. Creditors domiciled in El Salvador enjoy preferential rights over assets which a foreign financial institution owns in the country.	

EL SALVADOR (continued)

Modes of supply: 1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
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<p>c) Other financial services</p> <p>Solely: wholesale deposit services (81115); security custody services and financial reporting services for clients (81319); issue and placing of securities, bonds and mortgage bonds in local or foreign currency (81321, 81322); operations with securities of other companies, the Central Reserve Bank or the State Bank or guaranteed by the latter; and operations on the secondary mortgage market (81321); financial intermediation for the placement of resources of national or foreign institutions and enterprises (81331); foreign exchange buying and selling operations (81333); transport of cash and securities (81334)</p>	<p>1) Unbound</p> <p>2) Unbound</p> <p>3) Branches, or through participation in the ownership of domestic banks or finance companies. In the case of banks and finance companies that have been or are in the process of being privatized, the ceiling on shareholding by a natural or legal person is five per cent of the capital of the institution. Foreign entities wishing to establish branches in the country must obtain authorization from the Financial System Supervisory Department. This authorization is also required by foreign financial institutions intending to open agencies or offices to serve as information centres for their clients or for the placement of funds in the country in the form of credits or investments, without engaging in deposit operations in the national territory.</p> <p>4) Unbound, except as indicated in the horizontal section</p>	<p>1) Unbound</p> <p>2) Unbound</p> <p>3) At least 50 per cent of ownership of shares in banks or finance companies set up in El Salvador must be maintained for Salvadorian natural persons. Creditors domiciled in El Salvador enjoy preferential rights over assets which a foreign financial institution owns in the country.</p> <p>4) Unbound, except as indicated in the horizontal section</p>	

**EL SALVADOR (continued)**

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector		Limitations on market access		Limitations on national treatment	Additional commitments
9. TOURISM SERVICES					
A. <u>Hotels and restaurants</u>					
a) Hotels		1) Unbound*		1) Unbound*	
		2) None		2) None	
		3) None		3) None	
	Hotel lodging services (64110); motel lodging services (64120); children's holiday camp services (64191); holiday centre and holiday home services (64192); letting services of furnished accommodation (64193); youth hostel and mountain shelter services (64194); camping and caravanning site services (64195); sleeping car services and sleeping services in other transport media (64196); other lodging services n.e.c. (64199)	4) Unbound, except as indicated in the horizontal section		4) Unbound, except as indicated in the horizontal section	

\* Due to lack of technical feasibility.

EL SALVADOR (continued)

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Sector or subsector	Limitations on market access		Limitations on national treatment	Additional commitments
b) Restaurants Solely: meal serving without self-service (64210-64230 and 64290); meal serving services in self-service facilities (64220); beverage serving services without entertainment (64310); beverage serving services with entertainment (64320)	1) Unbound* 2) None 3) None 4) Unbound, except as indicated in the horizontal section		1) Unbound* 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
B. <u>Travel agencies and tour operators services</u> Solely: travel agencies and tour operators (74710)	1) Unbound 2) Unbound 3) None 4) Unbound, except as indicated in the horizontal section		1) Unbound 2) Unbound 3) None 4) Unbound, except as indicated in the horizontal section	

\* Due to lack of technical feasibility.

**EL SALVADOR (continued)**

Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments	
C. <u>Tourist guides services</u> Tourist guides services (74720)	1) Unbound 2) Unbound 3) None 4) Unbound, except as indicated in the horizontal section	1) Unbound 2) Unbound 3) None 4) Unbound, except as indicated in the horizontal section		
11. TRANSPORT SERVICES				
C. <u>Air transport services</u> Solely:				
d) Maintenance and repair services <sup>1</sup>	1) None 2) None 3) It is necessary to apply to the CEPA for the concession or licence to provide maintenance and repair services with the requirement that the applicant be domiciled in El Salvador	1) None 2) None 3) None		
	4) Unbound, except as indicated in the horizontal section	4) Unbound, except as indicated in the horizontal section		

<sup>1</sup> As defined in the Annex on Air Transport, paragraph 6, a).