

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED
MTN.GNS/W/143/Add.1/Rev.1
7 December 1993
Special Distribution

(UR-93-0165)

Group of Negotiations on Services

Original: Spanish

COMMUNICATION FROM THE REPUBLIC OF CUBA

Draft Schedule of Cuba Concerning Initial Commitments on Trade in Services

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

This communication from Cuba is a revised version of the conditional offer concerning initial commitments on trade in services and replaces the offer contained in document MTN.GNS/W/143/Add.1 of 10 March 1992.

This draft schedule is conditional upon the final text of the General Agreement on Trade in Services (GATS) and its annexes, including the provisions relating to developing countries. This draft is also conditional upon the treatment and level of commitments listed in the schedules of other countries regarding sectors and sub-sectors of services which are priorities for the achievement of Cuba's socio-economic development goals.

This revision only concerns sectors contained in the sectoral part of the schedule. In general, the sectoral classification is based on document MTN.GNS/W/120 and, as far as possible, refers to the Provisional Central Product Classification of the United Nations (Statistical Papers, series M, No. 77).

The scheduling of the commitments is based on the Secretariat document on scheduling of initial commitments in trade in services (MTN.GNS/W/164 of 3 September 1993).

Cuba reserves the right to maintain, amend or restrict the offer at any time before the entry into force of the multilateral agreement, and to make technical changes and rectify omissions or inaccuracies.

SECTORAL PART OF THE SCHEDULE

Article XVI (market access)

Service transactions are subject to Cuba's exchange policy which provides the following.

Foreigners must pay commercial service transactions in convertible currency however the services are supplied.

Consumption abroad

Consumption abroad will be subject to all measures, including exchange regulations, which are applicable at any particular moment to the movement of Cuban consumers or consumers living in Cuba and to the consumption of services abroad by those consumers.

At present, acquisition of convertible currency by national residents for the consumption of services abroad is restricted.

Commercial presence

As a general rule, foreign investment in the capital of joint enterprises can be up to 49 per cent of the stock; however, in certain cases the competent bodies may authorize a higher level of investment.

Presence of natural persons

Not bound, except for measures on the entry and temporary residence of natural persons in the senior and specialist categories when related to commercial presence under the terms and conditions agreed upon, provided that this personnel is not available in Cuba. Foreign personnel must help to train Cuban personnel in their respective areas of expertise.

Article XVII (national treatment)

Applicable to all forms of international supply of services.

Taxes and charges on the supply of services by foreigners must be paid in convertible currency, even when the costs are expressed in local currency.

Consumption abroad

Consumption abroad will be subject to all measures, including exchange regulations, which are applicable at any particular moment to the movement of Cuban consumers or consumers living in Cuba and to the consumption of services abroad by those consumers.

At present, acquisition of convertible currency by national residents for the consumption of services abroad is restricted.

Commercial presence

Joint enterprises and partners in other types of economic association with foreign participation are subject to taxes and charges under Cuban legislation:

- (a) on net annual profits; the amount of profit reinvested in Cuba is deducted from the taxable net profit; the same applies to profits invested in the workers' economic promotion fund, including the reserve funds to cover contingencies;
- (b) on total salaries and other income received by Cuban workers for whatever motive, except those received under the workers' economic promotion fund, including social security contributions;
- (c) on documents (taxes and duties for application for, issue or renewal of specified documents).

Presence of natural persons

Foreign workers may only remit abroad in convertible currency the percentage of their salaries determined by the National Bank of Cuba.

SPECIFIC COMMITMENTS ON SECTORS AND SUB-SECTORS

Methods of supply

The horizontal measures indicated in the previous section apply provided that there is nothing to the contrary in any method of supply in a specific sector.

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

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
1. <u>BUSINESS SERVICES</u>		
1.B. <u>Computer and related services</u>		
1.B.b. <u>Software implementation services</u>		
(CPC 84210) Systems and software consulting services	(1) None (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures	(1) None (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures
(CPC 84220) Systems analysis services	(1) None (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures	(1) None (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures
(CPC 84240) Programming services	(1) None (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures	(1) None (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures
(CPC 84250) Systems maintenance services	(1) None (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures	(1) None (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
1.C. <u>Research and development services</u>		
1.C.c. <u>Interdisciplinary research and development services</u> (CPC 85300)	(1) Not bound (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures	(1) Not bound (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures
1.F. <u>Other business services</u>		
1.F.c. <u>Management consulting services</u> (CPC 8650)	(1) Not bound (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures	(1) Not bound (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures
2. <u>COMMUNICATION SERVICES</u>		
2.B. <u>Courier services</u> (CPC 75121) Multi-modal courier services	(1) Not bound (2) Not bound (3) Not bound. The competent authority reserves the right to approval subject to economic needs. (4) Not bound, except to the extent indicated in the section on horizontal measures	(1) Not bound (2) Not bound (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
(CPC 75129) Other courier services	(1) Not bound (2) Not bound (3) Not bound. The competent authority reserves the right to approval subject to economic needs. (4) Not bound, except to the extent indicated in the section on horizontal measures	(1) Not bound (2) Not bound (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures
2.C. <u>Telecommunications services</u> Include: 2.C.a. Voice telephone services (CPC 7521) 2.C.e. Telegraph services (CPC 7522) 2.C.b. and c. Data transmission services (CPC 7523) 2.C.d. Telex services (CPC 7523) 2.C.f. Facsimile services (CPC 7251 + 7529) (CPC 75290) Other telecommunications services	(1) Not bound (2) Not bound (3) Not bound. The competent authority reserves the right to approval subject to economic needs. (4) Not bound, except to the extent indicated in the section on horizontal measures	(1) Not bound (2) Not bound (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
<p>3. <u>CONSTRUCTION AND RELATED ENGINEERING SERVICES</u></p>		
<p>3.A. General construction for building (CPC 512)</p>	<p>(1) Not bound* (2) Not bound* (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures</p>	<p>(1) Not bound* (2) Not bound* (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures</p>
<p>3.B. General construction work for civil engineering (CPC 513)</p>	<p>(1) Not bound* (2) Not bound* (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures</p>	<p>(1) Not bound* (2) Not bound* (3) Not bound (4) Not bound, except to the extent indicated in the section on horizontal measures</p>
<p>7. <u>FINANCIAL SERVICES</u></p>		
<p>7.A. <u>All insurance and insurance-related services</u></p>		
<p>7.A.a Life, accident and health insurance services (CPC 8121)</p>	<p>(1) Not bound (2) Not bound (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures</p>	<p>(1) Not bound (2) Not bound (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures</p>
<p>7.A.b. Non-life insurance services (CPC 8129)</p>	<p>(1) Not bound (2) Not bound (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures</p>	<p>(1) Not bound (2) Not bound (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures</p>

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
7.A.c. (CPC 81299) Reinsurance and retrocession	(1) Not bound (2) Not bound (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures	(1) Not bound (2) Not bound (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures
7.A.d. 81401) Services auxiliary to insurance (including broking and agency services)	(1) Not bound (2) Not bound (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures	(1) Not bound (2) Not bound (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures
(CPC 81403) Average and loss adjustment services	(1) Not bound (2) Not bound (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures	(1) Not bound (2) Not bound (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures
(CPC 81404) Actuarial services	(1) Not bound (2) Not bound (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures	(1) Not bound (2) Not bound (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
<p>7.B. <u>BANKING AND OTHER FINANCIAL SERVICES</u></p>		
<p>7.B. <u>Commercial banking</u></p>	<p>(1) Not bound (2) Not bound (3) The establishment of economic associations in the banking system is allowed. A banking institution set up under the system of Cuban-foreign economic associations may function under the private banking régime with joint capital and may form part of the Cuban banking system, subject to national legislation and regulations and supervision by the Banco Nacional De Cuba.</p> <p>To operate within the banking system it is necessary to apply for and obtain a licence from the Banco Nacional De Cuba and be entered in the General Register of Banks.</p> <p>The establishment of representative offices of foreign banking interests must follow the same procedure and they may not lend or accept deposits.</p> <p>Licences for the creation of private banks with joint capital are only granted for carrying out operations in freely convertible currencies, consistent with the functions of commercial and investment banks, with entities in Cuba and on international markets.</p>	<p>(1) Not bound (2) Not bound (3) Licensing requirements for operating as a bank are applicable to all non-State participants in the national banking system.</p> <p>Licences for associations set up in the banking sector on the basis of foreign and national capital permit commercial banking activities related to operations in freely convertible currencies.</p>

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
	<p>Investment funds must come from abroad and the licences restrict the possibilities of attracting investment in Cuba.</p> <p>The establishment of subsidiaries of foreign banks in Cuba is not permitted.</p>	(4) Not bound, except to the extent indicated in the section on horizontal measures
<p>9. <u>TOURISM AND TRAVEL-RELATED SERVICES</u></p> <p>9.A. <u>Hotels and restaurants</u></p> <p>(CPC 641) Hotel and other lodging services</p>	<p>(1) Not bound*</p> <p>(2) Not bound</p> <p>(3) None</p> <p>(4) Not bound, except to the extent indicated in the section on horizontal measures</p>	<p>(1) Not bound*</p> <p>(2) Not bound</p> <p>(3) None</p> <p>(4) Not bound, except to the extent indicated in the section on horizontal measures</p>
(CPC 642) Food serving services	<p>(1) Not bound*</p> <p>(2) Not bound</p> <p>(3) None</p> <p>(4) Not bound, except to the extent indicated in the section on horizontal measures</p>	<p>(1) Not bound*</p> <p>(2) Not bound</p> <p>(3) None</p> <p>(4) Not bound, except to the extent indicated in the section on horizontal measures</p>
(CPC 643) Beverage serving services for consumption on the premises	<p>(1) Not bound*</p> <p>(2) Not bound</p> <p>(3) None</p> <p>(4) Not bound, except to the extent indicated in the section on horizontal measures</p>	<p>(1) Not bound*</p> <p>(2) Not bound</p> <p>(3) None</p> <p>(4) Not bound, except to the extent indicated in the section on horizontal measures</p>

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
<p>9.B. <u>Travel agency and tour operator services</u></p>		
<p>(CPC 747) Travel agency, tour operator and tourist guide services</p>	<p>(1) None (2) Not bound (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures</p>	<p>(1) None (2) Not bound (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures</p>
<p>10. <u>RECREATIONAL, CULTURAL AND SPORTING SERVICES</u></p>		
<p>10.D. Sporting and other recreational services (CPC 964)</p>	<p>(1) None (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures</p>	<p>(1) Not bound (2) Not bound (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures</p>
<p>11. <u>TRANSPORT SERVICES</u></p>		
<p>11.A. <u>Maritime transport services</u></p>		
<p>11.A.a. Passenger transportation (CPC 7211)</p>	<p>(1) None (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures</p>	<p>(1) None (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures</p>

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
11.A.b. (CPC 7212) Freight transportation (excluding transportation in coastal waters)	(1) Not bound (2) None (3) None for the establishment of subsidiaries, representative offices etc., for the supply of international maritime transportation freight services, however, it is not permitted for foreign companies to register ships to be operated under the Cuban flag. (4) Not bound, except to the extent indicated in the section on horizontal measures	(1) Not bound (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures
11.A.d. <u>Maintenance and repair of vessels</u> (CPC 88680) Repair services of other transport equipment, on a fee or contract basis (only includes the repair of containers)	(1) Not bound* (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures	(1) Not bound* (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures
(CPC 88680) Repair services of other transport equipment, on a fee or contract basis (only includes the repair and maintenance of small vessels in the Port of Cabañas)	(1) Not bound* (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures	(1) Not bound* (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
11.A.f. <u>Supporting services for maritime transport</u>		
(CPC 74110) Container handling services (only includes use of the container terminal in the port of Havana and in the port of Mariel as trans-shipment points)	(1) Not bound* (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures	(1) Not bound* (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures
(CPC 74190) Other cargo handling services (only includes trans-shipment operations at terminals specializing in the handling of fertilizers)	(1) Not bound* (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures	(1) Not bound* (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures
(CPC 74290) Other storage or warehousing services (warehouses for the consignment of inputs for maritime transport)	(1) Not bound* (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures	(1) Not bound* (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures
11.C. <u>Air transport services</u>		
11.C.d. <u>Maintenance and repair of aircraft</u>		
(CPC 88680) Repair services of other transport equipment, on a fee or contract basis	(1) None (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures	(1) None (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
11.C.e. <u>Supporting services for air transport</u>		
(CPC 7469) Other supporting services for air transport, including:	(1) None (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures	(1) None (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures
Computer reservation system (CRS); and Sale or marketing of air transport services	(1) None (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures	(1) None (2) None (3) None (4) Not bound, except to the extent indicated in the section on horizontal measures