

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Working Group on Financial Services
including Insurance

COMMUNICATION FROM THE UNITED STATES

Submission by the United States
on Financial Services

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

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SUBMISSION BY THE UNITED STATES ON FINANCIAL SERVICES

It is the view of the United States that any agreement on financial services to be considered in the context of the Uruguay Round should include, among others, the following critical elements:

First, the United States advocates the adoption of a national treatment standard for financial services permitting financial service providers of all Parties to establish a presence and conduct business on terms that (1) provide treatment that is no less favorable than that afforded domestic institutions in like circumstances, and (2) ensure equality of competitive opportunity.

Second, any agreement should cover new financial services and products in order to promote rather than hinder innovation in financial services.

Third, any agreement covering financial services should respect the traditional duties, rights, and responsibilities of finance ministers, central bank governors, and other regulators and officials in the financial services sector. More specifically, any such agreement must contain a provision which permits a Party to take reasonable actions necessary for prudential reasons, for the protection of investors and depositors, or for the protection of persons to whom a fiduciary duty is owed by a financial service provider.

Fourth, institutional arrangements should reflect the fundamental importance of the financial sector and the specialized, highly regulated nature of financial services.

Finally, any agreement must establish a level playing field within the near future, especially among economically or financially strong countries. Unless this objective is adequately addressed, an agreement on financial services in the Uruguay Round will be extremely difficult to achieve.

As the negotiations on financial services progress, the United States will identify other issues of importance. Further, the United States will submit a paper containing a text of key provisions necessary for an agreement on financial services.