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COMMUNICATION FROM SWITZERLAND

Revised MFN Exemption List of Switzerland

Revision

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

1. Switzerland hereby submits its revised draft list of MFN exemptions in accordance with Article II:2 and the Annex on Article II Exemptions of the General Agreement on Trade in Services.

2. Switzerland reserves the right to modify its draft list of MFN exemptions inter alia depending on the final outcome of negotiations on the text of the GATS, on the degree to which other parties are ready to undertake satisfactory and mutually acceptable specific commitments on market access and national treatment, and on the strength of MFN discipline to which the parties are willing to submit themselves. At present no exemption is submitted for measures taken under statutory systems of social security. Switzerland reserves the right to examine these measures in light of the approach taken by other participants.

3. Switzerland further reserves the possibility to make technical changes to its draft list of MFN exemptions and to correct omissions and inaccuracies.

4. Attached to the present revised draft list of MFN exemptions of Switzerland is the revised draft list of MFN exemptions of the Principality of Liechtenstein. The Principality of Liechtenstein reserves the right to modify its draft list on MFN exemptions as indicated in the headnote thereof. The Principality of Liechtenstein assumes the entire responsibility for its commitments taken under the Agreement. Switzerland, however, is mandated to negotiate on behalf of the authorities of the Principality of Liechtenstein.

LIST OF ARTICLE II EXEMPTIONS FOR SWITZERLAND

(1)	(2)	Description of Measure Indicating its Inconsistency with Article II	Sector or Subsector	Countries to which the Measure Applies	Intended Duration	Conditions Creating the Need for the Exemption	(5)
(1)	(2)	(3)	(4)	(5)			
Distribution services	To grant work permits, without certain limitations, to employees of establishments of enterprises of member countries of the Convention establishing the European Free Trade Association (EFTA), the establishment's activity being commerce in goods	Members of EFTA	Indefinite	Flanking measure to the provisions on free trade in goods under the EFTA Agreement			
Audiovisual services	To confer national treatment to audiovisual works covered by bilateral or plurilateral agreements on coproduction in the field of audiovisual works, in particular in relation to access to funding and to distribution	All countries with whom cultural cooperation may be desirable (at present agreements exist with member countries of the Council of Europe and with Canada)	Indefinite	Promotion of common cultural objectives			
Audiovisual services	Measures granting the benefit of support programmes, such as MEDIA and EURIMAGES, and measures relating to the allocation of screen time which implement arrangements such as the Council of Europe Convention on Transfrontier Television and confer national treatment, to audiovisual works and/or to suppliers of audiovisual services meeting specific European origin criteria	European countries	Indefinite	Promotion of cultural objectives based on longstanding cultural links			

Audiovisual services	Concessions for the operation of radio or television broadcast stations may be granted, normally on the basis of bilateral agreements, to persons of countries other than Switzerland	All countries with whom cultural cooperation may be desirable	Indefinite	Promotion of common cultural objectives, and to regulate access to a market limited in scale (given the size of Switzerland) in order to preserve diversity of supply
Internal waterways transport	To allow transport services on the Rhine including cabotage to vessels registered in countries other than Switzerland on the basis of the Mannheim Convention (including related additional articles and protocols) and other agreements on internal waterways transport in Europe	Beneficiaries of the Mannheim Convention and other agreements relating to internal waterways transport in Europe to which Switzerland may be a member (at present members of EC)	Indefinite	To regulate transport capacity on inland waterways
Road transport services (passenger and freight)	To allow, on the basis of mutual access to the market, transport services by vehicles registered in countries other than Switzerland to undertake transportation of goods and/or passengers in, into, out of, or in transit through Swiss territory, normally based on bilateral agreements	All countries with whom bilateral agreements on road transport or other arrangements relating to road transport exist or may be desirable (at present approx. 30 countries)	Exemption needed until multi-lateral liberalization of road transport services, taking into account regional specificity and environmental effects of road transport, will have been agreed upon	To take into account regional specificity of the provision of road transport services and to protect the integrity of road infrastructure and environment
Road transport services (freight)	To allocate transit quota for perishable or otherwise urgent cargo by trucks heavier than 28 tons registered in countries other than Switzerland in case capacity of combined transport is exhausted	EC	To be reviewed 12 years after entry into force of the bilateral agreement between Switzerland and EC	To protect the integrity of road infrastructure and of the environment
All sectors	To mutually grant permits of temporary stay and permanent residency in the territory of the parties, without certain limitations	Principality of Liechtenstein	Indefinite	Flanking measure to customs, monetary- and postal union between Switzerland and the Principality of Liechtenstein

to citizens of the parties of the agreements on temporary stay and permanent residency between Switzerland and the Principality of Liechtenstein

All sectors	Preferential treatment accorded to nationals of countries other than Switzerland, belonging to traditional recruiting areas according to Swiss legislation on immigration, when granting permits for entry, stay and work in Switzerland (year round resident, short time resident, seasonal workers) to natural persons providing services other than essential persons as defined in the Swiss schedule on initial commitments on trade in services, horizontal provision no. 2	EC and EFTA countries	Indefinite	To regulate immigration into Switzerland by measures based on long standing links with traditional recruiting areas
Banking and other financial services (excluding insurance)	To allow persons established in the Principality of Liechtenstein, without requiring a commercial presence in Switzerland, to participate in settlement and clearing networks and to lead-manage Swiss franc denominated issues	Principality of Liechtenstein	Indefinite	Measures ensuing from the monetary union between Switzerland and the Principality of Liechtenstein
Financial services	Switzerland has reciprocity provisions in the area of financial services. Switzerland intends to list these provisions as specific exemptions from the obligation under Art. II.1 of the Agreement if the final initial commitments of the negotiating parties in the financial services sector fail to secure an adequate balance of rights and obligations under the Agreement			

DRAFT LIST OF ARTICLE II EXEMPTIONS OF LIECHTENSTEINRevision

Liechtenstein hereby submits its revised draft list of MFN-exemptions in accordance with Article II:2 and the Annex on Article II Exemptions of the General Agreement on Trade in Services.

Liechtenstein reserves the right to modify its draft list on MFN-exemptions inter alia depending on the final outcome of negotiations on the text of the GATS, on the degree to which other parties are ready to undertake satisfactory and mutually acceptable specific commitments on market access and national treatment, and on the strength of MFN-discipline to which the parties are willing to submit themselves. At present no exemption is submitted for measures taken under statutory systems of social security. Liechtenstein reserves the right to examine these measures in light of the approach taken by other participants.

Liechtenstein further reserves the possibility to make technical changes to its draft list of MFN-exemptions and to correct omissions and inaccuracies.

Liechtenstein has at this stage not sought exemptions for measures falling under the Agreement on the European Economic Area (EEA) which provides for the freedom of establishment, of provision of services and of movement of labour between Liechtenstein and the European Community, Austria, Finland, Iceland, Norway and Sweden. Once this Agreement has entered into force for Liechtenstein it will be covered by Article V of the GATS. Should this not have occurred prior the entry into force of the GATS, there might arise the need for exemption of additional measures to cover existing agreements and arrangements which would be subsumed under the EEA.

(1) Sector or Subsector	(2) Description of Measure Indicating its Inconsistency with Article II	(3) Countries to which the Measure Applies	(4) Intended Duration	(5) Conditions Creating the Need for the Measure
Distribution services	To grant work permits, without certain limitations, to employees of establishments of enterprises of member countries of the Convention establishing the European Free Trade Association (EFTA), the establishment's activity being carried in goods	Members of EFTA	Indefinite	Planting measure to the provision of free trade in goods under the EFTA Agreement.
Audiovisual services	To confer national treatment to audiovisual works covered by bilateral or plurilateral agreements on cooperation in the field of audiovisual works, in particular in relation to access to funding and to distribution	All countries with whom cultural cooperation may be claimable	Indefinite	Protection of cultural objectives
	Measures granting the benefit of support programmes, such as MEDIA and EURIMAGES, and measures relating to the allocation of screentime which implement arrangements such as the Council of Europe Convention on Transfrontier Television and confer national treatment, to audiovisual works and/or to suppliers of audiovisual services meeting specific European origin criteria.	European countries	Indefinite	Protection of cultural objectives based on longstanding cultural links

Authorised services	Concessions for the operation of radio or television broadcast stations may be granted to persons of countries other than Liechtenstein.	All countries with whom cultural cooperation may be desired, i.e.	Benefits Promotion of common cultural objectives, and to regulate access to a market limited in scale in order to preserve diversity of supply	
	The right of commercial presence and the right of presence of natural persons is dependent on reciprocity for service providers from Liechtenstein.	All countries	Benefits To ensure adequate market access to services providers from Liechtenstein	
	Insurance services	All countries	Benefits Measures to ensure supervision of foreign insurance companies	
	To grant permit for establishment to insurance companies from countries other than Liechtenstein only to companies which are supervised by the Swiss insurance supervisory authority	Switzerland	Benefits Measures ensuring from the monetary union between Liechtenstein and Switzerland	
	Banking and other financial services (including insurance)	All countries with whom bilateral agreements on road transport or other arrangements relating to road transport exist or may be desirable (at present appear 30 countries)	Benefits Exemption needed until substituted liberalisation of road transport services, taking into account regional specificity and environmental effects of road transport, will have been agreed upon	
	Road transport services (passenger and freight)	All countries with whom bilateral agreements on road transport or other arrangements relating to road transport exist or may be desirable (at present appear 30 countries)	Benefits To take into account regional specificity of the provision of road transport services and to protect the integrity of road infrastructure and environment	

All sectors	To mutually grant permits of temporary stay and permanent residence in the territory of the parties without certain limitations, to citizens of the parties of the agreements on temporary stay and permanent residence between Liechtenstein and Switzerland	Switzerland	Benefits	Flanking measures to customs, monetary- and postal union between the Principality of Liechtenstein and Switzerland
All sectors	Preferential treatment accorded to nationals of countries other than Liechtenstein, belonging to territorial recruiting areas according to Liechtenstein legislation on immigration, when granting permits for entry, stay and work in Liechtenstein (year round resident, short time resident, seasonal worker) to natural persons providing services other than essential persons as defined in the Liechtenstein schedule on initial commitments on trade in services, horizontal provision no. 2	EC and EFTA countries	Benefits	To regulate immigration into Liechtenstein by means based on long standing links with traditional recruiting areas
All sectors				According to the Liechtenstein legislation the right of permanent presence and the right of presence of natural persons in all sectors is dependent on reciprocity for service providers from Liechtenstein. Liechtenstein intends to list the reciprocity provisions as specific exception from the obligation under Art. II.1 of the Agreement if the final initial commitments of the negotiating parties fail to secure adequate balance of rights and obligations under the Agreement.