

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Group of Negotiations on Services

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COMMUNICATION FROM PAKISTAN

Conditional Offer by Pakistan concerning
Initial Commitments on Trade in Services

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

1. Pakistan hereby submits its offer for initial commitments on trade in services. The offer takes into account the consultations held by Pakistan with interested delegations and the requests made by them. It is conditional on the extent and quality of commitments made by other participants including, in particular, in the sectors/sub-sectors and modes of supply of interest to Pakistan especially that relating to the "Presence of Natural Persons".

2. Pakistan reserves the right to change or withdraw this offer at any stage depending on the satisfactory outcome of the Uruguay Round negotiations.

3. Pakistan adheres to the principle of progressive liberalization of trade in services, as also to that of appropriate flexibility for individual developing countries in accordance with their level of development. It is accordingly ready to engage into negotiations on the basis of this offer.

4. This offer is subject to relevant laws, rules, regulations, procedures, decisions, administrative actions and any other measures applicable in Pakistan, whether at the Federal, Provincial or local levels. It is also subject to the terms and conditions prescribed by the concerned professional and regulatory bodies in Pakistan.

MEASURES OF GENERAL APPLICATION

5. Unless otherwise indicated against a particular sector or sub-sector, the commitments shall be subject to the following measures of general application:-

- (i) If the supply of a service, in respect of which a commitment is made by Pakistan, involves the import or export of equipment and/or goods, the relevant laws, rules and regulations pertaining to the importation or exportation of such equipment and/or goods, including any customs duties, shall apply.
- (ii) "Consumption abroad" shall be subject to any measures including exchange regulations applicable from time to time to the movement, and consumption abroad of services, by Pakistanis or Pakistan-based consumers.
- (iii) All matters pertaining to acquisition of land and/or property shall be subject to relevant laws, rules and regulations.
- (iv) Commitments under 'Commercial presence' shall be subject to the condition that the foreign supplier is incorporated in Pakistan with maximum foreign equity participation of 51 per cent, except in the case of representative offices.
- (v) Unless otherwise inscribed against a particular sector or sub-sector, and subject to the establishment of commercial presence in accordance with (iv) above, the commitment on temporary 'Presence of Natural Persons' shall be subject to the general limitation that the number of foreigners shall not exceed 50 per cent of the personnel in superior categories (namely, Executives, Senior Managers and Specialists) and 25 per cent in the other categories.
- (vi) Where a commitment in respect of 'Presence of Natural Persons' is inscribed in the schedule, it shall be subject to immigration and labour laws, visa regulations and work permit requirements applicable and in force from time to time. Furthermore, temporary entry of Natural Persons shall not give rise to the right to permanent residence, nor shall it be considered as period of residence for the grant of permanent residential status or citizenship.

6. Commitments in the financial services sector shall be subject to the regulatory regime governing banking, insurance, securities and other financial businesses.

EXPLANATORY NOTES FOR TRANSPARENCY PURPOSES

1. Foreign investment in Pakistan is protected under the provisions of Foreign Private Investment (Promotion and Protection) Act, 1976 as amended.
2. Presently, incorporation and operation of a company in Pakistan is subject to the provisions of the:
 1. Companies Ordinance 1984,
 2. Monopolies and Restrictive Trade Practices (Control and Prevention) Ordinance 1970,
 3. Securities and Exchange Ordinance 1969,
 4. Modaraba Companies and Modaraba (Floatation and Control) Ordinance 1980,
 5. Capital Issues (Continuance of Control) Act, 1947.

PAKISTAN'S CONDITIONAL OFFER OF INITIAL
COMMITMENTS ON TRADE IN SERVICES

| Sector or Sub-sector | Mode of Supply* | Limitations on Market Access | Limitations on National Treatment | Additional Commitments |
|--|---|---|---|------------------------|
| 1. Services incidental to Agriculture, Forestry and Fishing (excluding hunting) (CPC No. 881+882) | 1) Unbound 2) Unbound* 3) None 4) None | 1) Unbound 2) Unbound* 3) None 4) None | 1) Unbound 2) Unbound* 3) None 4) None | |
| 2. Services incidental to Mining (CPC No. 883+5115) | 1) Unbound 2) Unbound* 3) None 4) None | 1) Unbound 2) Unbound* 3) None 4) None | 1) Unbound 2) Unbound* 3) None 4) None | |

* Mode of Supply: 1) = Cross Border Supply 2) = Consumption Abroad
 3) = Commercial Presence 4) = Presence of Natural Persons

| Sector or Sub-sector | Mode of Supply* | Limitations on Market Access | Limitations on National Treatment | Additional Commitments |
|--|---|---|---|------------------------|
| 3. Engineering Services for Building Infrastructures: Harbours, dams, hydel power, and airports, only (CPC No. 8672) | 1) Unbound 2) Unbound* 3) Maximum of 40% foreign share holding in engineering consultancy companies. 4) None | 1) Unbound 2) Unbound* 3) None 4) None | 1) Unbound 2) Unbound* 3) None 4) None | |
| 4. Integrated Engineering Services (CPC No. 8673) | 1) Unbound 2) Unbound* 3) Maximum of 40% foreign share holding in engineering consultancy companies. 4) None | 1) Unbound 2) Unbound* 3) None 4) None | 1) Unbound 2) Unbound* 3) None 4) None | |
| 5. Consultancy services related to the installation of computer hardware (CPC No. 841) | 1) Unbound 2) Unbound 3) None 4) None | 1) Unbound 2) Unbound 3) None 4) None | 1) Unbound 2) Unbound 3) None 4) None | |
| * Mode of Supply: | 1) = Cross Border Supply 3) = Commercial Presence | 2) = Consumption Abroad 4) = Presence of Natural Persons | | |

| Sector or Sub-sector | Mode of Supply* | Limitations on Market Access | Limitations on National Treatment | Additional Commitments |
|--|---|---|---|------------------------|
| 6. Software Implementation Services (CPC No.842) | 1) Unbound 2) None 3) None 4) None | 1) Unbound 2) None 3) None 4) None | 1) Unbound 2) None 3) None 4) None | |
| 7. Data Processing Services (CPC No.843) | 1) Unbound 2) None 3) None 4) None | 1) Unbound 2) None 3) None 4) None | 1) Unbound 2) None 3) None 4) None | |
| 8. Data Base Services (CPC No.844) | 1) Unbound 2) None 3) None 4) None | 1) Unbound 2) None 3) None 4) None | 1) Unbound 2) None 3) None 4) None | |
| <p>* Mode of Supply: 1) = Cross Border Supply 2) = Consumption Abroad 3) = Commercial Presence 4) = Presence of Natural Persons</p> | | | | |

| Sector or Sub-sector | Mode of Supply* | Limitations on Market Access | Limitations on National Treatment | Additional Commitments |
|---|--|---|---|---|
| 9. R&D Services on Natural Sciences (CPC No.851) | 1) Unbound 2) None 3) None 4) None | Unbound None None None | 1) Unbound 2) None 3) None 4) None | |
| 10. Technical Testing and Analysis Services (CPC No.8676) | 1) Unbound* 2) None 3) None 4) None | Unbound* None None None | 1) Unbound 2) None 3) None 4) None | |
| 11. On Line Information and Data Base Retrieval (CPC No.7523) | 1) None 2) Unbound 3) None** 4) None | None Unbound None** None | 1) None 2) Unbound 3) None 4) None | ** Subject to use of Pakistan Telecommunications Corporation network. |
| * Mode of Supply: | 1) = Cross Border Supply 3) = Commercial Presence | 2) = Consumption Abroad 4) = Presence of Natural Persons | | |

| Sector or Sub-sector | Mode of Supply* | Limitations on Market Access | Limitations on National Treatment | Additional Commitments |
|--|--|---|-----------------------------------|------------------------|
| 12. On Line Information and/or Data Processing (CPC No.843) | 1) Unbound 2) Unbound 3) None** 4) None | 1) Unbound 2) Unbound 3) None 4) None | | |
| | | ** Subject to use of Pakistan Telecommunications Corporation Network. | | |
| 13. Construction Work for Civil Engineering for Bridges, Elevated Highways, Tunnels and Subways (CPC No. 5132) | 1) Unbound* 2) Unbound 3) None 4) None | 1) Unbound* 2) Unbound 3) None 4) None | | |

* Mode of Supply: 1) = Cross Border Supply 2) = Consumption Abroad
3) = Commercial Presence 4) = Presence of Natural Persons

| Sector or Sub-sector | Mode of Supply* | Limitations on Market Access | Limitations on National Treatment | Additional Commitments |
|--|--|---|---|--|
| 14. Construction Work for Civil Engineering for Waterways, Harbours, Dams and other Waterworks (CPC No.5133) | 1) Unbound* 2) Unbound* 3) None 4) None | Unbound* Unbound* None None | 1) Unbound* 2) Unbound* 3) Unbound 4) None | |
| 15. Insurance: Life Insurance (CPC No.81211) | 1) 2) 3) 4) | Unbound Unbound Maximum of 25% of foreign share holding in existing life insurance companies. None | 1) Unbound 2) Unbound 3) Unbound 4) None | 2) = Consumption Abroad 3) = Commercial Presence 4) = Presence of Natural Persons |

* Mode of Supply: 1) = Cross Border Supply
3) = Commercial Presence

2) = Consumption Abroad
4) = Presence of Natural Persons

| Sector or Sub-sector | Mode of Supply* | Limitations on Market Access | Limitations on National Treatment | Additional Commitments |
|---|---|--|--|--|
| 16. Re-insurance Services and Retrosession (CPC No.81299) | 1) Unbound 2) None 3) Unbound 4) Unbound* | 1) Unbound 2) None 3) Unbound 4) Unbound* | 1) Unbound 2) None 3) Unbound 4) Unbound* | |
| 17. Services Auxiliary to Insurance (including broking and agency services) (CPC No.8140) | 1) Unbound 2) None 3) Representative office only 4) None | 1) Unbound 2) None 3) Unbound 4) Unbound | 1) Unbound 2) None 3) Unbound 4) Unbound | * Mode of Supply: 1) = Cross Border Supply 3) = Commercial Presence 2) = Consumption Abroad 4) = Presence of Natural Persons |

| Sector or Sub-sector | Mode of Supply* | Limitations on Market Access | Limitations on National Treatment | Additional Commitments |
|-----------------------|---|--|--|------------------------|
| 18. Banking Services: | 1) Unbound The following: 1) Acceptance of deposits and other repayable funds from the public. (CPC 81116) | Unbound Unbound 3) Subject to economic needs test and approval of Corporate Law Authority of Pakistan, the central bank may grant licences for establishment of locally incorporated subsidiaries: - Maximum share holding of a foreign financial institution in the local subsidiary not to exceed 30%. | 1) Unbound 2) Unbound 3) Unbound | |
| | 2) Lending of consumer credit, mortgage credit, and financing of commercial transactions. | | - Permission of the central bank required for investment in shares of a banking company in excess of 4% of paid-up capital of the local company. | 4) None |

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| Sector or Sub-sector | Mode of Supply* | Limitations on Market Access | Limitations on National Treatment | Additional Commitments |
|---|----------------------|------------------------------------|--|--|
| 19. Trading of Securities: Inssuance of Securities including Under-writing and Placement as Agents (whether publicly or privately) and provision of services relating to such issues (CPC No.8132) | 1) 2) 3) 4) | Unbound Unbound None None | 1) Unbound 2) Unbound 3) None 4) None | |
| 20. Hospital Services (CPC No.9311) | 1) 2) 3) 4) | Unbound* None None** None | 1) Unbound* 2) None 3) None 4) None | ** Subject to Pakistan Medical and Dental Council Regulations. |

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 3) = Commercial Presence 4) = Presence of Natural Persons

| Sector or Sub-sector | Mode of Supply* | Limitations on Market Access | Limitations on National Treatment | Additional Commitments |
|--|-----------------|--|-----------------------------------|------------------------|
| 21. Medical and Dental Services (CPC No.9312) | | | | |
| 1) | Unbound* | | 1) Unbound* | |
| 2) | None | | 2) None | |
| 3) | None** | | 3) None | |
| 4) | None | | 4) None | |
| | | ** Subject to Pakistan Medical and Dental Council Regulations. | | |
| 22. Tourism and Travel Related Services: | | | | |
| a) Hotels and Restaurants (including Catering) (CPC 641-643) | | | | |
| 1) | Unbound* | | 1) Unbound* | |
| 2) | Unbound | | 2) Unbound | |
| 3) | None** | | 3) None | |
| 4) | None | | 4) None | |
| | | ** Subject to Travel Agencies Act, 1976. | | |

* Mode of Supply: 1) = Cross Border Supply 2) = Consumption Abroad
 3) = Commercial Presence 4) = Presence of Natural Persons

| Sector or Sub-sector | Mode of Supply* | Limitations on Market Access | Limitations on National Treatment | Additional Commitments |
|---|--|--|-----------------------------------|------------------------|
| b) Travel Agencies and Tour Operator Services (CPC No.7471) | 1) Unbound 2) Unbound 3) None** 4) None | 1) Unbound 2) Unbound 3) None 4) None | | |

** Subject to Travel Agencies Act, 1976.

* Mode of supply: 1) = Cross Border Supply 2) = Consumption Abroad
 3) = Commercial Presence 4) = Presence of Natural Persons