II

(Non-legislative acts)

INTERNATIONAL AGREEMENTS

COUNCIL DECISION (EU) 2019/485

of 5 March 2019

on the conclusion of the relevant Agreements under Article XXI of the General Agreement on Trade in Services with Argentina, Australia, Brazil, Canada, China, the Separate customs territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), Colombia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland and the United States, on the necessary compensatory adjustments resulting from the accession of Czechia, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Austria, Poland, Slovenia, Slovakia, Finland and Sweden to the European Union

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 91, Article 100(2), and the first subparagraph of Article 207(4), in conjunction with point (v) of Article 218(6)(a) thereof,

Having regard to the proposal from the European Commission,

Having regard to the consent of the European Parliament [1],

Whereas:

(1) The Act of Accession of Austria, Finland and Sweden entered into force on 1 January 1995.

(2) The Act of Accession of Czechia, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia entered into force on 1 May 2004.

(3) Pursuant to Article XX of the General Agreement on Trade in Services (GATS), WTO Members set out in a schedule the specific commitments they undertake under Part III of GATS.

(4) The current schedule of the Union and its Member States only covers the specific commitments related to the twelve Member States of 1994. The individual schedules of specific commitments of the Member States that have joined the Union in 1995 and in 2004 ('the acceding Member States') were adopted prior to their accession.

(5) In order to ensure that the acceding Member States are covered by limitations included in the list of specific commitments of the Union and to ensure consistency with the *acquis communautaire*, it is necessary to modify or withdraw certain specific commitments included in the list of specific commitments of the Union and in the lists of specific commitments of the acceding Member States.

[1] Consent of 13 February 2019 (not yet published in the Official Journal).

(6) With a view to present a consolidated schedule, on 28 May 2004, the Union submitted a communication pursuant to Article V of GATS whereby it notified its intention to modify or withdraw certain specific commitments included in its own schedule and in those of the acceding Member States, pursuant to Article V:5 of GATS and in accordance with the terms of Article XXI:l(b) of GATS.

(7) Following the submission of the notification and pursuant to Article XXI:2(a) of GATS, 18 WTO Members (Argentina, Australia, Brazil, Canada, China, the Separate customs territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), Colombia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland, Uruguay and the United States ('the affected WTO Members') submitted claims of interest.

(8) The Commission conducted negotiations with the affected WTO Members. As a result of those negotiations, an agreement was reached on compensatory adjustments related to the modifications and withdrawals notified on 28 May 2004.

(9) Following the conclusion of the negotiations, in accordance with the Council Conclusions of 26 July 2006, the Commission was authorised to sign the respective Agreements with each of the affected WTO Members concerned ('the Agreements'). With a view to launching the certification procedure provided for by the applicable WTO rules, on 14 September 2006, the Commission transmitted the draft consolidated schedule to the WTO Secretariat. The certification was concluded on 15 December 2006.

(10) The agreed compensatory adjustments constitute a satisfactory and balanced outcome of the negotiations. The Agreements should therefore be approved on behalf of the Union,

HAS ADOPTED THIS DECISION:

Article 1

1. The Agreements with Argentina, Australia, Brazil, Canada, China, the Separate customs territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), Colombia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland and the United States, on the necessary compensatory adjustments under Article XXI of GATS resulting from the accession of Czechia, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Austria, Poland, Slovenia, Slovakia, Finland and Sweden to the Union, are hereby approved on behalf of the Union.

2. The Agreements referred to in paragraph 1 are attached to this Decision.

Article 2

This Decision shall enter into force on the date of its adoption.

Done at Brussels, 5 March 2019.

For the Council
The President
G.L. GAVRILESCU

Joint letter from the European Communities and its Member States on the one part, and Australia, on the other part, pursuant to paragraph 5 of the Procedures for the Implementation of Article XXI of the General Agreement on Trade in Services (GATS) (S/L/80 of 29 October 1999)

relating to

the modifications proposed in the GATS Schedules of the European Communities and its Member States (hereafter the EC) to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden to the European Communities

On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications, pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS.

Following the submission of each Communication, Australia submitted two respective claims of interest pursuant to Article XXI:2(a) of the GATS (S/L/164 with regard to S/SECRET/8 and S/L/225 with regard to S/SECRET/9). The EC and Australia entered into negotiations pursuant to Article XXI:2(a) of the GATS with regard to S/SECRET/8 and S/SECRET/9.

With regard to the procedure initiated by the notification contained in document S/SECRET/8, the initial period for the negotiations, which expired on 26 October 2004, was extended (by mutual agreement) five times (until 26 April 2005, until 27 February 2006, until 1 June 2006, until 1 July and until 17 July 2006). During such negotiations, the EC and Australia have agreed on compensatory adjustments related to the withdrawals and modifications contained in document S/SECRET/8.

With regard to the procedure initiated by the notification contained in document S/SECRET/9, no agreement between the EC and Australia was reached by the end of the period provided for negotiations and no affected Member referred the matter to arbitration within the applicable deadline pursuant to paragraph 7 of S/L/80. Pursuant to Article XXI:3(b) of the GATS and subject to completion of the procedures set out in paragraphs 20-22 of S/L/80, the EC shall be free to implement the modifications and withdrawals proposed in document S/SECRET/9.

The Report on the result of these negotiations, which is attached to this letter, includes (1) the proposed modifications in the notifications referred to above, (2) the agreed compensatory adjustments with regard to the modifications or withdrawals notified in S/SECRET/8, and (3) the draft consolidated schedule of specific commitments that results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and Australia.

This letter and Annex I and II of the report attached to it constitute the Agreement between the EC and Australia with regard to S/SECRET/8 for purposes of Article XXI:2(a) of the GATS [1]. The Agreement shall not be interpreted to modify the Lists of Article II Exemptions of the EC and its Member States. The Agreement shall not be interpreted to affect the Parties' rights and obligations under Article VIII of the GATS.

Pursuant to the procedures referred to in paragraphs 20 to 22 of S/L/80, the EC will transmit, to the Secretariat for circulation, the draft consolidated schedule for certification by 14 September 2006, provided that an agreement has been signed with all affected Members, or the period foreseen in paragraph 7 of S/L/80 has expired, and no arbitration has been requested. The results of the negotiations are to enter into force, after completion of the certification procedures, on a date to be specified by the EC following completion of the EC's internal approval procedures, which the EC endeavours to accelerate as much as possible. The modifications and withdrawals proposed in documents S/SECRET/8 and S/SECRET/9 shall not enter into force until all of the compensatory adjustments indicated in Annex II have entered into force.

[1] This Agreement shall not be interpreted to prejudge the outcome of separate discussions within the WTO concerning the classification of telecommunication services (basic telecommunications and value-added services).

Report on the result of the negotiations conducted in accordance of Article XXI:2(a) of the General Agreement on Trade in Services (GATS)

relating to

the modifications proposed in the GATS Schedules of the European Communities and its Member States (hereafter the EC) to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden to the European Communities

Pursuant to paragraph 5 of the Procedures for the implementation of Article XXI of the GATS (S/L/80 of 29 October 1999), the EC submits the following report:

1. On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications (hereafter "the proposed modifications"), pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS. The proposed modifications are contained in Annex I.

2. Following the submission of the notification contained in document S/SECRET/8, and pursuant to Article XXI:2(a) of the GATS, eighteen WTO Members (Argentina, Australia, Brazil, Canada, China, Chinese Taipei, Colombia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland, Uruguay and the United States) submitted a respective claim of interest.

3. Following the submission of the notification contained in document S/SECRET/9, and pursuant to Article XXI:2(a) of the GATS, fourteen WTO Members (Argentina, Australia, Brazil, Canada, China, Colombia, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, Uruguay and the United States) submitted a respective claim of interest.

4. Australia submitted two respective claims of interest pursuant to Article XXI:2(a) of the GATS (S/L/164 with regard to S/SECRET/8 and S/L/225 with regard to S/SECRET/9. The EC and Australia entered into negotiations pursuant to Article XXI:2(a) of the GATS with regard to S/SECRET/8 and S/SECRET/9.

5. With regard to the procedure initiated by the notification contained in document S/SECRET/8, the initial period for the negotiations, which expired on 26 October 2004, was extended (by mutual agreement) five times (until 26 April 2005, until 27 February 2006, until 1 June 2006, until 1 July and until 17 July 2006).

6. During such negotiations, the EC and Australia have agreed on compensatory adjustments related to the modifications and withdrawals contained in document S/SECRET/8. Annex I and II of this report, together with the joint letter to which it is attached, constitute the Agreement between the EC and Australia with regard to S/SECRET/8 for purposes of Article XXI:2(a) of the GATS ([2]). This Agreement shall not be interpreted to modify the lists of Article II Exemptions of the EC and its Member States. This Agreement shall not be interpreted to affect the Parties' rights and obligations under Article VIII of the GATS.

7. With regard to the procedure initiated by the notification contained in document S/SECRET/9, no agreement between the EC and Australia was reached by the end of the period provided for negotiations and no affected Member referred the matter to arbitration within the applicable deadline pursuant to paragraph 7 of S/L/80. Pursuant to Article XXI:3(b) of the GATS and subject to completion of the procedures set out in paragraphs 20-22 of S/L/80, the EC shall be free to implement the modifications and withdrawals proposed in document S/SECRET/9.

([2]) This Agreement shall not be interpreted to prejudge the outcome of separate discussions within the WTO concerning the classification of telecommunication services (basic telecommunications and value-added services).

8. In view of the foregoing, the proposed modifications and the agreed compensatory adjustments are incorporated into the EC's draft GATS consolidated schedule, which results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and Australia.

9. Pursuant to the procedures referred to in paragraphs 20 to 22 of S/L/80, the EC will transmit, to the Secretariat for circulation, the draft consolidated schedule for certification by 14 September 2006, provided that an agreement has been signed with all affected Members, or the period foreseen in paragraph 7 of S/L/80 has expired, and no arbitration has been requested. The results of the negotiations are to enter into force, after completion of the certification procedures, on a date to be specified by the EC following completion of the EC's internal approval procedures, which the EC endeavours to accelerate as much as possible. The modifications and withdrawals proposed in documents S/SECRET/8 and S/SECRET/9 shall not enter into force until all of the compensatory adjustments indicated in Annex II have entered into force.

ANNEX I

A) Modifications notified in document S/SECRET/8

Horizontal Commitments

- Market access entry (page 9): "In all EC Member States services considered as public utilities at a national or local level may be subject to public monopolies or to exclusive rights granted to private operators". This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Austria, Poland, Slovenia, Slovakia, Finland and Sweden. This limitation now applies to all Member States.

- National treatment limitations on branches, agencies and representative offices under mode 3 (pages 9 and 10). This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Malta, Slovenia and Slovakia. This limitation now applies to all Member States.

- National treatment limitations on subsidiaries under mode 3 (page 10). This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia. This limitation now applies to all Member States.

- National treatment limitations on subsidies under mode 3 (page 13). The schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Malta, Austria, Slovenia, Slovakia, Finland and Sweden included only part of the limitations on subsidies on mode 3 inscribed in the schedule of the EC and its Member States. These limitations are now extended to these Member States.

- National treatment limitation on subsidies under mode 4 (page 13). The schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Hungary, Malta and Slovakia did not include the limitation on subsidies under mode 4 inscribed in the schedule of the EC and its Member States. This limitation is now extended to these Member States.

- Cyprus' market access commitments on mode 4. These commitments are withdrawn.

- Market access entry on mode 4 - Intra-company transfers (ICT) (page 26). The schedule of specific commitments of the Czech Republic, Latvia, Lithuania, Hungary, Poland and Slovakia did not include the limitation that the receiving entity must be effectively providing like services in the territory of the Community Member State concerned. This limitation is now extended to these Member States.

- Market access entry on mode 4 - Business visitors (BV) – service sellers (page 30). The schedule of specific commitments of Poland did not include the limitation that those representatives will not be engaged in making direct sales to the general public. This limitation is now extended to this Member State.

- Market access entry on mode 4 - Business visitors (BV) – establishment of commercial presence (page 30). The schedule of specific commitments of Lithuania did not include the limitation that those representatives will not be engaged in making direct sales to the general public or supplying services. This limitation is now extended to this Member State.

- Lithuania's market access commitments on mode 4 – Business visitors (BV) (page 32). These commitments are partially withdrawn.

- Latvia's market access commitment on mode 4 – contractual services suppliers (CSS) (page 33). The schedule of specific commitments of Latvia did not include the limitation that the temporary entry and stay within the Member State concerned shall be for a period of not more than three months in any 12 months period. This limitation is now extended to this Member State.

Sectoral commitments

- Rental/Leasing services without operators - Relating to Aircraft (page 95). The market access limitation under mode 2 is extended to Estonia, Lithuania, Hungary, Austria, Slovenia, Finland and Sweden and the market access limitation under mode 3 is extended to Estonia, Hungary and Austria.

- Services incidental to manufacturing (pages 109 and 110). The commitments included in the schedule of Latvia, Lithuania and Austria are withdrawn.

- Education services (page 156): limitation to "only privately funded services". This limitation was not included in the schedule of Estonia, Latvia, Lithuania, Hungary, Austria, Slovenia (only not included with regard to adult education services) and Slovakia. This limitation is now extended to these Member States. In the case of Slovenia, such an extension only refers to adult education services.

- Banking and other financial services (excluding insurance) (pages 193, 213 and 217). The market access limitations indicating that "the establishment of a specialised management company is required to perform the activities of management of unit trusts and investment companies" and that "only firms having their registered office in the Community can act as depositories of the assets of investment funds", both under mode 1 and 3, were not included in the schedule of Czech Republic as regards mode 3, Estonia (not included in mode 1 nor in mode 3), Latvia as regards mode 3, Lithuania as regards mode 1, Hungary as regards mode 3 and Slovakia as regards mode 3. These limitations are now extended to these Member States.

- Space Transport. The commitment included in the schedule of Austria is withdrawn.

- Air Transport - Rental of aircraft with crew (page 246). Two market access limitations (one under modes 1 and 2 and another one under mode 3) are introduced for Poland.

- Air Transport - Sales and Marketing (pages 247 and 248). The schedule of specific commitments of Estonia did not include the national treatment limitation on distribution through CRS of air transport services provided by CRS parent carrier.

- Air Transport - Computer Reservations System (page 248). The schedule of specific commitments of Hungary did not include the national treatment limitation on the obligations of parent or participating carriers in respect of a CRS controlled by an air carrier of one or more third countries.

- Services auxiliary to all modes of transport - Cargo handling services (page 259). A market access limitation under mode 3 has been introduced for Estonia, Latvia and Lithuania.

B) Modifications notified in document S/SECRET/9

Horizontal Commitments

— Cyprus' and Malta's commitments on mode 4 under national treatment (pages 25, 29 and 32 of S/SECRET/8). These commitments are withdrawn.

Sectoral commitments

- Computer and Related Services - a)Consultancy Services related to the Installation of Computer Hardware (CPC 841) (page 82) - b) Software Implementation Services (CPC 842) (page 83) - c) Data Processing Services (CPC 843) (page 85) - d) Data Base Services (CPC 844) (page 86). Cyprus' commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.

- Research and Development Services - b) R & D Services on Social Sciences and Humanities (CPC 852) (pages 89 and 90). Cyprus' commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.

- Insurance and Insurance-Related Services - (i) Direct insurance (including co-insurance): (a) life and (b) non-life (pages 211 and 212). Cyprus' commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.
- Banking and Other Financial Services (excluding insurance) – (x) (e) transferable securities (page 223). Cyprus' commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.
- Hotels, Restaurants and Catering (CPC 641,642 and 643) (page 232). Malta's commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.
- Travel Agencies and Tour Operators Services (CPC 7471) (pages 233 and 234). Malta's commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.
- Maritime transport services - excluding cabotage transport - (a) Passenger transportation (CPC 7211); (b) Freight transportation (CPC 7212) (page 242). Malta's commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.

ANNEX II

COMPENSATION BY THE EC

- **Mode 3 horizontal limitation on public utilities**

  — Footnote on coverage indicating that this limitation does not apply to telecommunication and computer and related services.

- **Mode 3 horizontal limitations on investment**

  — Removal of the national treatment limitation for AT in Mode 3 on branches of foreign joint stock companies (Aktiengesellschaften) and limited liability companies (Gesellschaften mit beschränkter Haftung).

- **Mode 4** for intra-corporate transferees and business visitors

  — Market Access and National Treatment commitments by CY and MT in the horizontal section and in the sector-specific section in the sectors where CY and MT have undertaken Mode 3 commitments.

- Professional services - **Engineering services** (CPC 8672)

  — Market Access and National Treatment Commitments by CY and MT in Mode 2

  — Market Access commitments by CY, CZ, MT & SK in Mode 3

  — National Treatment commitments by CY and MT in Mode 3

  — Removal of the market access limitation for PT in mode 3

- Professional services - **Integrated Engineering Services** (CPC 8673):

  — Removal of the ENT applied on Mode 4/CSS by the UK

  — Market Access and National Treatment commitments by SK in Mode 3

- Professional services - **Urban planning and landscape architectural services** (CPC 8674):

  — Market Access and National Treatment commitments by CY, CZ, MT, PL, SI & SK in Mode 3.

  — Market Access and National Treatment commitments by HU on Landscape Architectural Services in Mode 2.

- **Computer and related services** -

  — Addition of a clarificatory footnote.

  — Market Access and National Treatment commitments by HU in Modes 1, 2 & 3 for CPC 845 and 849

  — Improved conditions for CSS/Mode 4 by SE for computer and related services in the horizontal section and new commitments by SE for CSS/Mode 4 for CPC 845 and 849.

- **Advertising services** (CPC 871):

  — Market Access and National Treatment commitments by CY, MT & PL in Mode 1

- **Telecommunication services**

  — New and improved commitments by the entire EC as offered in its revised DDA offer.

  — A clarification from FI that its three Mode 3 horizontal limitations on legal entities under market access, on subsidiaries, branches, agencies and representative offices under national treatment, and on investment under market access do not apply to telecommunications services.

  — A clarificatory footnote indicating that Sub-sectors 2.C.h) to 2.C.m) of the Services Sectoral Classification List contained in MTN,GNS/W/120 (value-added services) and Sub-sectors 2.C.a) to 2.C.g) of that List are included here. Sub-sector 2.C.o) of that List is also included here to the extent that it falls under this definition. For the purpose of this schedule, subsector 2C.n of that list (on-line information and/or data processing) is reflected in this schedule of Commitments under 1.B (Computer and related services).

- **Financial services (insurance services):**

  — Removal of part of the market access limitations for SK in Mode 3

- **Financial services (banking)**

  — FI: change in Mode 3 permanent residency requirements ("At least one of the founders, the members of the board of directors, the supervisory board and the managing director shall have their permanent residence in the European Community…" instead of "At least one half of the founders, the members of the board of directors, the supervisory board and the delegates, the managing director, the holder of the procuration and the person entitled to sign in the name of the credit institution shall have their place of residence in the European Community…").

- **Hotels, Restaurants and Catering**

  — New (less restrictive) language for IT's ENT in mode 3 on bars, cafes and restaurants, including a commitment on its non-discriminatory nature.

- **Travel Agencies and Tour Operators Services**

  — Removal of the ENT applied on Mode 3 by the CZ

- **Hairdressing services**

  — Market Access and National Treatment commitments by CZ, FI, HU and SK in Modes 2&3

The following abbreviations are used to indicate the Member States:

AT Austria

BE Belgium

CY Cyprus

CZ Czech Republic

DE Germany

DK Denmark

EE Estonia

EL Greece

ES Spain

FI Finland

FR France

HU Hungary

IE Ireland

IT Italy

LT Lithuania

LU Luxembourg

LV Latvia

MT Malta

NL The Netherlands

PL Poland

PT Portugal

SE Sweden

SI Slovenia

SK Slovak Republic

UK United Kingdom

Joint letter from the European Communities and its Member States on the one part, and Argentina, on the other part, pursuant to paragraph 5 of the Procedures for the implementation of Article XXI of the General Agreement on Trade in Services (GATS) (S/L/80 of 29 October 1999)

relating to

the modifications proposed in the GATS Schedules of the European Communities and its Member States (hereafter the EC) to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden to the European Communities

On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications, pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS.

Following the submission of each Communication, Argentina submitted two respective claims of interest pursuant to Article XXI:2(a) of the GATS (S/L/175 with regard to S/SECRET/8 and S/L/228 with regard to S/SECRET/9). The EC and Argentina entered into negotiations pursuant to Article XXI:2(a) of the GATS with regard to S/SECRET/8 and S/SECRET/9.

With regard to the procedure initiated by the notification contained in document S/SECRET/8, the initial period for the negotiations, which expired on 26 October 2004, was extended (by mutual agreement) five times (until 26 April 2005, until 27 February 2006, until 1 June 2006, until 1 July and until 17 July 2006). During such negotiations, the EC and Argentina have agreed on compensatory adjustments related to the withdrawals and modifications contained in document S/SECRET/8.

With regard to the procedure initiated by the notification contained in document S/SECRET/9, no agreement between the EC and Argentina was reached by the end of the period provided for negotiations and no affected Member referred the matter to arbitration within the applicable deadline pursuant to paragraph 7 of S/L/80. Pursuant to Article XXI:3(b) of the GATS and subject to completion of the procedures set out in paragraphs 20-22 of S/L/80, the EC shall be free to implement the modifications and withdrawals proposed in document S/SECRET/9.

The Report on the result of these negotiations, which is attached to this letter, includes (1) the proposed modifications in the notifications referred to above, (2) the agreed compensatory adjustments with regard to the modifications or withdrawals notified in S/SECRET/8, and (3) the draft consolidated schedule of specific commitments that results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and Argentina.

This letter and Annex I and II of the report attached to it constitute the Agreement between the EC and Argentina with regard to S/SECRET/8 for purposes of Article XXI:2(a) of the GATS [1]. The Agreement shall not be interpreted to modify the Lists of Article II Exemptions of the EC and its Member States. The Agreement shall not be interpreted to affect the Parties' rights and obligations under Article VIII of the GATS.

Pursuant to the procedures referred to in paragraphs 20 to 22 of S/L/80, the EC will transmit, to the Secretariat for circulation, the draft consolidated schedule for certification by 14 September 2006, provided that an agreement has been signed with all affected Members, or the period foreseen in paragraph 7 of S/L/80 has expired, and no arbitration has been requested. The results of the negotiations are to enter into force, after completion of the certification procedures, on a date to be specified by the EC following completion of the EC's internal approval procedures, which the EC endeavours to accelerate as much as possible. The modifications and withdrawals proposed in documents S/SECRET/8 and S/SECRET/9 shall not enter into force until all of the compensatory adjustments indicated in Annex II have entered into force.

[1] This Agreement shall not be interpreted to prejudge the outcome of separate discussions within the WTO concerning the classification of telecommunication services (basic telecommunications and value-added services).

Report on the result of the negotiations conducted in accordance of Article XXI:2(a) of the General Agreement on Trade in Services (GATS)

relating to

the modifications proposed in the GATS Schedules of the European Communities and its Member States (hereafter the EC) to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden to the European Communities

Pursuant to paragraph 5 of the Procedures for the implementation of Article XXI of the GATS (S/L/80 of 29 October 1999), the EC submits the following report:

1. On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications (hereafter "the proposed modifications"), pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS. The proposed modifications are contained in Annex I.

2. Following the submission of the notification contained in document S/SECRET/8, and pursuant to Article XXI:2(a) of the GATS, eighteen WTO Members (Argentina, Australia, Brazil, Canada, China, Chinese Taipei, Colombia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland, Uruguay and the United States) submitted a respective claim of interest.

3. Following the submission of the notification contained in document S/SECRET/9, and pursuant to Article XXI:2(a) of the GATS, fourteen WTO Members (Argentina, Australia, Brazil, Canada, China, Colombia, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, Uruguay and the United States) submitted a respective claim of interest.

4. Argentina submitted two respective claims of interest pursuant to Article XXI:2(a) of the GATS (S/L/175 with regard to S/SECRET/8 and S/L/228 with regard to S/SECRET/9). The EC and Argentina entered into negotiations pursuant to Article XXI:2(a) of the GATS with regard to S/SECRET/8 and S/SECRET/9.

5. With regard to the procedure initiated by the notification contained in document S/SECRET/8, the initial period for the negotiations, which expired on 26 October 2004, was extended (by mutual agreement) five times (until 26 April 2005, until 27 February 2006, until 1 June 2006, until 1 July and until 17 July 2006).

6. During such negotiations, the EC and Argentina have agreed on compensatory adjustments related to the modifications and withdrawals contained in document S/SECRET/8. Annex I and II of this report, together with the joint letter to which it is attached, constitute the Agreement between the EC and Argentina with regard to S/SECRET/8 for purposes of Article XXI:2(a) of the GATS ([2]). This Agreement shall not be interpreted to modify the lists of Article II Exemptions of the EC and its Member States. This Agreement shall not be interpreted to affect the Parties' rights and obligations under Article VIII of the GATS.

7. With regard to the procedure initiated by the notification contained in document S/SECRET/9, no agreement between the EC and Argentina was reached by the end of the period provided for negotiations and no affected Member referred the matter to arbitration within the applicable deadline pursuant to paragraph 7 of S/L/80. Pursuant to Article XXI:3(b) of the GATS and subject to completion of the procedures set out in paragraphs 20-22 of S/L/80, the EC shall be free to implement the modifications and withdrawals proposed in document S/SECRET/9.

([2]) This Agreement shall not be interpreted to prejudge the outcome of separate discussions within the WTO concerning the classification of telecommunication services (basic telecommunications and value-added services).

8. In view of the foregoing, the proposed modifications and the agreed compensatory adjustments are incorporated into the EC's draft GATS consolidated schedule, which results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and the Argentina.

9. Pursuant to the procedures referred to in paragraphs 20 to 22 of S/L/80, the EC will transmit, to the Secretariat for circulation, the draft consolidated schedule for certification by 14 September 2006, provided that an agreement has been signed with all affected Members, or the period foreseen in paragraph 7 of S/L/80 has expired, and no arbitration has been requested. The results of the negotiations are to enter into force, after completion of the certification procedures, on a date to be specified by the EC following completion of the EC's internal approval procedures, which the EC endeavours to accelerate as much as possible. The modifications and withdrawals proposed in documents S/SECRET/8 and S/SECRET/9 shall not enter into force until all of the compensatory adjustments indicated in Annex II have entered into force.

ANNEX I

A) Modifications notified in document S/SECRET/8

Horizontal Commitments

- Market access entry (page 9): "In all EC Member States services considered as public utilities at a national or local level may be subject to public monopolies or to exclusive rights granted to private operators". This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Austria, Poland, Slovenia, Slovakia, Finland and Sweden. This limitation now applies to all Member States.

- National treatment limitations on branches, agencies and representative offices under mode 3 (pages 9 and 10). This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Malta, Slovenia and Slovakia. This limitation now applies to all Member States.

- National treatment limitations on subsidiaries under mode 3 (page 10). This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia. This limitation now applies to all Member States.

- National treatment limitations on subsidies under mode 3 (page 13). The schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Malta, Austria, Slovenia, Slovakia, Finland and Sweden included only part of the limitations on subsidies on mode 3 inscribed in the schedule of the EC and its Member States. These limitations are now extended to these Member States.

- National treatment limitation on subsidies under mode 4 (page 13). The schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Hungary, Malta and Slovakia did not include the limitation on subsidies under mode 4 inscribed in the schedule of the EC and its Member States. This limitation is now extended to these Member States.

- Cyprus' market access commitments on mode 4. These commitments are withdrawn.

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- Rental/Leasing services without operators - Relating to Aircraft (page 95). The market access limitation under mode 2 is extended to Estonia, Lithuania, Hungary, Austria, Slovenia, Finland and Sweden and the market access limitation under mode 3 is extended to Estonia, Hungary and Austria.

- Services incidental to manufacturing (pages 109 and 110). The commitments included in the schedule of Latvia, Lithuania and Austria are withdrawn.

- Education services (page 156): limitation to "only privately funded services". This limitation was not included in the schedule of Estonia, Latvia, Lithuania, Hungary, Austria, Slovenia (only not included with regard to adult education services) and Slovakia. This limitation is now extended to these Member States. In the case of Slovenia, such an extension only refers to adult education services.

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- Air Transport - Computer Reservations System (page 248). The schedule of specific commitments of Hungary did not include the national treatment limitation on the obligations of parent or participating carriers in respect of a CRS controlled by an air carrier of one or more third countries.

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- Hotels, Restaurants and Catering (CPC 641,642 and 643) (page 232). Malta's commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.
- Travel Agencies and Tour Operators Services (CPC 7471) (pages 233 and 234). Malta's commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.
- Maritime transport services - excluding cabotage transport - (a) Passenger transportation (CPC 7211); (b) Freight transportation (CPC 7212) (page 242). Malta's commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.

ANNEX II

COMPENSATION BY THE EC

- **Mode 3 horizontal limitation on public utilities**

  — Footnote on coverage indicating that this limitation does not apply to telecommunication and computer and related services.

- **Mode 3 horizontal limitations on investment**

  — Removal of the national treatment limitation for AT in Mode 3 on branches of foreign joint stock companies (Aktiengesellschaften) and limited liability companies (Gesellschaften mit beschränkter Haftung).

- **Mode 4** for intra-corporate transferees and business visitors

  — Market Access and National Treatment commitments by CY and MT in the horizontal section and in the sector-specific section in the sectors where CY and MT have undertaken Mode 3 commitments.

- Professional services - **Engineering services** (CPC 8 672)

  — Market Access and National Treatment Commitments by CY and MT in Mode 2

  — Market Access commitments by CY, CZ, MT & SK in Mode 3

  — National Treatment commitments by CY and MT in Mode 3

  — Removal of the market access limitation for PT in mode 3

- Professional services - **Integrated Engineering Services** (CPC 8 673):

  — Removal of the ENT applied on Mode 4/CSS by the UK

  — Market Access and National Treatment commitments by SK in Mode 3

- Professional services - **Urban planning and landscape architectural services** (CPC 8 674):

  — Market Access and National Treatment commitments by CY, CZ, MT, PL, SI & SK in Mode 3.

  — Market Access and National Treatment commitments by HU on Landscape Architectural Services in Mode 2.

- **Computer and related services** -

  — Addition of a clarificatory footnote.

  — Market Access and National Treatment commitments by HU in Modes 1, 2 & 3 for CPC 845 and 849

  — Improved conditions for CSS/Mode 4 by SE for computer and related services in the horizontal section and new commitments by SE for CSS/Mode 4 for CPC 845 and 849.

- **Advertising services** (CPC 871):

  — Market Access and National Treatment commitments by CY, MT & PL in Mode 1

- **Telecommunication services**

  — New and improved commitments by the entire EC as offered in its revised DDA offer.

  — A clarification from FI that its three Mode 3 horizontal limitations on legal entities under market access, on subsidiaries, branches, agencies and representative offices under national treatment, and on investment under market access do not apply to telecommunications services.

  — A clarificatory footnote indicating that Sub-sectors 2.C.h) to 2.C.m) of the Services Sectoral Classification List contained in MTN,GNS/W/120 (value-added services) and Sub-sectors 2.C.a) to 2.C.g) of that List are included here. Sub-sector 2.C.o) of that List is also included here to the extent that it falls under this definition. For the purpose of this schedule, subsector 2C.n of that list (on-line information and/or data processing) is reflected in this schedule of Commitments under 1.B (Computer and related services).

- **Financial services (insurance services):**

  — Removal of part of the market access limitations for SK in Mode 3

- **Financial services (banking)**

  — FI: change in Mode 3 permanent residency requirements ("At least one of the founders, the members of the board of directors, the supervisory board and the managing director shall have their permanent residence in the European Community…" instead of "At least one half of the founders, the members of the board of directors, the supervisory board and the delegates, the managing director, the holder of the procuration and the person entitled to sign in the name of the credit institution shall have their place of residence in the European Community…").

- **Hotels, Restaurants and Catering**

  — New (less restrictive) language for IT's ENT in mode 3 on bars, cafes and restaurants, including a commitment on its non-discriminatory nature.

- **Travel Agencies and Tour Operators Services**

  — Removal of the ENT applied on Mode 3 by the CZ

- **Hairdressing services**

  — Market Access and National Treatment commitments by CZ, FI, HU and SK in Modes 2&3

The following abbreviations are used to indicate the Member States:

AT Austria

BE Belgium

CY Cyprus

CZ Czech Republic

DE Germany

DK Denmark

EE Estonia

EL Greece

ES Spain

FI Finland

FR France

HU Hungary

IE Ireland

IT Italy

LT Lithuania

LU Luxembourg

LV Latvia

MT Malta

NL The Netherlands

PL Poland

PT Portugal

SE Sweden

SI Slovenia

SK Slovak Republic

UK United Kingdom

Joint letter from the European Communities and its Member States on the one part, and Brazil, on the other part, pursuant to paragraph 5 of the Procedures for the implementation of Article XXI of the General Agreement on Trade in Services (GATS) (S/L/80 of 29 October 1999)

relating to

the modifications proposed in the GATS Schedules of the European Communities and its Member States (hereafter the EC) to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden to the European Communities

On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications, pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS.

Following the submission of each Communication, Brazil submitted two respective claims of interest pursuant to Article XXI:2(a) of the GATS (S/L/171 with regard to S/SECRET/8 and S/L/224 with regard to S/SECRET/9). The EC and Brazil entered into negotiations pursuant to Article XXI:2(a) of the GATS with regard to S/SECRET/8 and S/SECRET/9.

With regard to the procedure initiated by the notification contained in document S/SECRET/8, the initial period for the negotiations, which expired on 26 October 2004, was extended (by mutual agreement) five times (until 26 April 2005, until 27 February 2006, until 1 June 2006, until 1 July and until 17 July 2006). During such negotiations, the EC and Brazil have agreed on compensatory adjustments related to the withdrawals and modifications contained in document S/SECRET/8.

With regard to the procedure initiated by the notification contained in document S/SECRET/9, no agreement between the EC and Brazil was reached by the end of the period provided for negotiations and no affected Member referred the matter to arbitration within the applicable deadline pursuant to paragraph 7 of S/L/80. Pursuant to Article XXI:3(b) of the GATS and subject to completion of the procedures set out in paragraphs 20-22 of S/L/80, the EC shall be free to implement the modifications and withdrawals proposed in document S/SECRET/9.

The Report on the result of these negotiations, which is attached to this letter, includes (1) the proposed modifications in the notifications referred to above, (2) the agreed compensatory adjustments with regard to the modifications or withdrawals notified in S/SECRET/8, and (3) the draft consolidated schedule of specific commitments that results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and Brazil.

This letter and Annex I and II of the report attached to it constitute the Agreement between the EC and Brazil with regard to S/SECRET/8 for purposes of Article XXI:2(a) of the GATS ([1]). The Agreement shall not be interpreted to modify the Lists of Article II Exemptions of the EC and its Member States. The Agreement shall not be interpreted to affect the Parties' rights and obligations under Article VIII of the GATS.

Pursuant to the procedures referred to in paragraphs 20 to 22 of S/L/80, the EC will transmit, to the Secretariat for circulation, the draft consolidated schedule for certification by 14 September 2006, provided that an agreement has been signed with all affected Members, or the period foreseen in paragraph 7 of S/L/80 has expired, and no arbitration has been requested. The results of the negotiations are to enter into force, after completion of the certification procedures, on a date to be specified by the EC following completion of the EC's internal approval procedures, which the EC endeavours to accelerate as much as possible. The modifications and withdrawals proposed in documents S/SECRET/8 and S/SECRET/9 shall not enter into force until all of the compensatory adjustments indicated in Annex II have entered into force.

([1]) This Agreement shall not be interpreted to prejudge the outcome of separate discussions within the WTO concerning the classification of telecommunication services (basic telecommunications and value-added services).

Report on the result of the negotiations conducted in accordance of Article XXI:2(a) of the General Agreement on Trade in Services (GATS)

relating to

the modifications proposed in the GATS Schedules of the European Communities and its Member States (hereafter the EC) to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden to the European Communities

Pursuant to paragraph 5 of the Procedures for the implementation of Article XXI of the GATS (S/L/80 of 29 October 1999), the EC submits the following report:

1. On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications (hereafter "the proposed modifications"), pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS. The proposed modifications are contained in Annex I.

2. Following the submission of the notification contained in document S/SECRET/8, and pursuant to Article XXI:2(a) of the GATS, eighteen WTO Members (Argentina, Australia, Brazil, Canada, China, Chinese Taipei, Colombia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland, Uruguay and the United States) submitted a respective claim of interest.

3. Following the submission of the notification contained in document S/SECRET/9, and pursuant to Article XXI:2(a) of the GATS, fourteen WTO Members (Argentina, Australia, Brazil, Canada, China, Colombia, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, Uruguay and the United States) submitted a respective claim of interest.

4. Brazil submitted two respective claims of interest pursuant to Article XXI:2(a) of the GATS (S/L/171 with regard to S/SECRET/8 and S/L/224 with regard to S/SECRET/9). The EC and Brazil entered into negotiations pursuant to Article XXI:2(a) of the GATS with regard to S/SECRET/8 and S/SECRET/9.

5. With regard to the procedure initiated by the notification contained in document S/SECRET/8, the initial period for the negotiations, which expired on 26 October 2004, was extended (by mutual agreement) five times (until 26 April 2005, until 27 February 2006, until 1 June 2006, until 1 July and until 17 July 2006).

6. During such negotiations, the EC and Brazil have agreed on compensatory adjustments related to the modifications and withdrawals contained in document S/SECRET/8. Annex I and II of this report, together with the joint letter to which it is attached, constitute the Agreement between the EC and Brazil with regard to S/SECRET/8 for purposes of Article XXI:2(a) of the GATS ([2]). This Agreement shall not be interpreted to modify the lists of Article II Exemptions of the EC and its Member States. This Agreement shall not be interpreted to affect the Parties' rights and obligations under Article VIII of the GATS.

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8. In view of the foregoing, the proposed modifications and the agreed compensatory adjustments are incorporated into the EC's draft GATS consolidated schedule, which results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and the Brazil.

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ANNEX I

A) Modifications notified in document S/SECRET/8

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  — Market Access and National Treatment commitments by CY and MT in the horizontal section and in the sector-specific section in the sectors where CY and MT have undertaken Mode 3 commitments.

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  — New and improved commitments by the entire EC as offered in its revised DDA offer.

  — A clarification from FI that its three Mode 3 horizontal limitations on legal entities under market access, on subsidiaries, branches, agencies and representative offices under national treatment, and on investment under market access do not apply to telecommunications services.

— A clarificatory footnote indicating that Sub-sectors 2.C.h) to 2.C.m) of the Services Sectoral Classification List contained in MTN,GNS/W/120 (value-added services) and Sub-sectors 2.C.a) to 2.C.g) of that List are included here. Sub-sector 2.C.o) of that List is also included here to the extent that it falls under this definition. For the purpose of this schedule, subsector 2C.n of that list (on-line information and/or data processing) is reflected in this schedule of Commitments under 1.B (Computer and related services).

• **Financial services (insurance services):**

— Removal of part of the market access limitations for SK in Mode 3

• **Financial services (banking)**

— FI: change in Mode 3 permanent residency requirements ("At least one of the founders, the members of the board of directors, the supervisory board and the managing director shall have their permanent residence in the European Community…" instead of 'At least one half of the founders, the members of the board of directors, the supervisory board and the delegates, the managing director, the holder of the procuration and the person entitled to sign in the name of the credit institution shall have their place of residence in the European Community…').

• **Hotels, Restaurants and Catering**

— New (less restrictive) language for IT's ENT in mode 3 on bars, cafes and restaurants, including a commitment on its non-discriminatory nature.

• **Travel Agencies and Tour Operators Services**

— Removal of the ENT applied on Mode 3 by the CZ

• **Hairdressing services**

— Market Access and National Treatment commitments by CZ, FI, HU and SK in Modes 2&3

The following abbreviations are used to indicate the Member States:

AT Austria

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CY Cyprus

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DK Denmark

EE Estonia

EL Greece

ES Spain

FI Finland

FR France

HU Hungary

IE Ireland

IT Italy

LT Lithuania

LU Luxembourg
LV Latvia
MT Malta
NL The Netherlands
PL Poland
PT Portugal
SE Sweden
SI Slovenia
SK Slovak Republic
UK United Kingdom

Joint letter from the European Communities and its Member States on the one part, and Canada, on the other part, pursuant to paragraph 5 of the Procedures for the implementation of Article XXI of the General Agreement on Trade in Services (GATS) (S/L/80 of 29 October 1999)

relating to

the modifications proposed in the GATS Schedules of the European Communities and its Member States (hereafter the EC) to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden to the European Communities

On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications, pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS.

Following the submission of each Communication, Canada submitted two respective claims of interest pursuant to Article XXI:2(a) of the GATS (S/L/165 with regard to S/SECRET/8 and S/L/216 with regard to S/SECRET/9). The EC and Canada entered into negotiations pursuant to Article XXI:2(a) of the GATS with regard to S/SECRET/8 and S/SECRET/9.

With regard to the procedure initiated by the notification contained in document S/SECRET/8, the initial period for the negotiations, which expired on 26 October 2004, was extended (by mutual agreement) five times (until 26 April 2005, until 27 February 2006, until 1 June 2006, until 1 July and until 17 July 2006). During such negotiations, the EC and Canada have agreed on compensatory adjustments related to the withdrawals and modifications contained in document S/SECRET/8.

With regard to the procedure initiated by the notification contained in document S/SECRET/9, no agreement between the EC and Canada was reached by the end of the period provided for negotiations and no affected Member referred the matter to arbitration within the applicable deadline pursuant to paragraph 7 of S/L/80. Pursuant to Article XXI:3(b) of the GATS and subject to completion of the procedures set out in paragraphs 20-22 of S/L/80, the EC shall be free to implement the modifications and withdrawals proposed in document S/SECRET/9.

The Report on the result of these negotiations, which is attached to this letter, includes (1) the proposed modifications in the notifications referred to above, (2) the agreed compensatory adjustments with regard to the modifications or withdrawals notified in S/SECRET/8, and (3) the draft consolidated schedule of specific commitments that results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and Canada.

This letter and Annex I and II of the report attached to it constitute the Agreement between the EC and Canada with regard to S/SECRET/8 for purposes of Article XXI:2(a) of the GATS ([1]). The Agreement shall not be interpreted to modify the Lists of Article II Exemptions of the EC and its Member States. The Agreement shall not be interpreted to affect the Parties' rights and obligations under Article VIII of the GATS.

Pursuant to the procedures referred to in paragraphs 20 to 22 of S/L/80, the EC will transmit, to the Secretariat for circulation, the draft consolidated schedule for certification by 14 September 2006, provided that an agreement has been signed with all affected Members, or the period foreseen in paragraph 7 of S/L/80 has expired, and no arbitration has been requested. The results of the negotiations are to enter into force, after completion of the certification procedures, on a date to be specified by the EC following completion of the EC's internal approval procedures, which the EC endeavours to accelerate as much as possible. The modifications and withdrawals proposed in documents S/SECRET/8 and S/SECRET/9 shall not enter into force until all of the compensatory adjustments indicated in Annex II have entered into force.

([1]) This Agreement shall not be interpreted to prejudge the outcome of separate discussions within the WTO concerning the classification of telecommunication services (basic telecommunications and value-added services).

Report on the result of the negotiations conducted in accordance of Article XXI:2(a) of the General Agreement on Trade in Services (GATS)

relating to

the modifications proposed in the GATS Schedules of the European Communities and its Member States (hereafter the EC) to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden to the European Communities

Pursuant to paragraph 5 of the Procedures for the implementation of Article XXI of the GATS (S/L/80 of 29 October 1999), the EC submits the following report:

1. On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications (hereafter "the proposed modifications"), pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS. The proposed modifications are contained in Annex I.

2. Following the submission of the notification contained in document S/SECRET/8, and pursuant to Article XXI:2(a) of the GATS, eighteen WTO Members (Argentina, Australia, Brazil, Canada, China, Chinese Taipei, Colombia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland, Uruguay and the United States) submitted a respective claim of interest.

3. Following the submission of the notification contained in document S/SECRET/9, and pursuant to Article XXI:2(a) of the GATS, fourteen WTO Members (Argentina, Australia, Brazil, Canada, China, Colombia, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, Uruguay and the United States) submitted a respective claim of interest.

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5. With regard to the procedure initiated by the notification contained in document S/SECRET/8, the initial period for the negotiations, which expired on 26 October 2004, was extended (by mutual agreement) five times (until 26 April 2005, until 27 February 2006, until 1 June 2006, until 1 July and until 17 July 2006).

6. During such negotiations, the EC and Canada have agreed on compensatory adjustments related to the modifications and withdrawals contained in document S/SECRET/8. Annex I and II of this report, together with the joint letter to which it is attached, constitute the Agreement between the EC and Canada with regard to S/SECRET/8 for purposes of Article XXI:2(a) of the GATS ([2]). This Agreement shall not be interpreted to modify the lists of Article II Exemptions of the EC and its Member States. This Agreement shall not be interpreted to affect the Parties' rights and obligations under Article VIII of the GATS.

7. With regard to the procedure initiated by the notification contained in document S/SECRET/9, no agreement between the EC and Canada was reached by the end of the period provided for negotiations and no affected Member referred the matter to arbitration within the applicable deadline pursuant to paragraph 7 of S/L/80. Pursuant to Article XXI:3(b) of the GATS and subject to completion of the procedures set out in paragraphs 20-22 of S/L/80, the EC shall be free to implement the modifications and withdrawals proposed in document S/SECRET/9.

([2]) This Agreement shall not be interpreted to prejudge the outcome of separate discussions within the WTO concerning the classification of telecommunication services (basic telecommunications and value-added services).

8. In view of the foregoing, the proposed modifications and the agreed compensatory adjustments are incorporated into the EC's draft GATS consolidated schedule, which results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and the Canada.

9. Pursuant to the procedures referred to in paragraphs 20 to 22 of S/L/80, the EC will transmit, to the Secretariat for circulation, the draft consolidated schedule for certification by 14 September 2006, provided that an agreement has been signed with all affected Members, or the period foreseen in paragraph 7 of S/L/80 has expired, and no arbitration has been requested. The results of the negotiations are to enter into force, after completion of the certification procedures, on a date to be specified by the EC following completion of the EC's internal approval procedures, which the EC endeavours to accelerate as much as possible. The modifications and withdrawals proposed in documents S/SECRET/8 and S/SECRET/9 shall not enter into force until all of the compensatory adjustments indicated in Annex II have entered into force.

ANNEX I

A) Modifications notified in document S/SECRET/8

Horizontal Commitments

- Market access entry (page 9): "In all EC Member States services considered as public utilities at a national or local level may be subject to public monopolies or to exclusive rights granted to private operators". This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Austria, Poland, Slovenia, Slovakia, Finland and Sweden. This limitation now applies to all Member States.

- National treatment limitations on branches, agencies and representative offices under mode 3 (pages 9 and 10). This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Malta, Slovenia and Slovakia. This limitation now applies to all Member States.

- National treatment limitations on subsidiaries under mode 3 (page 10). This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia. This limitation now applies to all Member States.

- National treatment limitations on subsidies under mode 3 (page 13). The schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Malta, Austria, Slovenia, Slovakia, Finland and Sweden included only part of the limitations on subsidies on mode 3 inscribed in the schedule of the EC and its Member States. These limitations are now extended to these Member States.

- National treatment limitation on subsidies under mode 4 (page 13). The schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Hungary, Malta and Slovakia did not include the limitation on subsidies under mode 4 inscribed in the schedule of the EC and its Member States. This limitation is now extended to these Member States.

- Cyprus' market access commitments on mode 4. These commitments are withdrawn.

- Market access entry on mode 4 - Intra-company transfers (ICT) (page 26). The schedule of specific commitments of the Czech Republic, Latvia, Lithuania, Hungary, Poland and Slovakia did not include the limitation that the receiving entity must be effectively providing like services in the territory of the Community Member State concerned. This limitation is now extended to these Member States.

- Market access entry on mode 4 - Business visitors (BV) – service sellers (page 30). The schedule of specific commitments of Poland did not include the limitation that those representatives will not be engaged in making direct sales to the general public. This limitation is now extended to this Member State.

- Market access entry on mode 4 - Business visitors (BV) – establishment of commercial presence (page 30). The schedule of specific commitments of Lithuania did not include the limitation that those representatives will not be engaged in making direct sales to the general public or supplying services. This limitation is now extended to this Member State.

- Lithuania's market access commitments on mode 4 – Business visitors (BV) (page 32). These commitments are partially withdrawn.

- Latvia's market access commitment on mode 4 – contractual services suppliers (CSS) (page 33). The schedule of specific commitments of Latvia did not include the limitation that the temporary entry and stay within the Member State concerned shall be for a period of not more than three months in any 12 months period. This limitation is now extended to this Member State.

Sectoral commitments

- Rental/Leasing services without operators - Relating to Aircraft (page 95). The market access limitation under mode 2 is extended to Estonia, Lithuania, Hungary, Austria, Slovenia, Finland and Sweden and the market access limitation under mode 3 is extended to Estonia, Hungary and Austria.

- Services incidental to manufacturing (pages 109 and 110). The commitments included in the schedule of Latvia, Lithuania and Austria are withdrawn.

- Education services (page 156): limitation to "only privately funded services". This limitation was not included in the schedule of Estonia, Latvia, Lithuania, Hungary, Austria, Slovenia (only not included with regard to adult education services) and Slovakia. This limitation is now extended to these Member States. In the case of Slovenia, such an extension only refers to adult education services.

- Banking and other financial services (excluding insurance) (pages 193, 213 and 217). The market access limitations indicating that "the establishment of a specialised management company is required to perform the activities of management of unit trusts and investment companies" and that "only firms having their registered office in the Community can act as depositories of the assets of investment funds", both under mode 1 and 3, were not included in the schedule of Czech Republic as regards mode 3, Estonia (not included in mode 1 nor in mode 3), Latvia as regards mode 3, Lithuania as regards mode 1, Hungary as regards mode 3 and Slovakia as regards mode 3. These limitations are now extended to these Member States.

- Space Transport. The commitment included in the schedule of Austria is withdrawn.

- Air Transport - Rental of aircraft with crew (page 246). Two market access limitations (one under modes 1 and 2 and another one under mode 3) are introduced for Poland.

- Air Transport - Sales and Marketing (pages 247 and 248). The schedule of specific commitments of Estonia did not include the national treatment limitation on distribution through CRS of air transport services provided by CRS parent carrier.

- Air Transport - Computer Reservations System (page 248). The schedule of specific commitments of Hungary did not include the national treatment limitation on the obligations of parent or participating carriers in respect of a CRS controlled by an air carrier of one or more third countries.

- Services auxiliary to all modes of transport - Cargo handling services (page 259). A market access limitation under mode 3 has been introduced for Estonia, Latvia and Lithuania.

B) Modifications notified in document S/SECRET/9

Horizontal Commitments

- Cyprus' and Malta's commitments on mode 4 under national treatment (pages 25, 29 and 32 of S/SECRET/8). These commitments are withdrawn.

Sectoral commitments

- Computer and Related Services - a)Consultancy Services related to the Installation of Computer Hardware (CPC 841) (page 82) - b) Software Implementation Services (CPC 842) (page 83) - c) Data Processing Services (CPC 843) (page 85) - d) Data Base Services (CPC 844) (page 86). Cyprus' commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.

- Research and Development Services - b) R & D Services on Social Sciences and Humanities (CPC 852) (pages 89 and 90). Cyprus' commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.

- Insurance and Insurance-Related Services - (i) Direct insurance (including co-insurance): (a) life and (b) non-life (pages 211 and 212). Cyprus' commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.

- Banking and Other Financial Services (excluding insurance) – (x) (e) transferable securities (page 223). Cyprus' commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.
- Hotels, Restaurants and Catering (CPC 641,642 and 643) (page 232). Malta's commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.
- Travel Agencies and Tour Operators Services (CPC 7471) (pages 233 and 234). Malta's commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.
- Maritime transport services - excluding cabotage transport - (a) Passenger transportation (CPC 7211); (b) Freight transportation (CPC 7212) (page 242). Malta's commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.

ANNEX II

COMPENSATION BY THE EC

- **Mode 3 horizontal limitation on public utilities**

  — Footnote on coverage indicating that this limitation does not apply to telecommunication and computer and related services.

- **Mode 3 horizontal limitations on investment**

  — Removal of the national treatment limitation for AT in Mode 3 on branches of foreign joint stock companies (Aktiengesellschaften) and limited liability companies (Gesellschaften mit beschränkter Haftung).

- **Mode 4** for intra-corporate transferees and business visitors

  — Market Access and National Treatment commitments by CY and MT in the horizontal section and in the sector-specific section in the sectors where CY and MT have undertaken Mode 3 commitments.

- Professional services - **Engineering services** (CPC 8672)

  — Market Access and National Treatment Commitments by CY and MT in Mode 2

  — Market Access commitments by CY, CZ, MT & SK in Mode 3

  — National Treatment commitments by CY and MT in Mode 3

  — Removal of the market access limitation for PT in mode 3

- Professional services - **Integrated Engineering Services** (CPC 8673):

  — Removal of the ENT applied on Mode 4/CSS by the UK

  — Market Access and National Treatment commitments by SK in Mode 3

- Professional services - **Urban planning and landscape architectural services** (CPC 8674):

  — Market Access and National Treatment commitments by CY, CZ, MT, PL, SI & SK in Mode 3.

  — Market Access and National Treatment commitments by HU on Landscape Architectural Services in Mode 2.

- **Computer and related services** -

  — Addition of a clarificatory footnote.

  — Market Access and National Treatment commitments by HU in Modes 1, 2 & 3 for CPC 845 and 849

  — Improved conditions for CSS/Mode 4 by SE for computer and related services in the horizontal section and new commitments by SE for CSS/Mode 4 for CPC 845 and 849.

- **Advertising services** (CPC 871):

  — Market Access and National Treatment commitments by CY, MT & PL in Mode 1

- **Telecommunication services**

  — New and improved commitments by the entire EC as offered in its revised DDA offer.

  — A clarification from FI that its three Mode 3 horizontal limitations on legal entities under market access, on subsidiaries, branches, agencies and representative offices under national treatment, and on investment under market access do not apply to telecommunications services.

  — A clarificatory footnote indicating that Sub-sectors 2.C.h) to 2.C.m) of the Services Sectoral Classification List contained in MTN,GNS/W/120 (value-added services) and Sub-sectors 2.C.a) to 2.C.g) of that List are included here. Sub-sector 2.C.o) of that List is also included here to the extent that it falls under this definition. For the purpose of this schedule, subsector 2C.n of that list (on-line information and/or data processing) is reflected in this schedule of Commitments under 1.B (Computer and related services).

- **Financial services (insurance services):**

  — Removal of part of the market access limitations for SK in Mode 3

- **Financial services (banking)**

  — FI: change in Mode 3 permanent residency requirements ("At least one of the founders, the members of the board of directors, the supervisory board and the managing director shall have their permanent residence in the European Community…" instead of "At least one half of the founders, the members of the board of directors, the supervisory board and the delegates, the managing director, the holder of the procuration and the person entitled to sign in the name of the credit institution shall have their place of residence in the Europe Community…").

- **Hotels, Restaurants and Catering**

  — New (less restrictive) language for IT's ENT in mode 3 on bars, cafes and restaurants, including a commitment on its non-discriminatory nature.

- **Travel Agencies and Tour Operators Services**

  — Removal of the ENT applied on Mode 3 by the CZ

- **Hairdressing services**

  — Market Access and National Treatment commitments by CZ, FI, HU and SK in Modes 2&3

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Joint letter from the European Communities and its Member States on the one part, and China, on the other part, pursuant to paragraph 5 of the Procedures for the implementation of Article XXI of the General Agreement on Trade in Services (GATS) (S/L/80 of 29 October 1999)

relating to

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On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications, pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS.

Following the submission of each Communication, China submitted two respective claims of interest pursuant to Article XXI:2(a) of the GATS (S/L/178 with regard to S/SECRET/8 and S/L/220 with regard to S/SECRET/9). The EC and China entered into negotiations pursuant to Article XXI:2(a) of the GATS with regard to S/SECRET/8 and S/SECRET/9.

With regard to the procedure initiated by the notification contained in document S/SECRET/8, the initial period for the negotiations, which expired on 26 October 2004, was extended (by mutual agreement) five times (until 26 April 2005, until 27 February 2006, until 1 June 2006, until 1 July and until 17 July 2006). During such negotiations, the EC and China have agreed on compensatory adjustments related to the withdrawals and modifications contained in document S/SECRET/8.

With regard to the procedure initiated by the notification contained in document S/SECRET/9, no agreement between the EC and China was reached by the end of the period provided for negotiations and no affected Member referred the matter to arbitration within the applicable deadline pursuant to paragraph 7 of S/L/80. Pursuant to Article XXI:3(b) of the GATS and subject to completion of the procedures set out in paragraphs 20-22 of S/L/80, the EC shall be free to implement the modifications and withdrawals proposed in document S/SECRET/9.

The Report on the result of these negotiations, which is attached to this letter, includes (1) the proposed modifications in the notifications referred to above, (2) the agreed compensatory adjustments with regard to the modifications or withdrawals notified in S/SECRET/8, and (3) the draft consolidated schedule of specific commitments that results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and China.

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[1] This Agreement shall not be interpreted to prejudge the outcome of separate discussions within the WTO concerning the classification of telecommunication services (basic telecommunications and value-added services).

Report on the result of the negotiations conducted in accordance of Article XXI:2(a) of the General Agreement on Trade in Services (GATS)

relating to

the modifications proposed in the GATS Schedules of the European Communities and its Member States (hereafter the EC) to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden to the European Communities

Pursuant to paragraph 5 of the Procedures for the implementation of Article XXI of the GATS (S/L/80 of 29 October 1999), the EC submits the following report:

1. On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications (hereafter "the proposed modifications"), pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS. The proposed modifications are contained in Annex I.

2. Following the submission of the notification contained in document S/SECRET/8, and pursuant to Article XXI:2(a) of the GATS, eighteen WTO Members (Argentina, Australia, Brazil, Canada, China, Chinese Taipei, Colombia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland, Uruguay and the United States) submitted a respective claim of interest.

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6. During such negotiations, the EC and China have agreed on compensatory adjustments related to the modifications and withdrawals contained in document S/SECRET/8. Annex I and II of this report, together with the joint letter to which it is attached, constitute the Agreement between the EC and China with regard to S/SECRET/8 for purposes of Article XXI:2(a) of the GATS ([2]). This Agreement shall not be interpreted to modify the lists of Article II Exemptions of the EC and its Member States. This Agreement shall not be interpreted to affect the Parties' rights and obligations under Article VIII of the GATS.

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ANNEX I

A) Modifications notified in document S/SECRET/8

Horizontal Commitments

- Market access entry (page 9): "In all EC Member States services considered as public utilities at a national or local level may be subject to public monopolies or to exclusive rights granted to private operators". This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Austria, Poland, Slovenia, Slovakia, Finland and Sweden. This limitation now applies to all Member States.

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ANNEX II

COMPENSATION BY THE EC

- **Mode 3 horizontal limitation on public utilities**

  — Footnote on coverage indicating that this limitation does not apply to telecommunication and computer and related services.

- **Mode 3 horizontal limitations on investment**

  — Removal of the national treatment limitation for AT in Mode 3 on branches of foreign joint stock companies (Aktiengesellschaften) and limited liability companies (Gesellschaften mit beschränkter Haftung).

- **Mode 4** for intra-corporate transferees and business visitors

  — Market Access and National Treatment commitments by CY and MT in the horizontal section and in the sector-specific section in the sectors where CY and MT have undertaken Mode 3 commitments.

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  — Market Access and National Treatment Commitments by CY and MT in Mode 2

  — Market Access commitments by CY, CZ, MT & SK in Mode 3

  — National Treatment commitments by CY and MT in Mode 3

  — Removal of the market access limitation for PT in mode 3

- Professional services - **Integrated Engineering Services** (CPC 8673):

  — Removal of the ENT applied on Mode 4/CSS by the UK

  — Market Access and National Treatment commitments by SK in Mode 3

- Professional services - **Urban planning and landscape architectural services** (CPC 8674):

  — Market Access and National Treatment commitments by CY, CZ, MT, PL, SI & SK in Mode 3.

  — Market Access and National Treatment commitments by HU on Landscape Architectural Services in Mode 2.

- **Computer and related services** -

  — Addition of a clarificatory footnote.

  — Market Access and National Treatment commitments by HU in Modes 1, 2 & 3 for CPC 845 and 849

  — Improved conditions for CSS/Mode 4 by SE for computer and related services in the horizontal section and new commitments by SE for CSS/Mode 4 for CPC 845 and 849.

- **Advertising services** (CPC 871):

  — Market Access and National Treatment commitments by CY, MT & PL in Mode 1

- **Telecommunication services**

  — New and improved commitments by the entire EC as offered in its revised DDA offer.

  — A clarification from FI that its three Mode 3 horizontal limitations on legal entities under market access, on subsidiaries, branches, agencies and representative offices under national treatment, and on investment under market access do not apply to telecommunications services.

  — A clarificatory footnote indicating that Sub-sectors 2.C.h) to 2.C.m) of the Services Sectoral Classification List contained in MTN,GNS/W/120 (value-added services) and Sub-sectors 2.C.a) to 2.C.g) of that List are included here. Sub-sector 2.C.o) of that List is also included here to the extent that it falls under this definition. For the purpose of this schedule, subsector 2C.n of that list (on-line information and/or data processing) is reflected in this schedule of Commitments under 1.B (Computer and related services).

- **Financial services (insurance services):**

  — Removal of part of the market access limitations for SK in Mode 3

- **Financial services (banking)**

  — FI: change in Mode 3 permanent residency requirements ("At least one of the founders, the members of the board of directors, the supervisory board and the managing director shall have their permanent residence in the European Community…" instead of "At least one half of the founders, the members of the board of directors, the supervisory board and the delegates, the managing director, the holder of the procuration and the person entitled to sign in the name of the credit institution shall have their place of residence in the European Community…").

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  — New (less restrictive) language for IT's ENT in mode 3 on bars, cafes and restaurants, including a commitment on its non-discriminatory nature.

- **Travel Agencies and Tour Operators Services**

  — Removal of the ENT applied on Mode 3 by the CZ

- **Hairdressing services**

  — Market Access and National Treatment commitments by CZ, FI, HU and SK in Modes 2&3

The following abbreviations are used to indicate the Member States:

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CY Cyprus

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DK Denmark

EE Estonia

EL Greece

ES Spain

FI Finland

FR France

HU Hungary

IE Ireland

IT Italy

LT Lithuania

LU Luxembourg

LV Latvia

MT Malta

NL The Netherlands

PL Poland

PT Portugal

SE Sweden

SI Slovenia

SK Slovak Republic

UK United Kingdom

Joint letter from the European Communities and its Member States on the one part, and Colombia, on the other part, pursuant to paragraph 5 of the Procedures for the implementation of Article XXI of the General Agreement on Trade in Services (GATS) (S/L/80 of 29 October 1999)

relating to

the modifications proposed in the GATS Schedules of the European Communities and its Member States (hereafter the EC) to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden to the European Communities

On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications, pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS.

Following the submission of each Communication, Colombia submitted two respective claims of interest pursuant to Article XXI:2(a) of the GATS (S/L/176 with regard to S/SECRET/8 and S/L/223 with regard to S/SECRET/9). The EC and Colombia entered into negotiations pursuant to Article XXI:2(a) of the GATS with regard to S/SECRET/8 and S/SECRET/9.

With regard to the procedure initiated by the notification contained in document S/SECRET/8, the initial period for the negotiations, which expired on 26 October 2004, was extended (by mutual agreement) five times (until 26 April 2005, until 27 February 2006, until 1 June 2006, until 1 July and until 17 July 2006). During such negotiations, the EC and Colombia have agreed on compensatory adjustments related to the withdrawals and modifications contained in document S/SECRET/8.

With regard to the procedure initiated by the notification contained in document S/SECRET/9, no agreement between the EC and Colombia was reached by the end of the period provided for negotiations and no affected Member referred the matter to arbitration within the applicable deadline pursuant to paragraph 7 of S/L/80. Pursuant to Article XXI:3(b) of the GATS and subject to completion of the procedures set out in paragraphs 20-22 of S/L/80, the EC shall be free to implement the modifications and withdrawals proposed in document S/SECRET/9.

The Report on the result of these negotiations, which is attached to this letter, includes (1) the proposed modifications in the notifications referred to above, (2) the agreed compensatory adjustments with regard to the modifications or withdrawals notified in S/SECRET/8, and (3) the draft consolidated schedule of specific commitments that results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and Colombia.

This letter and Annex I and II of the report attached to it constitute the Agreement between the EC and Colombia with regard to S/SECRET/8 for purposes of Article XXI:2(a) of the GATS [1]. The Agreement shall not be interpreted to modify the Lists of Article II Exemptions of the EC and its Member States. The Agreement shall not be interpreted to affect the Parties' rights and obligations under Article VIII of the GATS.

Pursuant to the procedures referred to in paragraphs 20 to 22 of S/L/80, the EC will transmit, to the Secretariat for circulation, the draft consolidated schedule for certification by 14 September 2006, provided that an agreement has been signed with all affected Members, or the period foreseen in paragraph 7 of S/L/80 has expired, and no arbitration has been requested. The results of the negotiations are to enter into force, after completion of the certification procedures, on a date to be specified by the EC following completion of the EC's internal approval procedures, which the EC endeavours to accelerate as much as possible. The modifications and withdrawals proposed in documents S/SECRET/8 and S/SECRET/9 shall not enter into force until all of the compensatory adjustments indicated in Annex II have entered into force.

[1] This Agreement shall not be interpreted to prejudge the outcome of separate discussions within the WTO concerning the classification of telecommunication services (basic telecommunications and value-added services).

Report on the result of the negotiations conducted in accordance of Article XXI:2(a) of the General Agreement on Trade in Services (GATS)

relating to

the modifications proposed in the GATS Schedules of the European Communities and its Member States (hereafter the EC) to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden to the European Communities

Pursuant to paragraph 5 of the Procedures for the implementation of Article XXI of the GATS (S/L/80 of 29 October 1999), the EC submits the following report:

1. On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications (hereafter "the proposed modifications"), pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS. The proposed modifications are contained in Annex I.

2. Following the submission of the notification contained in document S/SECRET/8, and pursuant to Article XXI:2(a) of the GATS, eighteen WTO Members (Argentina, Australia, Brazil, Canada, China, Chinese Taipei, Colombia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland, Uruguay and the United States) submitted a respective claim of interest.

3. Following the submission of the notification contained in document S/SECRET/9, and pursuant to Article XXI:2(a) of the GATS, fourteen WTO Members (Argentina, Australia, Brazil, Canada, China, Colombia, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, Uruguay and the United States) submitted a respective claim of interest.

4. Colombia submitted two respective claims of interest pursuant to Article XXI:2(a) of the GATS (S/L/176 with regard to S/SECRET/8 and S/L/223 with regard to S/SECRET/9). The EC and Colombia entered into negotiations pursuant to Article XXI:2(a) of the GATS with regard to S/SECRET/8 and S/SECRET/9.

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6. During such negotiations, the EC and Colombia have agreed on compensatory adjustments related to the modifications and withdrawals contained in document S/SECRET/8. Annex I and II of this report, together with the joint letter to which it is attached, constitute the Agreement between the EC and Colombia with regard to S/SECRET/8 for purposes of Article XXI:2(a) of the GATS [2]. This Agreement shall not be interpreted to modify the lists of Article II Exemptions of the EC and its Member States. This Agreement shall not be interpreted to affect the Parties' rights and obligations under Article VIII of the GATS.

7. With regard to the procedure initiated by the notification contained in document S/SECRET/9, no agreement between the EC and Colombia was reached by the end of the period provided for negotiations and no affected Member referred the matter to arbitration within the applicable deadline pursuant to paragraph 7 of S/L/80. Pursuant to Article XXI:3(b) of the GATS and subject to completion of the procedures set out in paragraphs 20-22 of S/L/80, the EC shall be free to implement the modifications and withdrawals proposed in document S/SECRET/9.

[2] This Agreement shall not be interpreted to prejudge the outcome of separate discussions within the WTO concerning the classification of telecommunication services (basic telecommunications and value-added services).

8. In view of the foregoing, the proposed modifications and the agreed compensatory adjustments are incorporated into the EC's draft GATS consolidated schedule, which results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and the Colombia.

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ANNEX I

A) Modifications notified in document S/SECRET/8

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- Market access entry (page 9): "In all EC Member States services considered as public utilities at a national or local level may be subject to public monopolies or to exclusive rights granted to private operators". This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Austria, Poland, Slovenia, Slovakia, Finland and Sweden. This limitation now applies to all Member States.

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relating to

the modifications proposed in the GATS Schedules of the European Communities and its Member States (hereafter the EC) to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden to the European Communities

On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications, pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS.

Following the submission of the first Communication, Cuba submitted a claim of interest pursuant to Article XXI:2(a) of the GATS (S/L/174) with regard to S/SECRET/8. No claim of interest was submitted with regard to S/SECRET/9. The EC and Cuba entered into negotiations pursuant to Article XXI:2(a) of the GATS with regard to S/SECRET/8.

With regard to the procedure initiated by the notification contained in document S/SECRET/8, the initial period for the negotiations, which expired on 26 October 2004, was extended (by mutual agreement) five times (until 26 April 2005, until 27 February 2006, until 1 June 2006, until 1 July and until 17 July 2006). During such negotiations, the EC and Cuba have agreed on compensatory adjustments related to the withdrawals and modifications contained in document S/SECRET/8.

The Report on the result of these negotiations, which is attached to this letter, includes (1) the proposed modifications in the notifications referred to above, (2) the agreed compensatory adjustments with regard to the modifications or withdrawals notified in S/SECRET/8, and (3) the draft consolidated schedule of specific commitments that results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and Cuba.

This letter and Annex I and II of the report attached to it constitute the Agreement between the EC and Cuba with regard to S/SECRET/8 for purposes of Article XXI:2(a) of the GATS ([1]). The Agreement shall not be interpreted to modify the Lists of Article II Exemptions of the EC and its Member States. The Agreement shall not be interpreted to affect the Parties' rights and obligations under Article VIII of the GATS.

Pursuant to the procedures referred to in paragraphs 20 to 22 of S/L/80, the EC will transmit, to the Secretariat for circulation, the draft consolidated schedule for certification by 14 September 2006, provided that an agreement has been signed with all affected Members, or the period foreseen in paragraph 7 of S/L/80 has expired, and no arbitration has been requested. The results of the negotiations are to enter into force, after completion of the certification procedures, on a date to be specified by the EC following completion of the EC's internal approval procedures, which the EC endeavours to accelerate as much as possible. The modifications and withdrawals proposed in documents S/SECRET/8 and S/SECRET/9 shall not enter into force until all of the compensatory adjustments indicated in Annex II have entered into force.

([1]) This Agreement shall not be interpreted to prejudge the outcome of separate discussions within the WTO concerning the classification of telecommunication services (basic telecommunications and value-added services).

Report on the result of the negotiations conducted in accordance of Article XXI:2(a) of the General Agreement on Trade in Services (GATS)

relating to

the modifications proposed in the GATS Schedules of the European Communities and its Member States (hereafter the EC) to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden to the European Communities

Pursuant to paragraph 5 of the Procedures for the implementation of Article XXI of the GATS (S/L/80 of 29 October 1999), the EC submits the following report:

1. On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications (hereafter "the proposed modifications"), pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS. The proposed modifications are contained in Annex I.

2. Following the submission of the notification contained in document S/SECRET/8, and pursuant to Article XXI:2(a) of the GATS, eighteen WTO Members (Argentina, Australia, Brazil, Canada, China, Chinese Taipei, Colombia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland, Uruguay and the United States) submitted a respective claim of interest.

3. Following the submission of the notification contained in document S/SECRET/9, and pursuant to Article XXI:2(a) of the GATS, fourteen WTO Members (Argentina, Australia, Brazil, Canada, China, Colombia, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, Uruguay and the United States) submitted a respective claim of interest.

4. Cuba submitted a claim of interest pursuant to Article XXI:2(a) of the GATS (S/L/174) with regard to S/SECRET/8. No claim of interest was submitted with regard to S/SECRET/9. The EC and Cuba entered into negotiations pursuant to Article XXI:2(a) of the GATS with regard to S/SECRET/8.

5. With regard to the procedure initiated by the notification contained in document S/SECRET/8, the initial period for the negotiations, which expired on 26 October 2004, was extended (by mutual agreement) five times (until 26 April 2005, until 27 February 2006, until 1 June 2006, until 1 July and until 17 July 2006).

6. During such negotiations, the EC and Cuba have agreed on compensatory adjustments related to the modifications and withdrawals contained in document S/SECRET/8. Annex I and II of this report, together with the joint letter to which it is attached, constitute the Agreement between the EC and Cuba with regard to S/SECRET/8 for purposes of Article XXI:2(a) of the GATS ([2]). This Agreement shall not be interpreted to modify the lists of Article II Exemptions of the EC and its Member States. This Agreement shall not be interpreted to affect the Parties' rights and obligations under Article VIII of the GATS.

7. In view of the foregoing, the proposed modifications and the agreed compensatory adjustments are incorporated into the EC's draft GATS consolidated schedule, which results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and Cuba.

8. Pursuant to the procedures referred to in paragraphs 20 to 22 of S/L/80, the EC will transmit, to the Secretariat for circulation, the draft consolidated schedule for certification by 14 September 2006, provided that an agreement has been signed with all affected Members, or the period foreseen in paragraph 7 of S/L/80 has expired, and no arbitration has been requested. The results of the negotiations are to enter into force, after completion of the certification procedures, on a date to be specified by the EC following completion of the EC's internal approval procedures, which the EC endeavours to accelerate as much as possible. The modifications and withdrawals proposed in documents S/SECRET/8 and S/SECRET/9 shall not enter into force until all of the compensatory adjustments indicated in Annex II have entered into force.

([2]) This Agreement shall not be interpreted to prejudge the outcome of separate discussions within the WTO concerning the classification of telecommunication services (basic telecommunications and value-added services).

ANNEX I

A) Modifications notified in document S/SECRET/8

Horizontal Commitments

- Market access entry (page 9): "In all EC Member States services considered as public utilities at a national or local level may be subject to public monopolies or to exclusive rights granted to private operators". This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Austria, Poland, Slovenia, Slovakia, Finland and Sweden. This limitation now applies to all Member States.

- National treatment limitations on branches, agencies and representative offices under mode 3 (pages 9 and 10). This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Malta, Slovenia and Slovakia. This limitation now applies to all Member States.

- National treatment limitations on subsidiaries under mode 3 (page 10). This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia. This limitation now applies to all Member States.

- National treatment limitations on subsidies under mode 3 (page 13). The schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Malta, Austria, Slovenia, Slovakia, Finland and Sweden included only part of the limitations on subsidies on mode 3 inscribed in the schedule of the EC and its Member States. These limitations are now extended to these Member States.

- National treatment limitation on subsidies under mode 4 (page 13). The schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Hungary, Malta and Slovakia did not include the limitation on subsidies under mode 4 inscribed in the schedule of the EC and its Member States. This limitation is now extended to these Member States.

- Cyprus' market access commitments on mode 4. These commitments are withdrawn.

- Market access entry on mode 4 - Intra-company transfers (ICT) (page 26). The schedule of specific commitments of the Czech Republic, Latvia, Lithuania, Hungary, Poland and Slovakia did not include the limitation that the receiving entity must be effectively providing like services in the territory of the Community Member State concerned. This limitation is now extended to these Member States.

- Market access entry on mode 4 - Business visitors (BV) – service sellers (page 30). The schedule of specific commitments of Poland did not include the limitation that those representatives will not be engaged in making direct sales to the general public. This limitation is now extended to this Member State.

- Market access entry on mode 4 - Business visitors (BV) – establishment of commercial presence (page 30). The schedule of specific commitments of Lithuania did not include the limitation that those representatives will not be engaged in making direct sales to the general public or supplying services. This limitation is now extended to this Member State.

- Lithuania's market access commitments on mode 4 – Business visitors (BV) (page 32). These commitments are partially withdrawn.

- Latvia's market access commitment on mode 4 – contractual services suppliers (CSS) (page 33). The schedule of specific commitments of Latvia did not include the limitation that the temporary entry and stay within the Member State concerned shall be for a period of not more than three months in any 12 months period. This limitation is now extended to this Member State.

Sectoral commitments

- Rental/Leasing services without operators - Relating to Aircraft (page 95). The market access limitation under mode 2 is extended to Estonia, Lithuania, Hungary, Austria, Slovenia, Finland and Sweden and the market access limitation under mode 3 is extended to Estonia, Hungary and Austria.

- Services incidental to manufacturing (pages 109 and 110). The commitments included in the schedule of Latvia, Lithuania and Austria are withdrawn.

- Education services (page 156): limitation to "only privately funded services". This limitation was not included in the schedule of Estonia, Latvia, Lithuania, Hungary, Austria, Slovenia (only not included with regard to adult education services) and Slovakia. This limitation is now extended to these Member States. In the case of Slovenia, such an extension only refers to adult education services.

- Banking and other financial services (excluding insurance) (pages 193, 213 and 217). The market access limitations indicating that "the establishment of a specialised management company is required to perform the activities of management of unit trusts and investment companies" and that "only firms having their registered office in the Community can act as depositories of the assets of investment funds", both under mode 1 and 3, were not included in the schedule of Czech Republic as regards mode 3, Estonia (not included in mode 1 nor in mode 3), Latvia as regards mode 3, Lithuania as regards mode 1, Hungary as regards mode 3 and Slovakia as regards mode 3. These limitations are now extended to these Member States.

- Space Transport. The commitment included in the schedule of Austria is withdrawn.

- Air Transport - Rental of aircraft with crew (page 246). Two market access limitations (one under modes 1 and 2 and another one under mode 3) are introduced for Poland.

- Air Transport - Sales and Marketing (pages 247 and 248). The schedule of specific commitments of Estonia did not include the national treatment limitation on distribution through CRS of air transport services provided by CRS parent carrier.

- Air Transport - Computer Reservations System (page 248). The schedule of specific commitments of Hungary did not include the national treatment limitation on the obligations of parent or participating carriers in respect of a CRS controlled by an air carrier of one or more third countries.

- Services auxiliary to all modes of transport - Cargo handling services (page 259). A market access limitation under mode 3 has been introduced for Estonia, Latvia and Lithuania.

B) Modifications notified in document S/SECRET/9

Horizontal Commitments

- Cyprus' and Malta's commitments on mode 4 under national treatment (pages 25, 29 and 32 of S/SECRET/8). These commitments are withdrawn.

Sectoral commitments

- Computer and Related Services - a)Consultancy Services related to the Installation of Computer Hardware (CPC 841) (page 82) - b) Software Implementation Services (CPC 842) (page 83) - c) Data Processing Services (CPC 843) (page 85) - d) Data Base Services (CPC 844) (page 86). Cyprus' commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.

- Research and Development Services - b) R & D Services on Social Sciences and Humanities (CPC 852) (pages 89 and 90). Cyprus' commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.

- Insurance and Insurance-Related Services - (i) Direct insurance (including co-insurance): (a) life and (b) non-life (pages 211 and 212). Cyprus' commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.

- Banking and Other Financial Services (excluding insurance) – (x) (e) transferable securities (page 223). Cyprus' commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.
- Hotels, Restaurants and Catering (CPC 641,642 and 643) (page 232). Malta's commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.
- Travel Agencies and Tour Operators Services (CPC 7471) (pages 233 and 234). Malta's commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.
- Maritime transport services - excluding cabotage transport - (a) Passenger transportation (CPC 7211); (b) Freight transportation (CPC 7212) (page 242). Malta's commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.

ANNEX II

COMPENSATION BY THE EC

- **Mode 3 horizontal limitation on public utilities**

  — Footnote on coverage indicating that this limitation does not apply to telecommunication and computer and related services.

- **Mode 3 horizontal limitations on investment**

  — Removal of the national treatment limitation for AT in Mode 3 on branches of foreign joint stock companies (Aktiengesellschaften) and limited liability companies (Gesellschaften mit beschränkter Haftung).

- **Mode 4** for intra-corporate transferees and business visitors

  — Market Access and National Treatment commitments by CY and MT in the horizontal section and in the sector-specific section in the sectors where CY and MT have undertaken Mode 3 commitments.

- Professional services - **Engineering services** (CPC 8672)

  — Market Access and National Treatment Commitments by CY and MT in Mode 2

  — Market Access commitments by CY, CZ, MT & SK in Mode 3

  — National Treatment commitments by CY and MT in Mode 3

  — Removal of the market access limitation for PT in mode 3

- Professional services - **Integrated Engineering Services** (CPC 8673):

  — Removal of the ENT applied on Mode 4/CSS by the UK

  — Market Access and National Treatment commitments by SK in Mode 3

- Professional services - **Urban planning and landscape architectural services** (CPC 8674):

  — Market Access and National Treatment commitments by CY, CZ, MT, PL, SI & SK in Mode 3.

  — Market Access and National Treatment commitments by HU on Landscape Architectural Services in Mode 2.

- **Computer and related services** -

  — Addition of a clarificatory footnote.

  — Market Access and National Treatment commitments by HU in Modes 1, 2 & 3 for CPC 845 and 849

  — Improved conditions for CSS/Mode 4 by SE for computer and related services in the horizontal section and new commitments by SE for CSS/Mode 4 for CPC 845 and 849.

- **Advertising services** (CPC 871):

  — Market Access and National Treatment commitments by CY, MT & PL in Mode 1

- **Telecommunication services**

  — New and improved commitments by the entire EC as offered in its revised DDA offer.

  — A clarification from FI that its three Mode 3 horizontal limitations on legal entities under market access, on subsidiaries, branches, agencies and representative offices under national treatment, and on investment under market access do not apply to telecommunications services.

— A clarificatory footnote indicating that Sub-sectors 2.C.h) to 2.C.m) of the Services Sectoral Classification List contained in MTN,GNS/W/120 (value-added services) and Sub-sectors 2.C.a) to 2.C.g) of that List are included here. Sub-sector 2.C.o) of that List is also included here to the extent that it falls under this definition. For the purpose of this schedule, subsector 2C.n of that list (on-line information and/or data processing) is reflected in this schedule of Commitments under 1.B (Computer and related services).

• **Financial services (insurance services):**

— Removal of part of the market access limitations for SK in Mode 3

• **Financial services (banking)**

— FI: change in Mode 3 permanent residency requirements ("At least one of the founders, the members of the board of directors, the supervisory board and the managing director shall have their permanent residence in the European Community…" instead of "At least one half of the founders, the members of the board of directors, the supervisory board and the delegates, the managing director, the holder of the procuration and the person entitled to sign in the name of the credit institution shall have their place of residence in the European Community…").

• **Hotels, Restaurants and Catering**

— New (less restrictive) language for IT's ENT in mode 3 on bars, cafes and restaurants, including a commitment on its non-discriminatory nature.

• **Travel Agencies and Tour Operators Services**

— Removal of the ENT applied on Mode 3 by the CZ

• **Hairdressing services**

— Market Access and National Treatment commitments by CZ, FI, HU and SK in Modes 2 & 3

The following abbreviations are used to indicate the Member States:

AT Austria

BE Belgium

CY Cyprus

CZ Czech Republic

DE Germany

DK Denmark

EE Estonia

EL Greece

ES Spain

FI Finland

FR France

HU Hungary

IE Ireland

IT Italy

LT Lithuania

LU Luxembourg

LV Latvia

MT Malta

NL The Netherlands
PL Poland
PT Portugal
SE Sweden
SI Slovenia
SK Slovak Republic
UK United Kingdom

Joint letter from the European Communities and its Member States on the one part, and Ecuador, on the other part, pursuant to paragraph 5 of the Procedures for the implementation of Article XXI of the General Agreement on Trade in Services (GATS) (S/L/80 of 29 October 1999)

relating to

the modifications proposed in the GATS Schedules of the European Communities and its Member States (hereafter the EC) to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden to the European Communities

On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications, pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS.

Following the submission of each Communication, Ecuador submitted two respective claims of interest pursuant to Article XXI:2(a) of the GATS (S/L/172 with regard to S/SECRET/8 and S/L/229 with regard to S/SECRET/9). The EC and Ecuador entered into negotiations pursuant to Article XXI:2(a) of the GATS with regard to S/SECRET/8 and S/SECRET/9.

With regard to the procedure initiated by the notification contained in document S/SECRET/8, the initial period for the negotiations, which expired on 26 October 2004, was extended (by mutual agreement) five times (until 26 April 2005, until 27 February 2006, until 1 June 2006, until 1 July and until 17 July 2006). During such negotiations, the EC and Ecuador have agreed on compensatory adjustments related to the withdrawals and modifications contained in document S/SECRET/8.

With regard to the procedure initiated by the notification contained in document S/SECRET/9, no agreement between the EC and Ecuador was reached by the end of the period provided for negotiations and no affected Member referred the matter to arbitration within the applicable deadline pursuant to paragraph 7 of S/L/80. Pursuant to Article XXI:3(b) of the GATS and subject to completion of the procedures set out in paragraphs 20-22 of S/L/80, the EC shall be free to implement the modifications and withdrawals proposed in document S/SECRET/9.

The Report on the result of these negotiations, which is attached to this letter, includes (1) the proposed modifications in the notifications referred to above, (2) the agreed compensatory adjustments with regard to the modifications or withdrawals notified in S/SECRET/8, and (3) the draft consolidated schedule of specific commitments that results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and Ecuador.

This letter and Annex I and II of the report attached to it constitute the Agreement between the EC and Ecuador with regard to S/SECRET/8 for purposes of Article XXI:2(a) of the GATS [1]. The Agreement shall not be interpreted to modify the Lists of Article II Exemptions of the EC and its Member States. The Agreement shall not be interpreted to affect the Parties' rights and obligations under Article VIII of the GATS.

Pursuant to the procedures referred to in paragraphs 20 to 22 of S/L/80, the EC will transmit, to the Secretariat for circulation, the draft consolidated schedule for certification by 14 September 2006, provided that an agreement has been signed with all affected Members, or the period foreseen in paragraph 7 of S/L/80 has expired, and no arbitration has been requested. The results of the negotiations are to enter into force, after completion of the certification procedures, on a date to be specified by the EC following completion of the EC's internal approval procedures, which the EC endeavours to accelerate as much as possible. The modifications and withdrawals proposed in documents S/SECRET/8 and S/SECRET/9 shall not enter into force until all of the compensatory adjustments indicated in Annex II have entered into force.

[1] This Agreement shall not be interpreted to prejudge the outcome of separate discussions within the WTO concerning the classification of telecommunication services (basic telecommunications and value-added services).

Report on the result of the negotiations conducted in accordance of Article XXI:2(a) of the General Agreement on Trade in Services (GATS)

relating to

the modifications proposed in the GATS Schedules of the European Communities and its Member States (hereafter the EC) to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden to the European Communities

Pursuant to paragraph 5 of the Procedures for the implementation of Article XXI of the GATS (S/L/80 of 29 October 1999), the EC submits the following report:

1. On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications (hereafter "the proposed modifications"), pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS. The proposed modifications are contained in Annex I.

2. Following the submission of the notification contained in document S/SECRET/8, and pursuant to Article XXI:2(a) of the GATS, eighteen WTO Members (Argentina, Australia, Brazil, Canada, China, Chinese Taipei, Colombia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland, Uruguay and the United States) submitted a respective claim of interest.

3. Following the submission of the notification contained in document S/SECRET/9, and pursuant to Article XXI:2(a) of the GATS, fourteen WTO Members (Argentina, Australia, Brazil, Canada, China, Colombia, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, Uruguay and the United States) submitted a respective claim of interest.

4. Ecuador submitted two respective claims of interest pursuant to Article XXI:2(a) of the GATS (S/L/172 with regard to S/SECRET/8 and S/L/229 with regard to S/SECRET/9). The EC and Ecuador entered into negotiations pursuant to Article XXI:2(a) of the GATS with regard to S/SECRET/8 and S/SECRET/9.

5. With regard to the procedure initiated by the notification contained in document S/SECRET/8, the initial period for the negotiations, which expired on 26 October 2004, was extended (by mutual agreement) five times (until 26 April 2005, until 27 February 2006, until 1 June 2006, until 1 July and until 17 July 2006).

6. During such negotiations, the EC and Ecuador have agreed on compensatory adjustments related to the modifications and withdrawals contained in document S/SECRET/8. Annex I and II of this report, together with the joint letter to which it is attached, constitute the Agreement between the EC and Ecuador with regard to S/SECRET/8 for purposes of Article XXI:2(a) of the GATS ([2]). This Agreement shall not be interpreted to modify the lists of Article II Exemptions of the EC and its Member States. This Agreement shall not be interpreted to affect the Parties' rights and obligations under Article VIII of the GATS.

7. With regard to the procedure initiated by the notification contained in document S/SECRET/9, no agreement between the EC and Ecuador was reached by the end of the period provided for negotiations and no affected Member referred the matter to arbitration within the applicable deadline pursuant to paragraph 7 of S/L/80. Pursuant to Article XXI:3(b) of the GATS and subject to completion of the procedures set out in paragraphs 20-22 of S/L/80, the EC shall be free to implement the modifications and withdrawals proposed in document S/SECRET/9.

([2]) This Agreement shall not be interpreted to prejudge the outcome of separate discussions within the WTO concerning the classification of telecommunication services (basic telecommunications and value-added services).

8. In view of the foregoing, the proposed modifications and the agreed compensatory adjustments are incorporated into the EC's draft GATS consolidated schedule, which results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and the Ecuador.

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ANNEX I

A) Modifications notified in document S/SECRET/8

Horizontal Commitments

- Market access entry (page 9): "In all EC Member States services considered as public utilities at a national or local level may be subject to public monopolies or to exclusive rights granted to private operators". This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Austria, Poland, Slovenia, Slovakia, Finland and Sweden. This limitation now applies to all Member States.

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Sectoral commitments

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- Space Transport. The commitment included in the schedule of Austria is withdrawn.

- Air Transport - Rental of aircraft with crew (page 246). Two market access limitations (one under modes 1 and 2 and another one under mode 3) are introduced for Poland.

- Air Transport - Sales and Marketing (pages 247 and 248). The schedule of specific commitments of Estonia did not include the national treatment limitation on distribution through CRS of air transport services provided by CRS parent carrier.

- Air Transport - Computer Reservations System (page 248). The schedule of specific commitments of Hungary did not include the national treatment limitation on the obligations of parent or participating carriers in respect of a CRS controlled by an air carrier of one or more third countries.

- Services auxiliary to all modes of transport - Cargo handling services (page 259). A market access limitation under mode 3 has been introduced for Estonia, Latvia and Lithuania.

B) Modifications notified in document S/SECRET/9

Horizontal Commitments

- Cyprus' and Malta's commitments on mode 4 under national treatment (pages 25, 29 and 32 of S/SECRET/8). These commitments are withdrawn.

Sectoral commitments

- Computer and Related Services - a)Consultancy Services related to the Installation of Computer Hardware (CPC 841) (page 82) - b) Software Implementation Services (CPC 842) (page 83) - c) Data Processing Services (CPC 843) (page 85) - d) Data Base Services (CPC 844) (page 86). Cyprus' commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.

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- Insurance and Insurance-Related Services - (i) Direct insurance (including co-insurance): (a) life and (b) non-life (pages 211 and 212). Cyprus' commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.

- Banking and Other Financial Services (excluding insurance) – (x) (e) transferable securities (page 223). Cyprus' commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.
- Hotels, Restaurants and Catering (CPC 641,642 and 643) (page 232). Malta's commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.
- Travel Agencies and Tour Operators Services (CPC 7471) (pages 233 and 234). Malta's commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.
- Maritime transport services - excluding cabotage transport - (a) Passenger transportation (CPC 7211); (b) Freight transportation (CPC 7212) (page 242). Malta's commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.

ANNEX II

COMPENSATION BY THE EC

- **Mode 3 horizontal limitation on public utilities**

  — Footnote on coverage indicating that this limitation does not apply to telecommunication and computer and related services.

- **Mode 3 horizontal limitations on investment**

  — Removal of the national treatment limitation for AT in Mode 3 on branches of foreign joint stock companies (Aktiengesellschaften) and limited liability companies (Gesellschaften mit beschränkter Haftung).

- **Mode 4** for intra-corporate transferees and business visitors

  — Market Access and National Treatment commitments by CY and MT in the horizontal section and in the sector-specific section in the sectors where CY and MT have undertaken Mode 3 commitments.

- Professional services - **Engineering services** (CPC 8672)

  — Market Access and National Treatment Commitments by CY and MT in Mode 2

  — Market Access commitments by CY, CZ, MT & SK in Mode 3

  — National Treatment commitments by CY and MT in Mode 3

  — Removal of the market access limitation for PT in mode 3

- Professional services - **Integrated Engineering Services** (CPC 8673):

  — Removal of the ENT applied on Mode 4/CSS by the UK

  — Market Access and National Treatment commitments by SK in Mode 3

- Professional services - **Urban planning and landscape architectural services** (CPC 8674):

  — Market Access and National Treatment commitments by CY, CZ, MT, PL, SI & SK in Mode 3.

  — Market Access and National Treatment commitments by HU on Landscape Architectural Services in Mode 2.

- **Computer and related services** -

  — Addition of a clarificatory footnote.

  — Market Access and National Treatment commitments by HU in Modes 1, 2 & 3 for CPC 845 and 849

  — Improved conditions for CSS/Mode 4 by SE for computer and related services in the horizontal section and new commitments by SE for CSS/Mode 4 for CPC 845 and 849.

- **Advertising services** (CPC 871):

  — Market Access and National Treatment commitments by CY, MT & PL in Mode 1

- **Telecommunication services**

  — New and improved commitments by the entire EC as offered in its revised DDA offer.

  — A clarification from FI that its three Mode 3 horizontal limitations on legal entities under market access, on subsidiaries, branches, agencies and representative offices under national treatment, and on investment under market access do not apply to telecommunications services.

— A clarificatory footnote indicating that Sub-sectors 2.C.h) to 2.C.m) of the Services Sectoral Classification List contained in MTN,GNS/W/120 (value-added services) and Sub-sectors 2.C.a) to 2.C.g) of that List are included here. Sub-sector 2.C.o) of that List is also included here to the extent that it falls under this definition. For the purpose of this schedule, subsector 2C.n of that list (on-line information and/or data processing) is reflected in this schedule of Commitments under 1.B (Computer and related services).

• **Financial services (insurance services):**

— Removal of part of the market access limitations for SK in Mode 3

• **Financial services (banking)**

— FI: change in Mode 3 permanent residency requirements ("At least one of the founders, the members of the board of directors, the supervisory board and the managing director shall have their permanent residence in the European Community…" instead of "At least one half of the founders, the members of the board of directors, the supervisory board and the delegates, the managing director, the holder of the procuration and the person entitled to sign in the name of the credit institution shall have their place of residence in the European Community…").

• **Hotels, Restaurants and Catering**

— New (less restrictive) language for IT's ENT in mode 3 on bars, cafes and restaurants, including a commitment on its non-discriminatory nature.

• **Travel Agencies and Tour Operators Services**

— Removal of the ENT applied on Mode 3 by the CZ

• **Hairdressing services**

— Market Access and National Treatment commitments by CZ, FI, HU and SK in Modes 2 & 3

The following abbreviations are used to indicate the Member States:

AT Austria

BE Belgium

CY Cyprus

CZ Czech Republic

DE Germany

DK Denmark

EE Estonia

EL Greece

ES Spain

FI Finland

FR France

HU Hungary

IE Ireland

IT Italy

LT Lithuania

LU Luxembourg

LV Latvia

MT Malta

NL The Netherlands

PL Poland

PT Portugal

SE Sweden

SI Slovenia

SK Slovak Republic

UK United Kingdom

Joint letter from the European Communities and its Member States on the one part, and Hong Kong, China, on the other part, pursuant to paragraph 5 of the Procedures for the implementation of Article XXI of the General Agreement on Trade in Services (GATS) (S/L/80 of 29 October 1999)

relating to

the modifications proposed in the GATS Schedules of the European Communities and its Member States (hereafter the EC) to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden to the European Communities

On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications, pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS.

Following the submission of each Communication, Hong Kong, China submitted two respective claims of interest pursuant to Article XXI:2(a) of the GATS (S/L/170 with regard to S/SECRET/8 and S/L/219 with regard to S/SECRET/9). The EC and Hong Kong, China entered into negotiations pursuant to Article XXI:2(a) of the GATS with regard to S/SECRET/8 and S/SECRET/9.

With regard to the procedure initiated by the notification contained in document S/SECRET/8, the initial period for the negotiations, which expired on 26 October 2004, was extended (by mutual agreement) five times (until 26 April 2005, until 27 February 2006, until 1 June 2006, until 1 July and until 17 July 2006). During such negotiations, the EC and Hong Kong, China have agreed on compensatory adjustments related to the withdrawals and modifications contained in document S/SECRET/8.

With regard to the procedure initiated by the notification contained in document S/SECRET/9, no agreement between the EC and Hong Kong, China was reached by the end of the period provided for negotiations and no affected Member referred the matter to arbitration within the applicable deadline pursuant to paragraph 7 of S/L/80. Pursuant to Article XXI:3(b) of the GATS and subject to completion of the procedures set out in paragraphs 20-22 of S/L/80, the EC shall be free to implement the modifications and withdrawals proposed in document S/SECRET/9.

The Report on the result of these negotiations, which is attached to this letter, includes (1) the proposed modifications in the notifications referred to above, (2) the agreed compensatory adjustments with regard to the modifications or withdrawals notified in S/SECRET/8, and (3) the draft consolidated schedule of specific commitments that results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and Hong Kong, China.

This letter and Annex I and II of the report attached to it constitute the Agreement between the EC and Hong Kong, China with regard to S/SECRET/8 for purposes of Article XXI:2(a) of the GATS [1]. The Agreement shall not be interpreted to modify the Lists of Article II Exemptions of the EC and its Member States. The Agreement shall not be interpreted to affect the Parties' rights and obligations under Article VIII of the GATS.

Pursuant to the procedures referred to in paragraphs 20 to 22 of S/L/80, the EC will transmit, to the Secretariat for circulation, the draft consolidated schedule for certification by 14 September 2006, provided that an agreement has been signed with all affected Members, or the period foreseen in paragraph 7 of S/L/80 has expired, and no arbitration has been requested. The results of the negotiations are to enter into force, after completion of the certification procedures, on a date to be specified by the EC following completion of the EC's internal approval procedures, which the EC endeavours to accelerate as much as possible. The modifications and withdrawals proposed in documents S/SECRET/8 and S/SECRET/9 shall not enter into force until all of the compensatory adjustments indicated in Annex II have entered into force.

[1] This Agreement shall not be interpreted to prejudge the outcome of separate discussions within the WTO concerning the classification of telecommunication services (basic telecommunications and value-added services).

Report on the result of the negotiations conducted in accordance of Article XXI:2(a) of the General Agreement on Trade in Services (GATS)

relating to

the modifications proposed in the GATS Schedules of the European Communities and its Member States (hereafter the EC) to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden to the European Communities

Pursuant to paragraph 5 of the Procedures for the implementation of Article XXI of the GATS (S/L/80 of 29 October 1999), the EC submits the following report:

1. On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications (hereafter "the proposed modifications"), pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS. The proposed modifications are contained in Annex I.

2. Following the submission of the notification contained in document S/SECRET/8, and pursuant to Article XXI:2(a) of the GATS, eighteen WTO Members (Argentina, Australia, Brazil, Canada, China, Chinese Taipei, Colombia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland, Uruguay and the United States) submitted a respective claim of interest.

3. Following the submission of the notification contained in document S/SECRET/9, and pursuant to Article XXI:2(a) of the GATS, fourteen WTO Members (Argentina, Australia, Brazil, Canada, China, Colombia, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, Uruguay and the United States) submitted a respective claim of interest.

4. Hong Kong, China submitted two respective claims of interest pursuant to Article XXI:2(a) of the GATS (S/L/170 with regard to S/SECRET/8 and S/L/219 with regard to S/SECRET/9). The EC and Hong Kong, China entered into negotiations pursuant to Article XXI:2(a) of the GATS with regard to S/SECRET/8 and S/SECRET/9.

5. With regard to the procedure initiated by the notification contained in document S/SECRET/8, the initial period for the negotiations, which expired on 26 October 2004, was extended (by mutual agreement) five times (until 26 April 2005, until 27 February 2006, until 1 June 2006, until 1 July and until 17 July 2006).

6. During such negotiations, the EC and Hong Kong, China have agreed on compensatory adjustments related to the modifications and withdrawals contained in document S/SECRET/8. Annex I and II of this report, together with the joint letter to which it is attached, constitute the Agreement between the EC and Hong Kong, China with regard to S/SECRET/8 for purposes of Article XXI:2(a) of the GATS [2]. This Agreement shall not be interpreted to modify the lists of Article II Exemptions of the EC and its Member States. This Agreement shall not be interpreted to affect the Parties' rights and obligations under Article VIII of the GATS.

7. With regard to the procedure initiated by the notification contained in document S/SECRET/9, no agreement between the EC and Hong Kong, China was reached by the end of the period provided for negotiations and no affected Member referred the matter to arbitration within the applicable deadline pursuant to paragraph 7 of S/L/80. Pursuant to Article XXI:3(b) of the GATS and subject to completion of the procedures set out in paragraphs 20-22 of S/L/80, the EC shall be free to implement the modifications and withdrawals proposed in document S/SECRET/9.

[2] This Agreement shall not be interpreted to prejudge the outcome of separate discussions within the WTO concerning the classification of telecommunication services (basic telecommunications and value-added services).

8. In view of the foregoing, the proposed modifications and the agreed compensatory adjustments are incorporated into the EC's draft GATS consolidated schedule, which results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and the Hong Kong, China.

9. Pursuant to the procedures referred to in paragraphs 20 to 22 of S/L/80, the EC will transmit, to the Secretariat for circulation, the draft consolidated schedule for certification by 14 September 2006, provided that an agreement has been signed with all affected Members, or the period foreseen in paragraph 7 of S/L/80 has expired, and no arbitration has been requested. The results of the negotiations are to enter into force, after completion of the certification procedures, on a date to be specified by the EC following completion of the EC's internal approval procedures, which the EC endeavours to accelerate as much as possible. The modifications and withdrawals proposed in documents S/SECRET/8 and S/SECRET/9 shall not enter into force until all of the compensatory adjustments indicated in Annex II have entered into force.

ANNEX I

A) Modifications notified in document S/SECRET/8

Horizontal Commitments

- Market access entry (page 9): "In all EC Member States services considered as public utilities at a national or local level may be subject to public monopolies or to exclusive rights granted to private operators". This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Austria, Poland, Slovenia, Slovakia, Finland and Sweden. This limitation now applies to all Member States.

- National treatment limitations on branches, agencies and representative offices under mode 3 (pages 9 and 10). This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Malta, Slovenia and Slovakia. This limitation now applies to all Member States.

- National treatment limitations on subsidiaries under mode 3 (page 10). This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia. This limitation now applies to all Member States.

- National treatment limitations on subsidies under mode 3 (page 13). The schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Malta, Austria, Slovenia, Slovakia, Finland and Sweden included only part of the limitations on subsidies on mode 3 inscribed in the schedule of the EC and its Member States. These limitations are now extended to these Member States.

- National treatment limitation on subsidies under mode 4 (page 13). The schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Hungary, Malta and Slovakia did not include the limitation on subsidies under mode 4 inscribed in the schedule of the EC and its Member States. This limitation is now extended to these Member States.

- Cyprus' market access commitments on mode 4. These commitments are withdrawn.

- Market access entry on mode 4 - Intra-company transfers (ICT) (page 26). The schedule of specific commitments of the Czech Republic, Latvia, Lithuania, Hungary, Poland and Slovakia did not include the limitation that the receiving entity must be effectively providing like services in the territory of the Community Member State concerned. This limitation is now extended to these Member States.

- Market access entry on mode 4 - Business visitors (BV) – service sellers (page 30). The schedule of specific commitments of Poland did not include the limitation that those representatives will not be engaged in making direct sales to the general public. This limitation is now extended to this Member State.

- Market access entry on mode 4 - Business visitors (BV) – establishment of commercial presence (page 30). The schedule of specific commitments of Lithuania did not include the limitation that those representatives will not be engaged in making direct sales to the general public or supplying services. This limitation is now extended to this Member State.

- Lithuania's market access commitments on mode 4 – Business visitors (BV) (page 32). These commitments are partially withdrawn.

- Latvia's market access commitment on mode 4 – contractual services suppliers (CSS) (page 33). The schedule of specific commitments of Latvia did not include the limitation that the temporary entry and stay within the Member State concerned shall be for a period of not more than three months in any 12 months period. This limitation is now extended to this Member State.

Sectoral commitments

- Rental/Leasing services without operators - Relating to Aircraft (page 95). The market access limitation under mode 2 is extended to Estonia, Lithuania, Hungary, Austria, Slovenia, Finland and Sweden and the market access limitation under mode 3 is extended to Estonia, Hungary and Austria.

- Services incidental to manufacturing (pages 109 and 110). The commitments included in the schedule of Latvia, Lithuania and Austria are withdrawn.

- Education services (page 156): limitation to "only privately funded services". This limitation was not included in the schedule of Estonia, Latvia, Lithuania, Hungary, Austria, Slovenia (only not included with regard to adult education services) and Slovakia. This limitation is now extended to these Member States. In the case of Slovenia, such an extension only refers to adult education services.

- Banking and other financial services (excluding insurance) (pages 193, 213 and 217). The market access limitations indicating that "the establishment of a specialised management company is required to perform the activities of management of unit trusts and investment companies" and that "only firms having their registered office in the Community can act as depositories of the assets of investment funds", both under mode 1 and 3, were not included in the schedule of Czech Republic as regards mode 3, Estonia (not included in mode 1 nor in mode 3), Latvia as regards mode 3, Lithuania as regards mode 1, Hungary as regards mode 3 and Slovakia as regards mode 3. These limitations are now extended to these Member States.

- Space Transport. The commitment included in the schedule of Austria is withdrawn.

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ANNEX II

COMPENSATION BY THE EC

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  — Addition of a clarificatory footnote.

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— A clarificatory footnote indicating that Sub-sectors 2.C.h) to 2.C.m) of the Services Sectoral Classification List contained in MTN,GNS/W/120 (value-added services) and Sub-sectors 2.C.a) to 2.C.g) of that List are included here. Sub-sector 2.C.o) of that List is also included here to the extent that it falls under this definition. For the purpose of this schedule, subsector 2C.n of that list (on-line information and/or data processing) is reflected in this schedule of Commitments under 1.B (Computer and related services).

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— Removal of part of the market access limitations for SK in Mode 3

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— FI: change in Mode 3 permanent residency requirements ("At least one of the founders, the members of the board of directors, the supervisory board and the managing director shall have their permanent residence in the European Community…" instead of "At least one half of the founders, the members of the board of directors, the supervisory board and the delegates, the managing director, the holder of the procuration and the person entitled to sign in the name of the credit institution shall have their place of residence in the European Community…").

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— New (less restrictive) language for IT's ENT in mode 3 on bars, cafes and restaurants, including a commitment on its non-discriminatory nature.

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Joint letter from the European Communities and its Member States on the one part, and India, on the other part, pursuant to paragraph 5 of the Procedures for the implementation of Article XXI of the General Agreement on Trade in Services (GATS) (S/L/80 of 29 October 1999)

relating to

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On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications, pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS.

Following the submission of each Communication, India submitted two respective claims of interest pursuant to Article XXI:2(a) of the GATS (S/L/163 with regard to S/SECRET/8 and S/L/221 with regard to S/SECRET/9). The EC and India entered into negotiations pursuant to Article XXI:2(a) of the GATS with regard to S/SECRET/8 and S/SECRET/9.

With regard to the procedure initiated by the notification contained in document S/SECRET/8, the initial period for the negotiations, which expired on 26 October 2004, was extended (by mutual agreement) five times (until 26 April 2005, until 27 February 2006, until 1 June 2006, until 1 July and until 17 July 2006). During such negotiations, the EC and India have agreed on compensatory adjustments related to the withdrawals and modifications contained in document S/SECRET/8.

With regard to the procedure initiated by the notification contained in document S/SECRET/9, no agreement between the EC and India was reached by the end of the period provided for negotiations and no affected Member referred the matter to arbitration within the applicable deadline pursuant to paragraph 7 of S/L/80. Pursuant to Article XXI:3(b) of the GATS and subject to completion of the procedures set out in paragraphs 20-22 of S/L/80, the EC shall be free to implement the modifications and withdrawals proposed in document S/SECRET/9.

The Report on the result of these negotiations, which is attached to this letter, includes (1) the proposed modifications in the notifications referred to above, (2) the agreed compensatory adjustments with regard to the modifications or withdrawals notified in S/SECRET/8, and (3) the draft consolidated schedule of specific commitments that results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and India.

This letter and Annex I and II of the report attached to it constitute the Agreement between the EC and India with regard to S/SECRET/8 for purposes of Article XXI:2(a) of the GATS [1]. The Agreement shall not be interpreted to modify the Lists of Article II Exemptions of the EC and its Member States. The Agreement shall not be interpreted to affect the Parties' rights and obligations under Article VIII of the GATS.

Pursuant to the procedures referred to in paragraphs 20 to 22 of S/L/80, the EC will transmit, to the Secretariat for circulation, the draft consolidated schedule for certification by 14 September 2006, provided that an agreement has been signed with all affected Members, or the period foreseen in paragraph 7 of S/L/80 has expired, and no arbitration has been requested. The results of the negotiations are to enter into force, after completion of the certification procedures, on a date to be specified by the EC following completion of the EC's internal approval procedures, which the EC endeavours to accelerate as much as possible. The modifications and withdrawals proposed in documents S/SECRET/8 and S/SECRET/9 shall not enter into force until all of the compensatory adjustments indicated in Annex II have entered into force.

[1] This Agreement shall not be interpreted to prejudge the outcome of separate discussions within the WTO concerning the classification of telecommunication services (basic telecommunications and value-added services).

Report on the result of the negotiations conducted in accordance of Article XXI:2(a) of the General Agreement on Trade in Services (GATS)

relating to

the modifications proposed in the GATS Schedules of the European Communities and its Member States (hereafter the EC) to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden to the European Communities

Pursuant to paragraph 5 of the Procedures for the implementation of Article XXI of the GATS (S/L/80 of 29 October 1999), the EC submits the following report:

1. On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications (hereafter "the proposed modifications"), pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS. The proposed modifications are contained in Annex I.

2. Following the submission of the notification contained in document S/SECRET/8, and pursuant to Article XXI:2(a) of the GATS, eighteen WTO Members (Argentina, Australia, Brazil, Canada, China, Chinese Taipei, Colombia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland, Uruguay and the United States) submitted a respective claim of interest.

3. Following the submission of the notification contained in document S/SECRET/9, and pursuant to Article XXI:2(a) of the GATS, fourteen WTO Members (Argentina, Australia, Brazil, Canada, China, Colombia, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, Uruguay and the United States) submitted a respective claim of interest.

4. India submitted two respective claims of interest pursuant to Article XXI:2(a) of the GATS (S/L/163 with regard to S/SECRET/8 and S/L/221 with regard to S/SECRET/9). The EC and India entered into negotiations pursuant to Article XXI:2(a) of the GATS with regard to S/SECRET/8 and S/SECRET/9.

5. With regard to the procedure initiated by the notification contained in document S/SECRET/8, the initial period for the negotiations, which expired on 26 October 2004, was extended (by mutual agreement) five times (until 26 April 2005, until 27 February 2006, until 1 June 2006, until 1 July and until 17 July 2006).

6. During such negotiations, the EC and India have agreed on compensatory adjustments related to the modifications and withdrawals contained in document S/SECRET/8. Annex I and II of this report, together with the joint letter to which it is attached, constitute the Agreement between the EC and India with regard to S/SECRET/8 for purposes of Article XXI:2(a) of the GATS ([2]). This Agreement shall not be interpreted to modify the lists of Article II Exemptions of the EC and its Member States. This Agreement shall not be interpreted to affect the Parties' rights and obligations under Article VIII of the GATS.

7. With regard to the procedure initiated by the notification contained in document S/SECRET/9, no agreement between the EC and India was reached by the end of the period provided for negotiations and no affected Member referred the matter to arbitration within the applicable deadline pursuant to paragraph 7 of S/L/80. Pursuant to Article XXI:3(b) of the GATS and subject to completion of the procedures set out in paragraphs 20-22 of S/L/80, the EC shall be free to implement the modifications and withdrawals proposed in document S/SECRET/9.

([2]) This Agreement shall not be interpreted to prejudge the outcome of separate discussions within the WTO concerning the classification of telecommunication services (basic telecommunications and value-added services).

8. In view of the foregoing, the proposed modifications and the agreed compensatory adjustments are incorporated into the EC's draft GATS consolidated schedule, which results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and India.

9. Pursuant to the procedures referred to in paragraphs 20 to 22 of S/L/80, the EC will transmit, to the Secretariat for circulation, the draft consolidated schedule for certification by 14 September 2006, provided that an agreement has been signed with all affected Members, or the period foreseen in paragraph 7 of S/L/80 has expired, and no arbitration has been requested. The results of the negotiations are to enter into force, after completion of the certification procedures, on a date to be specified by the EC following completion of the EC's internal approval procedures, which the EC endeavours to accelerate as much as possible. The modifications and withdrawals proposed in documents S/SECRET/8 and S/SECRET/9 shall not enter into force until all of the compensatory adjustments indicated in Annex II have entered into force.

ANNEX I

A) Modifications notified in document S/SECRET/8

Horizontal Commitments

- Market access entry (page 9): "In all EC Member States services considered as public utilities at a national or local level may be subject to public monopolies or to exclusive rights granted to private operators". This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Austria, Poland, Slovenia, Slovakia, Finland and Sweden. This limitation now applies to all Member States.

- National treatment limitations on branches, agencies and representative offices under mode 3 (pages 9 and 10). This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Malta, Slovenia and Slovakia. This limitation now applies to all Member States.

- National treatment limitations on subsidiaries under mode 3 (page 10). This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia. This limitation now applies to all Member States.

- National treatment limitations on subsidies under mode 3 (page 13). The schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Malta, Austria, Slovenia, Slovakia, Finland and Sweden included only part of the limitations on subsidies on mode 3 inscribed in the schedule of the EC and its Member States. These limitations are now extended to these Member States.

- National treatment limitation on subsidies under mode 4 (page 13). The schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Hungary, Malta and Slovakia did not include the limitation on subsidies under mode 4 inscribed in the schedule of the EC and its Member States. This limitation is now extended to these Member States.

- Cyprus' market access commitments on mode 4. These commitments are withdrawn.

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- Market access entry on mode 4 - Business visitors (BV) – service sellers (page 30). The schedule of specific commitments of Poland did not include the limitation that those representatives will not be engaged in making direct sales to the general public. This limitation is now extended to this Member State.

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- Lithuania's market access commitments on mode 4 – Business visitors (BV) (page 32). These commitments are partially withdrawn.

- Latvia's market access commitment on mode 4 – contractual services suppliers (CSS) (page 33). The schedule of specific commitments of Latvia did not include the limitation that the temporary entry and stay within the Member State concerned shall be for a period of not more than three months in any 12 months period. This limitation is now extended to this Member State.

Sectoral commitments

- Rental/Leasing services without operators - Relating to Aircraft (page 95). The market access limitation under mode 2 is extended to Estonia, Lithuania, Hungary, Austria, Slovenia, Finland and Sweden and the market access limitation under mode 3 is extended to Estonia, Hungary and Austria.

- Services incidental to manufacturing (pages 109 and 110). The commitments included in the schedule of Latvia, Lithuania and Austria are withdrawn.

- Education services (page 156): limitation to "only privately funded services". This limitation was not included in the schedule of Estonia, Latvia, Lithuania, Hungary, Austria, Slovenia (only not included with regard to adult education services) and Slovakia. This limitation is now extended to these Member States. In the case of Slovenia, such an extension only refers to adult education services.

- Banking and other financial services (excluding insurance) (pages 193, 213 and 217). The market access limitations indicating that "the establishment of a specialised management company is required to perform the activities of management of unit trusts and investment companies" and that "only firms having their registered office in the Community can act as depositories of the assets of investment funds", both under mode 1 and 3, were not included in the schedule of Czech Republic as regards mode 3, Estonia (not included in mode 1 nor in mode 3), Latvia as regards mode 3, Lithuania as regards mode 1, Hungary as regards mode 3 and Slovakia as regards mode 3. These limitations are now extended to these Member States.

- Space Transport. The commitment included in the schedule of Austria is withdrawn.

- Air Transport - Rental of aircraft with crew (page 246). Two market access limitations (one under modes 1 and 2 and another one under mode 3) are introduced for Poland.

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- Air Transport - Computer Reservations System (page 248). The schedule of specific commitments of Hungary did not include the national treatment limitation on the obligations of parent or participating carriers in respect of a CRS controlled by an air carrier of one or more third countries.

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- Travel Agencies and Tour Operators Services (CPC 7471) (pages 233 and 234). Malta's commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.
- Maritime transport services - excluding cabotage transport - (a) Passenger transportation (CPC 7211); (b) Freight transportation (CPC 7212) (page 242). Malta's commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.

ANNEX II

COMPENSATION BY THE EC

- **Mode 3 horizontal limitation on public utilities**

  — Footnote on coverage indicating that this limitation does not apply to telecommunication and computer and related services.

- **Mode 3 horizontal limitations on investment**

  — Removal of the national treatment limitation for AT in Mode 3 on branches of foreign joint stock companies (Aktiengesellschaften) and limited liability companies (Gesellschaften mit beschränkter Haftung).

- **Mode 4** for intra-corporate transferees and business visitors

  — Market Access and National Treatment commitments by CY and MT in the horizontal section and in the sector-specific section in the sectors where CY and MT have undertaken Mode 3 commitments.

- Professional services - **Engineering services** (CPC 8672)

  — Market Access and National Treatment Commitments by CY and MT in Mode 2

  — Market Access commitments by CY, CZ, MT & SK in Mode 3

  — National Treatment commitments by CY and MT in Mode 3

  — Removal of the market access limitation for PT in mode 3

- Professional services - **Integrated Engineering Services** (CPC 8673):

  — Removal of the ENT applied on Mode 4/CSS by the UK

  — Market Access and National Treatment commitments by SK in Mode 3

- Professional services - **Urban planning and landscape architectural services** (CPC 8674):

  — Market Access and National Treatment commitments by CY, CZ, MT, PL, SI & SK in Mode 3.

  — Market Access and National Treatment commitments by HU on Landscape Architectural Services in Mode 2.

- **Computer and related services** -

  — Addition of a clarificatory footnote.

  — Market Access and National Treatment commitments by HU in Modes 1, 2 & 3 for CPC 845 and 849

  — Improved conditions for CSS/Mode 4 by SE for computer and related services in the horizontal section and new commitments by SE for CSS/Mode 4 for CPC 845 and 849.

- **Advertising services** (CPC 871):

  — Market Access and National Treatment commitments by CY, MT & PL in Mode 1

- **Telecommunication services**

  — New and improved commitments by the entire EC as offered in its revised DDA offer.

  — A clarification from FI that its three Mode 3 horizontal limitations on legal entities under market access, on subsidiaries, branches, agencies and representative offices under national treatment, and on investment under market access do not apply to telecommunications services.

— A clarificatory footnote indicating that Sub-sectors 2.C.h) to 2.C.m) of the Services Sectoral Classification List contained in MTN,GNS/W/120 (value-added services) and Sub-sectors 2.C.a) to 2.C.g) of that List are included here. Sub-sector 2.C.o) of that List is also included here to the extent that it falls under this definition. For the purpose of this schedule, subsector 2C.n of that list (on-line information and/or data processing) is reflected in this schedule of Commitments under 1.B (Computer and related services).

- **Financial services (insurance services):**

— Removal of part of the market access limitations for SK in Mode 3

- **Financial services (banking)**

— FI: change in Mode 3 permanent residency requirements ("At least one of the founders, the members of the board of directors, the supervisory board and the managing director shall have their permanent residence in the European Community…" instead of "At least one half of the founders, the members of the board of directors, the supervisory board and the delegates, the managing director, the holder of the procuration and the person entitled to sign in the name of the credit institution shall have their place of residence in the European Community…").

- **Hotels, Restaurants and Catering**

— New (less restrictive) language for IT's ENT in mode 3 on bars, cafes and restaurants, including a commitment on its non-discriminatory nature.

- **Travel Agencies and Tour Operators Services**

— Removal of the ENT applied on Mode 3 by the CZ

- **Hairdressing services**

— Market Access and National Treatment commitments by CZ, FI, HU and SK in Modes 2 & 3

The following abbreviations are used to indicate the Member States:

AT Austria

BE Belgium

CY Cyprus

CZ Czech Republic

DE Germany

DK Denmark

EE Estonia

EL Greece

ES Spain

FI Finland

FR France

HU Hungary

IE Ireland

IT Italy

LT Lithuania

LU Luxembourg

LV Latvia

MT Malta
NL The Netherlands
PL Poland
PT Portugal
SE Sweden
SI Slovenia
SK Slovak Republic
UK United Kingdom

Joint letter from the European Communities and its Member States on the one part, and Japan, on the other part, pursuant to paragraph 5 of the Procedures for the implementation of Article XXI of the General Agreement on Trade in Services (GATS) (S/L/80 of 29 October 1999)

relating to

the modifications proposed in the GATS Schedules of the European Communities and its Member States (hereafter the EC) to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden to the European Communities

On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications, pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS.

Following the submission of each Communication, Japan submitted two respective claims of interest pursuant to Article XXI:2(a) of the GATS (S/L/168 with regard to S/SECRET/8 and S/L/218 with regard to S/SECRET/9).The EC and Japan entered into negotiations pursuant to Article XXI:2(a) of the GATS with regard to S/SECRET/8 and S/SECRET/9.

With regard to the procedure initiated by the notification contained in document S/SECRET/8, the initial period for the negotiations, which expired on 26 October 2004, was extended (by mutual agreement) five times (until 26 April 2005, until 27 February 2006, until 1 June 2006, until 1 July and until 17 July 2006). During such negotiations, the EC and Japan have agreed on compensatory adjustments related to the withdrawals and modifications contained in document S/SECRET/8.

With regard to the procedure initiated by the notification contained in document S/SECRET/9, no agreement between the EC and Japan was reached by the end of the period provided for negotiations and no affected Member referred the matter to arbitration within the applicable deadline pursuant to paragraph 7 of S/L/80. Pursuant to Article XXI:3(b) of the GATS and subject to completion of the procedures set out in paragraphs 20-22 of S/L/80, the EC shall be free to implement the modifications and withdrawals proposed in document S/SECRET/9.

The Report on the result of these negotiations, which is attached to this letter, includes (1) the proposed modifications in the notifications referred to above, (2) the agreed compensatory adjustments with regard to the modifications or withdrawals notified in S/SECRET/8, and (3) the draft consolidated schedule of specific commitments that results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and Japan.

This letter and Annex I and II of the report attached to it constitute the Agreement between the EC and Japan with regard to S/SECRET/8 for purposes of Article XXI:2(a) of the GATS ([1]). The Agreement shall not be interpreted to modify the Lists of Article II Exemptions of the EC and its Member States. The Agreement shall not be interpreted to affect the Parties' rights and obligations under Article VIII of the GATS.

Pursuant to the procedures referred to in paragraphs 20 to 22 of S/L/80, the EC will transmit, to the Secretariat for circulation, the draft consolidated schedule for certification by 14 September 2006, provided that an agreement has been signed with all affected Members, or the period foreseen in paragraph 7 of S/L/80 has expired, and no arbitration has been requested. The results of the negotiations are to enter into force, after completion of the certification procedures, on a date to be specified by the EC following completion of the EC's internal approval procedures, which the EC endeavours to accelerate as much as possible. The modifications and withdrawals proposed in documents S/SECRET/8 and S/SECRET/9 shall not enter into force until all of the compensatory adjustments indicated in Annex II have entered into force.

([1]) This Agreement shall not be interpreted to prejudge the outcome of separate discussions within the WTO concerning the classification of telecommunication services (basic telecommunications and value-added services).

Report on the result of the negotiations conducted in accordance of Article XXI:2(a) of the General Agreement on Trade in Services (GATS)

relating to

the modifications proposed in the GATS Schedules of the European Communities and its Member States (hereafter the EC) to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden to the European Communities

Pursuant to paragraph 5 of the Procedures for the implementation of Article XXI of the GATS (S/L/80 of 29 October 1999), the EC submits the following report:

1. On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications (hereafter "the proposed modifications"), pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS. The proposed modifications are contained in Annex I.

2. Following the submission of the notification contained in document S/SECRET/8, and pursuant to Article XXI:2(a) of the GATS, eighteen WTO Members (Argentina, Australia, Brazil, Canada, China, Chinese Taipei, Colombia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland, Uruguay and the United States) submitted a respective claim of interest.

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ANNEX I

A) Modifications notified in document S/SECRET/8

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  — Market Access and National Treatment commitments by CY and MT in the horizontal section and in the sector-specific section in the sectors where CY and MT have undertaken Mode 3 commitments.

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  — Market Access and National Treatment Commitments by CY and MT in Mode 2

  — Market Access commitments by CY, CZ, MT & SK in Mode 3

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  — Removal of the ENT applied on Mode 4/CSS by the UK

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- Professional services - **Urban planning and landscape architectural services** (CPC 8674):

  — Market Access and National Treatment commitments by CY, CZ, MT, PL, SI & SK in Mode 3.

  — Market Access and National Treatment commitments by HU on Landscape Architectural Services in Mode 2.

- **Computer and related services** -

  — Addition of a clarificatory footnote.

  — Market Access and National Treatment commitments by HU in Modes 1, 2 & 3 for CPC 845 and 849

  — Improved conditions for CSS/Mode 4 by SE for computer and related services in the horizontal section and new commitments by SE for CSS/Mode 4 for CPC 845 and 849.

- **Advertising services** (CPC 871):

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- **Telecommunication services**

  — New and improved commitments by the entire EC as offered in its revised DDA offer.

  — A clarification from FI that its three Mode 3 horizontal limitations on legal entities under market access, on subsidiaries, branches, agencies and representative offices under national treatment, and on investment under market access do not apply to telecommunications services.

— A clarificatory footnote indicating that Sub-sectors 2.C.h) to 2.C.m) of the Services Sectoral Classification List contained in MTN,GNS/W/120 (value-added services) and Sub-sectors 2.C.a) to 2.C.g) of that List are included here. Sub-sector 2.C.o) of that List is also included here to the extent that it falls under this definition. For the purpose of this schedule, subsector 2C.n of that list (on-line information and/or data processing) is reflected in this schedule of Commitments under 1.B (Computer and related services).

• **Financial services (insurance services):**

— Removal of part of the market access limitations for SK in Mode 3

• **Financial services (banking)**

— FI: change in Mode 3 permanent residency requirements ("At least one of the founders, the members of the board of directors, the supervisory board and the managing director shall have their permanent residence in the European Community…" instead of "At least one half of the founders, the members of the board of directors, the supervisory board and the delegates, the managing director, the holder of the procuration and the person entitled to sign in the name of the credit institution shall have their place of residence in the European Community…").

• **Hotels, Restaurants and Catering**

— New (less restrictive) language for IT's ENT in mode 3 on bars, cafes and restaurants, including a commitment on its non-discriminatory nature.

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— Removal of the ENT applied on Mode 3 by the CZ

• **Hairdressing services**

— Market Access and National Treatment commitments by CZ, FI, HU and SK in Modes 2 & 3

The following abbreviations are used to indicate the Member States:

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LU Luxembourg
LV Latvia
MT Malta
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PT Portugal
SE Sweden
SI Slovenia
SK Slovak Republic
UK United Kingdom

Joint letter from the European Communities and its Member States on the one part, and the Republic of Korea, on the other part, pursuant to paragraph 5 of the Procedures for the Implementation of Article XXI of the General Agreement on Trade in Services (GATS) (S/L/80 of 29 October 1999)

relating to

the modifications proposed in the GATS Schedules of the European Communities and its Member States (hereafter the EC) to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden to the European Communities

On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications, pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS.

Following the submission of each Communication, the Republic of Korea (hereafter Korea) submitted two respective claims of interest pursuant to Article XXI:2(a) of the GATS (S/L/173 with regard to S/SECRET/8 and S/L/226 with regard to S/SECRET/9). The EC and Korea entered into negotiations pursuant to Article XXI:2(a) of the GATS with regard to S/SECRET/8 and S/SECRET/9.

With regard to the procedure initiated by the notification contained in document S/SECRET/8, the initial period for the negotiations, which expired on 26 October 2004, was extended (by mutual agreement) five times (until 26 April 2005, until 27 February 2006, until 1 June 2006, until 1 July and until 17 July 2006). During such negotiations, the EC and Korea have agreed on compensatory adjustments related to the withdrawals and modifications contained in document S/SECRET/8.

With regard to the procedure initiated by the notification contained in document S/SECRET/9, no agreement between the EC and Korea was reached by the end of the period provided for negotiations and no affected Member referred the matter to arbitration within the applicable deadline pursuant to paragraph 7 of S/L/80. Pursuant to Article XXI:3(b) of the GATS and subject to completion of the procedures set out in paragraphs 20-22 of S/L/80, the EC shall be free to implement the modifications and withdrawals proposed in document S/SECRET/9.

The Report on the result of these negotiations, which is attached to this letter, includes (1) the proposed modifications in the notifications referred to above, (2) the agreed compensatory adjustments with regard to the modifications or withdrawals notified in S/SECRET/8, and (3) the draft consolidated schedule of specific commitments that results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and Korea.

This letter and Annex I and II of the report attached to it constitute the Agreement between the EC and Korea with regard to S/SECRET/8 for purposes of Article XXI:2(a) of the GATS [1]. The Agreement shall not be interpreted to modify the Lists of Article II Exemptions of the EC and its Member States. The Agreement shall not be interpreted to affect the Parties' rights and obligations under Article VIII of the GATS.

Pursuant to the procedures referred to in paragraphs 20 to 22 of S/L/80, the EC will transmit, to the Secretariat for circulation, the draft consolidated schedule for certification by 14 September 2006, provided that an agreement has been signed with all affected Members, or the period foreseen in paragraph 7 of S/L/80 has expired, and no arbitration has been requested. The results of the negotiations are to enter into force, after completion of the certification procedures, on a date to be specified by the EC following completion of the EC's internal approval procedures, which the EC endeavours to accelerate as much as possible. The modifications and withdrawals proposed in documents S/SECRET/8 and S/SECRET/9 shall not enter into force until all of the compensatory adjustments indicated in Annex II have entered into force.

[1] This Agreement shall not be interpreted to prejudge the outcome of separate discussions within the WTO concerning the classification of telecommunication services (basic telecommunications and value-added services).

Report on the result of the negotiations conducted in accordance of Article XXI:2(a) of the General Agreement on Trade in Services (GATS)

relating to

the modifications proposed in the GATS Schedules of the European Communities and its Member States (hereafter the EC) to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden to the European Communities

Pursuant to paragraph 5 of the Procedures for the implementation of Article XXI of the GATS (S/L/80 of 29 October 1999), the EC submits the following report:

1. On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications (hereafter "the proposed modifications"), pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS. The proposed modifications are contained in Annex I.

2. Following the submission of the notification contained in document S/SECRET/8, and pursuant to Article XXI:2(a) of the GATS, eighteen WTO Members (Argentina, Australia, Brazil, Canada, China, Chinese Taipei, Colombia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland, Uruguay and the United States) submitted a respective claim of interest.

3. Following the submission of the notification contained in document S/SECRET/9, and pursuant to Article XXI:2(a) of the GATS, fourteen WTO Members (Argentina, Australia, Brazil, Canada, China, Colombia, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, Uruguay and the United States) submitted a respective claim of interest.

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5. With regard to the procedure initiated by the notification contained in document S/SECRET/8, the initial period for the negotiations, which expired on 26 October 2004, was extended (by mutual agreement) five times (until 26 April 2005, until 27 February 2006, until 1 June 2006, until 1 July and until 17 July 2006).

6. During such negotiations, the EC and Korea have agreed on compensatory adjustments related to the modifications and withdrawals contained in document S/SECRET/8. Annex I and II of this report, together with the joint letter to which it is attached, constitute the Agreement between the EC and Korea with regard to S/SECRET/8 for purposes of Article XXI:2(a) of the GATS ([2]). This Agreement shall not be interpreted to modify the lists of Article II Exemptions of the EC and its Member States. This Agreement shall not be interpreted to affect the Parties' rights and obligations under Article VIII of the GATS.

7. With regard to the procedure initiated by the notification contained in document S/SECRET/9, no agreement between the EC and Korea was reached by the end of the period provided for negotiations and no affected Member referred the matter to arbitration within the applicable deadline pursuant to paragraph 7 of S/L/80. Pursuant to Article XXI:3(b) of the GATS and subject to completion of the procedures set out in paragraphs 20-22 of S/L/80, the EC shall be free to implement the modifications and withdrawals proposed in document S/SECRET/9.

([2]) This Agreement shall not be interpreted to prejudge the outcome of separate discussions within the WTO concerning the classification of telecommunication services (basic telecommunications and value-added services).

8. In view of the foregoing, the proposed modifications and the agreed compensatory adjustments are incorporated into the EC's draft GATS consolidated schedule, which results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and Korea.

9. Pursuant to the procedures referred to in paragraphs 20 to 22 of S/L/80, the EC will transmit, to the Secretariat for circulation, the draft consolidated schedule for certification by 14 September 2006, provided that an agreement has been signed with all affected Members, or the period foreseen in paragraph 7 of S/L/80 has expired, and no arbitration has been requested. The results of the negotiations are to enter into force, after completion of the certification procedures, on a date to be specified by the EC following completion of the EC's internal approval procedures, which the EC endeavours to accelerate as much as possible. The modifications and withdrawals proposed in documents S/SECRET/8 and S/SECRET/9 shall not enter into force until all of the compensatory adjustments indicated in Annex II have entered into force.

ANNEX I

A) Modifications notified in document S/SECRET/8

Horizontal Commitments

- Market access entry (page 9): "In all EC Member States services considered as public utilities at a national or local level may be subject to public monopolies or to exclusive rights granted to private operators". This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Austria, Poland, Slovenia, Slovakia, Finland and Sweden. This limitation now applies to all Member States.

- National treatment limitations on branches, agencies and representative offices under mode 3 (pages 9 and 10). This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Malta, Slovenia and Slovakia. This limitation now applies to all Member States.

- National treatment limitations on subsidiaries under mode 3 (page 10). This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia. This limitation now applies to all Member States.

- National treatment limitations on subsidies under mode 3 (page 13). The schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Malta, Austria, Slovenia, Slovakia, Finland and Sweden included only part of the limitations on subsidies on mode 3 inscribed in the schedule of the EC and its Member States. These limitations are now extended to these Member States.

- National treatment limitation on subsidies under mode 4 (page 13). The schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Hungary, Malta and Slovakia did not include the limitation on subsidies under mode 4 inscribed in the schedule of the EC and its Member States. This limitation is now extended to these Member States.

- Cyprus' market access commitments on mode 4. These commitments are withdrawn.

- Market access entry on mode 4 - Intra-company transfers (ICT) (page 26). The schedule of specific commitments of the Czech Republic, Latvia, Lithuania, Hungary, Poland and Slovakia did not include the limitation that the receiving entity must be effectively providing like services in the territory of the Community Member State concerned. This limitation is now extended to these Member States.

- Market access entry on mode 4 - Business visitors (BV) – service sellers (page 30). The schedule of specific commitments of Poland did not include the limitation that those representatives will not be engaged in making direct sales to the general public. This limitation is now extended to this Member State.

- Market access entry on mode 4 - Business visitors (BV) – establishment of commercial presence (page 30). The schedule of specific commitments of Lithuania did not include the limitation that those representatives will not be engaged in making direct sales to the general public or supplying services. This limitation is now extended to this Member State.

- Lithuania's market access commitments on mode 4 – Business visitors (BV) (page 32). These commitments are partially withdrawn.

- Latvia's market access commitment on mode 4 – contractual services suppliers (CSS) (page 33). The schedule of specific commitments of Latvia did not include the limitation that the temporary entry and stay within the Member State concerned shall be for a period of not more than three months in any 12 months period. This limitation is now extended to this Member State.

Sectoral commitments

- Rental/Leasing services without operators - Relating to Aircraft (page 95). The market access limitation under mode 2 is extended to Estonia, Lithuania, Hungary, Austria, Slovenia, Finland and Sweden and the market access limitation under mode 3 is extended to Estonia, Hungary and Austria.

- Services incidental to manufacturing (pages 109 and 110). The commitments included in the schedule of Latvia, Lithuania and Austria are withdrawn.

- Education services (page 156): limitation to "only privately funded services". This limitation was not included in the schedule of Estonia, Latvia, Lithuania, Hungary, Austria, Slovenia (only not included with regard to adult education services) and Slovakia. This limitation is now extended to these Member States. In the case of Slovenia, such an extension only refers to adult education services.

- Banking and other financial services (excluding insurance) (pages 193, 213 and 217). The market access limitations indicating that "the establishment of a specialised management company is required to perform the activities of management of unit trusts and investment companies" and that "only firms having their registered office in the Community can act as depositories of the assets of investment funds", both under mode 1 and 3, were not included in the schedule of Czech Republic as regards mode 3, Estonia (not included in mode 1 nor in mode 3), Latvia as regards mode 3, Lithuania as regards mode 1, Hungary as regards mode 3 and Slovakia as regards mode 3. These limitations are now extended to these Member States.

- Space Transport. The commitment included in the schedule of Austria is withdrawn.

- Air Transport - Rental of aircraft with crew (page 246). Two market access limitations (one under modes 1 and 2 and another one under mode 3) are introduced for Poland.

- Air Transport - Sales and Marketing (pages 247 and 248). The schedule of specific commitments of Estonia did not include the national treatment limitation on distribution through CRS of air transport services provided by CRS parent carrier.

- Air Transport - Computer Reservations System (page 248). The schedule of specific commitments of Hungary did not include the national treatment limitation on the obligations of parent or participating carriers in respect of a CRS controlled by an air carrier of one or more third countries.

- Services auxiliary to all modes of transport - Cargo handling services (page 259). A market access limitation under mode 3 has been introduced for Estonia, Latvia and Lithuania.

B) Modifications notified in document S/SECRET/9

Horizontal Commitments

- Cyprus' and Malta's commitments on mode 4 under national treatment (pages 25, 29 and 32 of S/SECRET/8). These commitments are withdrawn.

Sectoral commitments

- Computer and Related Services - a)Consultancy Services related to the Installation of Computer Hardware (CPC 841) (page 82) - b) Software Implementation Services (CPC 842) (page 83) - c) Data Processing Services (CPC 843) (page 85) - d) Data Base Services (CPC 844) (page 86). Cyprus' commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.

- Research and Development Services - b) R & D Services on Social Sciences and Humanities (CPC 852) (pages 89 and 90). Cyprus' commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.

- Insurance and Insurance-Related Services - (i) Direct insurance (including co-insurance): (a) life and (b) non-life (pages 211 and 212). Cyprus' commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.

- Banking and Other Financial Services (excluding insurance) – (x) (e) transferable securities (page 223). Cyprus' commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.
- Hotels, Restaurants and Catering (CPC 641,642 and 643) (page 232). Malta's commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.
- Travel Agencies and Tour Operators Services (CPC 7471) (pages 233 and 234). Malta's commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.
- Maritime transport services - excluding cabotage transport - (a) Passenger transportation (CPC 7211); (b) Freight transportation (CPC 7212) (page 242). Malta's commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.

ANNEX II

COMPENSATION BY THE EC

- **Mode 3 horizontal limitation on public utilities**

  — Footnote on coverage indicating that this limitation does not apply to telecommunication and computer and related services.

- **Mode 3 horizontal limitations on investment**

  — Removal of the national treatment limitation for AT in Mode 3 on branches of foreign joint stock companies (Aktiengesellschaften) and limited liability companies (Gesellschaften mit beschränkter Haftung).

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— New (less restrictive) language for IT's ENT in mode 3 on bars, cafes and restaurants, including a commitment on its non-discriminatory nature.

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On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications, pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS.

Following the submission of each Communication, New Zealand submitted two respective claims of interest pursuant to Article XXI:2(a) of the GATS (S/L/167 with regard to S/SECRET/8 and S/L/222 with regard to S/SECRET/9). The EC and New Zealand entered into negotiations pursuant to Article XXI:2(a) of the GATS with regard to S/SECRET/8 and S/SECRET/9.

With regard to the procedure initiated by the notification contained in document S/SECRET/8, the initial period for the negotiations, which expired on 26 October 2004, was extended (by mutual agreement) five times (until 26 April 2005, until 27 February 2006, until 1 June 2006, until 1 July and until 17 July 2006). During such negotiations, the EC and New Zealand have agreed on compensatory adjustments related to the withdrawals and modifications contained in document S/SECRET/8.

With regard to the procedure initiated by the notification contained in document S/SECRET/9, no agreement between the EC and New Zealand was reached by the end of the period provided for negotiations and no affected Member referred the matter to arbitration within the applicable deadline pursuant to paragraph 7 of S/L/80. Pursuant to Article XXI:3(b) of the GATS and subject to completion of the procedures set out in paragraphs 20-22 of S/L/80, the EC shall be free to implement the modifications and withdrawals proposed in document S/SECRET/9.

The Report on the result of these negotiations, which is attached to this letter, includes (1) the proposed modifications in the notifications referred to above, (2) the agreed compensatory adjustments with regard to the modifications or withdrawals notified in S/SECRET/8, and (3) the draft consolidated schedule of specific commitments that results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and New Zealand.

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[1] This Agreement shall not be interpreted to prejudge the outcome of separate discussions within the WTO concerning the classification of telecommunication services (basic telecommunications and value-added services).

Report on the result of the negotiations conducted in accordance of Article XXI:2(a) of the General Agreement on Trade in Services (GATS)

relating to

the modifications proposed in the GATS Schedules of the European Communities and its Member States (hereafter the EC) to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden to the European Communities

Pursuant to paragraph 5 of the Procedures for the implementation of Article XXI of the GATS (S/L/80 of 29 October 1999), the EC submits the following report:

1. On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications (hereafter "the proposed modifications"), pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS. The proposed modifications are contained in Annex I.

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6. During such negotiations, the EC and New Zealand have agreed on compensatory adjustments related to the modifications and withdrawals contained in document S/SECRET/8. Annex I and II of this report, together with the joint letter to which it is attached, constitute the Agreement between the EC and New Zealand with regard to S/SECRET/8 for purposes of Article XXI:2(a) of the GATS. [2] This Agreement shall not be interpreted to modify the lists of Article II Exemptions of the EC and its Member States. This Agreement shall not be interpreted to affect the Parties' rights and obligations under Article VIII of the GATS.

7. With regard to the procedure initiated by the notification contained in document S/SECRET/9, no agreement between the EC and New Zealand was reached by the end of the period provided for negotiations and no affected Member referred the matter to arbitration within the applicable deadline pursuant to paragraph 7 of S/L/80. Pursuant to Article XXI:3(b) of the GATS and subject to completion of the procedures set out in paragraphs 20-22 of S/L/80, the EC shall be free to implement the modifications and withdrawals proposed in document S/SECRET/9.

[2] This Agreement shall not be interpreted to prejudge the outcome of separate discussions within the WTO concerning the classification of telecommunication services (basic telecommunications and value-added services).

8. In view of the foregoing, the proposed modifications and the agreed compensatory adjustments are incorporated into the EC's draft GATS consolidated schedule, which results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and the New Zealand.

9. Pursuant to the procedures referred to in paragraphs 20 to 22 of S/L/80, the EC will transmit, to the Secretariat for circulation, the draft consolidated schedule for certification by 14 September 2006, provided that an agreement has been signed with all affected Members, or the period foreseen in paragraph 7 of S/L/80 has expired, and no arbitration has been requested. The results of the negotiations are to enter into force, after completion of the certification procedures, on a date to be specified by the EC following completion of the EC's internal approval procedures, which the EC endeavours to accelerate as much as possible. The modifications and withdrawals proposed in documents S/SECRET/8 and S/SECRET/9 shall not enter into force until all of the compensatory adjustments indicated in Annex II have entered into force.

ANNEX I

A) Modifications notified in document S/SECRET/8

Horizontal Commitments

- Market access entry (page 9): "In all EC Member States services considered as public utilities at a national or local level may be subject to public monopolies or to exclusive rights granted to private operators". This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Austria, Poland, Slovenia, Slovakia, Finland and Sweden. This limitation now applies to all Member States.

- National treatment limitations on branches, agencies and representative offices under mode 3 (pages 9 and 10). This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Malta, Slovenia and Slovakia. This limitation now applies to all Member States.

- National treatment limitations on subsidiaries under mode 3 (page 10). This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia. This limitation now applies to all Member States.

- National treatment limitations on subsidies under mode 3 (page 13). The schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Malta, Austria, Slovenia, Slovakia, Finland and Sweden included only part of the limitations on subsidies on mode 3 inscribed in the schedule of the EC and its Member States. These limitations are now extended to these Member States.

- National treatment limitation on subsidies under mode 4 (page 13). The schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Hungary, Malta and Slovakia did not include the limitation on subsidies under mode 4 inscribed in the schedule of the EC and its Member States. This limitation is now extended to these Member States.

- Cyprus' market access commitments on mode 4. These commitments are withdrawn.

- Market access entry on mode 4 - Intra-company transfers (ICT) (page 26). The schedule of specific commitments of the Czech Republic, Latvia, Lithuania, Hungary, Poland and Slovakia did not include the limitation that the receiving entity must be effectively providing like services in the territory of the Community Member State concerned. This limitation is now extended to these Member States.

- Market access entry on mode 4 - Business visitors (BV) – service sellers (page 30). The schedule of specific commitments of Poland did not include the limitation that those representatives will not be engaged in making direct sales to the general public. This limitation is now extended to this Member State.

- Market access entry on mode 4 - Business visitors (BV) – establishment of commercial presence (page 30). The schedule of specific commitments of Lithuania did not include the limitation that those representatives will not be engaged in making direct sales to the general public or supplying services. This limitation is now extended to this Member State.

- Lithuania's market access commitments on mode 4 – Business visitors (BV) (page 32). These commitments are partially withdrawn.

- Latvia's market access commitment on mode 4 – contractual services suppliers (CSS) (page 33). The schedule of specific commitments of Latvia did not include the limitation that the temporary entry and stay within the Member State concerned shall be for a period of not more than three months in any 12 months period. This limitation is now extended to this Member State.

Sectoral commitments

- Rental/Leasing services without operators - Relating to Aircraft (page 95). The market access limitation under mode 2 is extended to Estonia, Lithuania, Hungary, Austria, Slovenia, Finland and Sweden and the market access limitation under mode 3 is extended to Estonia, Hungary and Austria.

- Services incidental to manufacturing (pages 109 and 110). The commitments included in the schedule of Latvia, Lithuania and Austria are withdrawn.

- Education services (page 156): limitation to "only privately funded services". This limitation was not included in the schedule of Estonia, Latvia, Lithuania, Hungary, Austria, Slovenia (only not included with regard to adult education services) and Slovakia. This limitation is now extended to these Member States. In the case of Slovenia, such an extension only refers to adult education services.

- Banking and other financial services (excluding insurance) (pages 193, 213 and 217). The market access limitations indicating that "the establishment of a specialised management company is required to perform the activities of management of unit trusts and investment companies" and that "only firms having their registered office in the Community can act as depositories of the assets of investment funds", both under mode 1 and 3, were not included in the schedule of Czech Republic as regards mode 3, Estonia (not included in mode 1 nor in mode 3), Latvia as regards mode 3, Lithuania as regards mode 1, Hungary as regards mode 3 and Slovakia as regards mode 3. These limitations are now extended to these Member States.

- Space Transport. The commitment included in the schedule of Austria is withdrawn.

- Air Transport - Rental of aircraft with crew (page 246). Two market access limitations (one under modes 1 and 2 and another one under mode 3) are introduced for Poland.

- Air Transport - Sales and Marketing (pages 247 and 248). The schedule of specific commitments of Estonia did not include the national treatment limitation on distribution through CRS of air transport services provided by CRS parent carrier.

- Air Transport - Computer Reservations System (page 248). The schedule of specific commitments of Hungary did not include the national treatment limitation on the obligations of parent or participating carriers in respect of a CRS controlled by an air carrier of one or more third countries.

- Services auxiliary to all modes of transport - Cargo handling services (page 259). A market access limitation under mode 3 has been introduced for Estonia, Latvia and Lithuania.

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- Hotels, Restaurants and Catering (CPC 641,642 and 643) (page 232). Malta's commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.
- Travel Agencies and Tour Operators Services (CPC 7471) (pages 233 and 234). Malta's commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.
- Maritime transport services - excluding cabotage transport - (a) Passenger transportation (CPC 7211); (b) Freight transportation (CPC 7212) (page 242). Malta's commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.

ANNEX II

COMPENSATION BY THE EC

- **Mode 3 horizontal limitation on public utilities**

  — Footnote on coverage indicating that this limitation does not apply to telecommunication and computer and related services.

- **Mode 3 horizontal limitations on investment**

  — Removal of the national treatment limitation for AT in Mode 3 on branches of foreign joint stock companies (Aktiengesellschaften) and limited liability companies (Gesellschaften mit beschränkter Haftung).

- **Mode 4** for intra-corporate transferees and business visitors

  — Market Access and National Treatment commitments by CY and MT in the horizontal section and in the sector-specific section in the sectors where CY and MT have undertaken Mode 3 commitments.

- Professional services - **Engineering services** (CPC 8672)

  — Market Access and National Treatment Commitments by CY and MT in Mode 2

  — Market Access commitments by CY, CZ, MT & SK in Mode 3

  — National Treatment commitments by CY and MT in Mode 3

  — Removal of the market access limitation for PT in mode 3

- Professional services - **Integrated Engineering Services** (CPC 8673):

  — Removal of the ENT applied on Mode 4/CSS by the UK

  — Market Access and National Treatment commitments by SK in Mode 3

- Professional services - **Urban planning and landscape architectural services** (CPC 8674):

  — Market Access and National Treatment commitments by CY, CZ, MT, PL, SI & SK in Mode 3.

  — Market Access and National Treatment commitments by HU on Landscape Architectural Services in Mode 2.

- **Computer and related services** -

  — Addition of a clarificatory footnote.

  — Market Access and National Treatment commitments by HU in Modes 1, 2 & 3 for CPC 845 and 849

  — Improved conditions for CSS/Mode 4 by SE for computer and related services in the horizontal section and new commitments by SE for CSS/Mode 4 for CPC 845 and 849.

- **Advertising services** (CPC 871):

  — Market Access and National Treatment commitments by CY, MT & PL in Mode 1

- **Telecommunication services**

  — New and improved commitments by the entire EC as offered in its revised DDA offer.

  — A clarification from FI that its three Mode 3 horizontal limitations on legal entities under market access, on subsidiaries, branches, agencies and representative offices under national treatment, and on investment under market access do not apply to telecommunications services.

  — A clarificatory footnote indicating that Sub-sectors 2.C.h) to 2.C.m) of the Services Sectoral Classification List contained in MTN,GNS/W/120 (value-added services) and Sub-sectors 2.C.a) to 2.C.g) of that List are included here. Sub-sector 2.C.o) of that List is also included here to the extent that it falls under this definition. For the purpose of this schedule, subsector 2C.n of that list (on-line information and/or data processing) is reflected in this schedule of Commitments under 1.B (Computer and related services).

- **Financial services (insurance services):**

  — Removal of part of the market access limitations for SK in Mode 3

- **Financial services (banking)**

  — FI: change in Mode 3 permanent residency requirements ("At least one of the founders, the members of the board of directors, the supervisory board and the managing director shall have their permanent residence in the European Community…" instead of "At least one half of the founders, the members of the board of directors, the supervisory board and the delegates, the managing director, the holder of the procuration and the person entitled to sign in the name of the credit institution shall have their place of residence in the European Community…").

- **Hotels, Restaurants and Catering**

  — New (less restrictive) language for IT's ENT in mode 3 on bars, cafes and restaurants, including a commitment on its non-discriminatory nature.

- **Travel Agencies and Tour Operators Services**

  — Removal of the ENT applied on Mode 3 by the CZ

- **Hairdressing services**

  — Market Access and National Treatment commitments by CZ, FI, HU and SK in Modes 2 & 3

The following abbreviations are used to indicate the Member States:

AT Austria

BE Belgium

CY Cyprus

CZ Czech Republic

DE Germany

DK Denmark

EE Estonia

EL Greece

ES Spain

FI Finland

FR France

HU Hungary

IE Ireland

IT Italy

LT Lithuania

LU Luxembourg

LV Latvia

MT Malta

NL The Netherlands

PL Poland

PT Portugal

SE Sweden

SI Slovenia

SK Slovak Republic

UK United Kingdom

Joint letter from the European Communities and its Member States on the one part, and the Philippines, on the other part, pursuant to paragraph 5 of the Procedures for the implementation of Article XXI of the General Agreement on Trade in Services (GATS) (S/L/80 of 29 October 1999)

relating to

the modifications proposed in the GATS Schedules of the European Communities and its Member States (hereafter the EC) to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden to the European Communities

On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications, pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS.

Following the submission of the first Communication, the Philippines submitted a claim of interest pursuant to Article XXI:2(a) of the GATS (S/L/179) with regard to S/SECRET/8. No claim of interest was submitted with regard to S/SECRET/9. The EC and the Philippines entered into negotiations pursuant to Article XXI:2(a) of the GATS with regard to S/SECRET/8.

With regard to the procedure initiated by the notification contained in document S/SECRET/8, the initial period for the negotiations, which expired on 26 October 2004, was extended (by mutual agreement) five times (until 26 April 2005, until 27 February 2006, until 1 June 2006, until 1 July and until 17 July 2006). During such negotiations, the EC and the Philippines have agreed on compensatory adjustments related to the withdrawals and modifications contained in document S/SECRET/8.

The Report on the result of these negotiations, which is attached to this letter, includes (1) the proposed modifications in the notifications referred to above, (2) the agreed compensatory adjustments with regard to the modifications or withdrawals notified in S/SECRET/8, and (3) the draft consolidated schedule of specific commitments that results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and the Philippines.

This letter and Annex I and II of the report attached to it constitute the Agreement between the EC and the Philippines with regard to S/SECRET/8 for purposes of Article XXI:2(a) of the GATS [1]. The Agreement shall not be interpreted to modify the Lists of Article II Exemptions of the EC and its Member States. The Agreement shall not be interpreted to affect the Parties' rights and obligations under Article VIII of the GATS.

Pursuant to the procedures referred to in paragraphs 20 to 22 of S/L/80, the EC will transmit, to the Secretariat for circulation, the draft consolidated schedule for certification by 14 September 2006, provided that an agreement has been signed with all affected Members, or the period foreseen in paragraph 7 of S/L/80 has expired, and no arbitration has been requested. The results of the negotiations are to enter into force, after completion of the certification procedures, on a date to be specified by the EC following completion of the EC's internal approval procedures, which the EC endeavours to accelerate as much as possible. The modifications and withdrawals proposed in documents S/SECRET/8 and S/SECRET/9 shall not enter into force until all of the compensatory adjustments indicated in Annex II have entered into force.

[1] This Agreement shall not be interpreted to prejudge the outcome of separate discussions within the WTO concerning the classification of telecommunication services (basic telecommunications and value-added services).

Report on the result of the negotiations conducted in accordance of Article XXI:2(a) of the General Agreement on Trade in Services (GATS)

relating to

the modifications proposed in the GATS Schedules of the European Communities and its Member States (hereafter the EC) to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden to the European Communities

Pursuant to paragraph 5 of the Procedures for the implementation of Article XXI of the GATS (S/L/80 of 29 October 1999), the EC submits the following report:

1. On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications (hereafter "the proposed modifications"), pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS. The proposed modifications are contained in Annex I.

2. Following the submission of the notification contained in document S/SECRET/8, and pursuant to Article XXI:2(a) of the GATS, eighteen WTO Members (Argentina, Australia, Brazil, Canada, China, Chinese Taipei, Colombia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland, Uruguay and the United States) submitted a respective claim of interest.

3. Following the submission of the notification contained in document S/SECRET/9, and pursuant to Article XXI:2(a) of the GATS, fourteen WTO Members (Argentina, Australia, Brazil, Canada, China, Colombia, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, Uruguay and the United States) submitted a respective claim of interest.

4. The Philippines submitted a claim of interest pursuant to Article XXI:2(a) of the GATS (S/L/179) with regard to S/SECRET/8. No claim of interest was submitted with regard to S/SECRET/9. The EC and the Philippines entered into negotiations pursuant to Article XXI:2(a) of the GATS with regard to S/SECRET/8.

5. With regard to the procedure initiated by the notification contained in document S/SECRET/8, the initial period for the negotiations, which expired on 26 October 2004, was extended (by mutual agreement) five times (until 26 April 2005, until 27 February 2006, until 1 June 2006, until 1 July and until 17 July 2006).

6. During such negotiations, the EC and the Philippines have agreed on compensatory adjustments related to the modifications and withdrawals contained in document S/SECRET/8. Annex I and II of this report, together with the joint letter to which it is attached, constitute the Agreement between the EC and the Philippines with regard to S/SECRET/8 for purposes of Article XXI:2(a) of the GATS [2]. This Agreement shall not be interpreted to modify the lists of Article II Exemptions of the EC and its Member States. This Agreement shall not be interpreted to affect the Parties' rights and obligations under Article VIII of the GATS.

7. In view of the foregoing, the proposed modifications and the agreed compensatory adjustments are incorporated into the EC's draft GATS consolidated schedule, which results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and the Philippines.

8. Pursuant to the procedures referred to in paragraphs 20 to 22 of S/L/80, the EC will transmit, to the Secretariat for circulation, the draft consolidated schedule for certification by 14 September 2006, provided that an agreement has been signed with all affected Members, or the period foreseen in paragraph 7 of S/L/80 has expired, and no arbitration has been requested. The results of the negotiations are to enter into force, after completion of the certification procedures, on a date to be specified by the EC following completion of the EC's internal approval procedures, which the EC endeavours to accelerate as much as possible. The modifications and withdrawals proposed in documents S/SECRET/8 and S/SECRET/9 shall not enter into force until all of the compensatory adjustments indicated in Annex II have entered into force.

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[2] This Agreement shall not be interpreted to prejudge the outcome of separate discussions within the WTO concerning the classification of telecommunication services (basic telecommunications and value-added services).

ANNEX I

A) Modifications notified in document S/SECRET/8

Horizontal Commitments

- Market access entry (page 9): "In all EC Member States services considered as public utilities at a national or local level may be subject to public monopolies or to exclusive rights granted to private operators". This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Austria, Poland, Slovenia, Slovakia, Finland and Sweden. This limitation now applies to all Member States.

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- Services incidental to manufacturing (pages 109 and 110). The commitments included in the schedule of Latvia, Lithuania and Austria are withdrawn.
- Education services (page 156): limitation to "only privately funded services". This limitation was not included in the schedule of Estonia, Latvia, Lithuania, Hungary, Austria, Slovenia (only not included with regard to adult education services) and Slovakia. This limitation is now extended to these Member States. In the case of Slovenia, such an extension only refers to adult education services.
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AT Austria

BE Belgium

CY Cyprus

CZ Czech Republic

DE Germany

DK Denmark

EE Estonia

EL Greece

ES Spain

FI Finland

FR France

HU Hungary

IE Ireland

IT Italy

LT Lithuania

LU Luxembourg

LV Latvia

MT Malta

NL The Netherlands

PL Poland

PT Portugal

SE Sweden

SI Slovenia

SK Slovak Republic

UK United Kingdom

Joint letter from the European Communities and its Member States on the one part, and Switzerland, on the other part, pursuant to paragraph 5 of the Procedures for the implementation of Article XXI of the General Agreement on Trade in Services (GATS) (S/L/80 of 29 October 1999)

relating to

the modifications proposed in the GATS Schedules of the European Communities and its Member States (hereafter the EC) to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden to the European Communities

On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications, pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS.

Following the submission of the first Communication, Switzerland submitted a claim of interest pursuant to Article XXI:2(a) of the GATS (S/L/162) with regard to S/SECRET/8. No claim of interest was submitted with regard to S/SECRET/9. The EC and Switzerland entered into negotiations pursuant to Article XXI:2(a) of the GATS with regard to S/SECRET/8. Switzerland on its part submitted a memorandum stating its position in these negotiations.

With regard to the procedure initiated by the notification contained in document S/SECRET/8, the initial period for the negotiations, which expired on 26 October 2004, was extended (by mutual agreement) five times (until 26 April 2005, until 27 February 2006, until 1 June 2006, until 1 July and until 17 July 2006). During such negotiations, the EC and Switzerland have agreed on compensatory adjustments related to the withdrawals and modifications contained in document S/SECRET/8.

The Report on the result of these negotiations, which is attached to this letter, includes (1) the proposed modifications in the notifications referred to above, (2) the agreed compensatory adjustments with regard to the modifications or withdrawals notified in S/SECRET/8, and (3) the draft consolidated schedule of specific commitments that results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and Switzerland.

This letter and Annex I and II of the report attached to it constitute the Agreement between the EC and Switzerland with regard to S/SECRET/8 for purposes of Article XXI:2(a) of the GATS ([1]). The Agreement shall not be interpreted to modify the Lists of Article II Exemptions of the EC and its Member States. The Agreement shall not be interpreted to affect the Parties' rights and obligations under Article VIII of the GATS.

Pursuant to the procedures referred to in paragraphs 20 to 22 of S/L/80, the EC will transmit, to the Secretariat for circulation, the draft consolidated schedule for certification by 14 September 2006, provided that an agreement has been signed with all affected Members, or the period foreseen in paragraph 7 of S/L/80 has expired, and no arbitration has been requested. The results of the negotiations are to enter into force, after completion of the certification procedures, on a date to be specified by the EC following completion of the EC's internal approval procedures, which the EC endeavours to accelerate as much as possible. The modifications and withdrawals proposed in documents S/SECRET/8 and S/SECRET/9 shall not enter into force until all of the compensatory adjustments indicated in Annex II have entered into force.

([1]) This Agreement shall not be interpreted to prejudge the outcome of separate discussions within the WTO concerning the classification of telecommunication services (basic telecommunications and value-added services).

Report on the result of the negotiations conducted in accordance of Article XXI:2(a) of the General Agreement on Trade in Services (GATS)

relating to

the modifications proposed in the GATS Schedules of the European Communities and its Member States (hereafter the EC) to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden to the European Communities

Pursuant to paragraph 5 of the Procedures for the implementation of Article XXI of the GATS (S/L/80 of 29 October 1999), the EC submits the following report:

1. On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications (hereafter "the proposed modifications"), pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS. The proposed modifications are contained in Annex I.

2. Following the submission of the notification contained in document S/SECRET/8, and pursuant to Article XXI:2(a) of the GATS, eighteen WTO Members (Argentina, Australia, Brazil, Canada, China, Chinese Taipei, Colombia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland, Uruguay and the United States) submitted a respective claim of interest.

3. Following the submission of the notification contained in document S/SECRET/9, and pursuant to Article XXI:2(a) of the GATS, fourteen WTO Members (Argentina, Australia, Brazil, Canada, China, Colombia, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, Uruguay and the United States) submitted a respective claim of interest.

4. Switzerland submitted a claim of interest pursuant to Article XXI:2(a) of the GATS (S/L/162) with regard to S/SECRET/8. No claim of interest was submitted with regard to S/SECRET/9. The EC and Switzerland entered into negotiations pursuant to Article XXI:2(a) of the GATS with regard to S/SECRET/8.

5. With regard to the procedure initiated by the notification contained in document S/SECRET/8, the initial period for the negotiations, which expired on 26 October 2004, was extended (by mutual agreement) five times (until 26 April 2005, until 27 February 2006, until 1 June 2006, until 1 July and until 17 July 2006).

6. During such negotiations, the EC and Switzerland have agreed on compensatory adjustments related to the modifications and withdrawals contained in document S/SECRET/8. Annex I and II of this report, together with the joint letter to which it is attached, constitute the Agreement between the EC and Switzerland with regard to S/SECRET/8 for purposes of Article XXI:2(a) of the GATS [2]. This Agreement shall not be interpreted to modify the lists of Article II Exemptions of the EC and its Member States. This Agreement shall not be interpreted to affect the Parties' rights and obligations under Article VIII of the GATS.

7. In view of the foregoing, the proposed modifications and the agreed compensatory adjustments are incorporated into the EC's draft GATS consolidated schedule, which results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and Switzerland.

8. Pursuant to the procedures referred to in paragraphs 20 to 22 of S/L/80, the EC will transmit, to the Secretariat for circulation, the draft consolidated schedule for certification by 14 September 2006, provided that an agreement has been signed with all affected Members, or the period foreseen in paragraph 7 of S/L/80 has expired, and no arbitration has been requested. The results of the negotiations are to enter into force, after completion of the certification procedures, on a date to be specified by the EC following completion of the EC's internal approval procedures, which the EC endeavours to accelerate as much as possible. The modifications and withdrawals proposed in documents S/SECRET/8 and S/SECRET/9 shall not enter into force until all of the compensatory adjustments indicated in Annex II have entered into force.

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[2] This Agreement shall not be interpreted to prejudge the outcome of separate discussions within the WTO concerning the classification of telecommunication services (basic telecommunications and value-added services).

ANNEX I

A) Modifications notified in document S/SECRET/8

Horizontal Commitments

- Market access entry (page 9): "In all EC Member States services considered as public utilities at a national or local level may be subject to public monopolies or to exclusive rights granted to private operators". This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Austria, Poland, Slovenia, Slovakia, Finland and Sweden. This limitation now applies to all Member States.

- National treatment limitations on branches, agencies and representative offices under mode 3 (pages 9 and 10). This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Malta, Slovenia and Slovakia. This limitation now applies to all Member States.

- National treatment limitations on subsidiaries under mode 3 (page 10). This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia. This limitation now applies to all Member States.

- National treatment limitations on subsidies under mode 3 (page 13). The schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Malta, Austria, Slovenia, Slovakia, Finland and Sweden included only part of the limitations on subsidies on mode 3 inscribed in the schedule of the EC and its Member States. These limitations are now extended to these Member States.

- National treatment limitation on subsidies under mode 4 (page 13). The schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Hungary, Malta and Slovakia did not include the limitation on subsidies under mode 4 inscribed in the schedule of the EC and its Member States. This limitation is now extended to these Member States.

- Cyprus' market access commitments on mode 4. These commitments are withdrawn.

- Market access entry on mode 4 - Intra-company transfers (ICT) (page 26). The schedule of specific commitments of the Czech Republic, Latvia, Lithuania, Hungary, Poland and Slovakia did not include the limitation that the receiving entity must be effectively providing like services in the territory of the Community Member State concerned. This limitation is now extended to these Member States.

- Market access entry on mode 4 - Business visitors (BV) – service sellers (page 30). The schedule of specific commitments of Poland did not include the limitation that those representatives will not be engaged in making direct sales to the general public. This limitation is now extended to this Member State.

- Market access entry on mode 4 - Business visitors (BV) – establishment of commercial presence (page 30). The schedule of specific commitments of Lithuania did not include the limitation that those representatives will not be engaged in making direct sales to the general public or supplying services. This limitation is now extended to this Member State.

- Lithuania's market access commitments on mode 4 – Business visitors (BV) (page 32). These commitments are partially withdrawn.

- Latvia's market access commitment on mode 4 – contractual services suppliers (CSS) (page 33). The schedule of specific commitments of Latvia did not include the limitation that the temporary entry and stay within the Member State concerned shall be for a period of not more than three months in any 12 months period. This limitation is now extended to this Member State.

Sectoral commitments

- Rental/Leasing services without operators - Relating to Aircraft (page 95). The market access limitation under mode 2 is extended to Estonia, Lithuania, Hungary, Austria, Slovenia, Finland and Sweden and the market access limitation under mode 3 is extended to Estonia, Hungary and Austria.

- Services incidental to manufacturing (pages 109 and 110). The commitments included in the schedule of Latvia, Lithuania and Austria are withdrawn.

- Education services (page 156): limitation to "only privately funded services". This limitation was not included in the schedule of Estonia, Latvia, Lithuania, Hungary, Austria, Slovenia (only not included with regard to adult education services) and Slovakia. This limitation is now extended to these Member States. In the case of Slovenia, such an extension only refers to adult education services.
- Banking and other financial services (excluding insurance) (pages 193, 213 and 217). The market access limitations indicating that "the establishment of a specialised management company is required to perform the activities of management of unit trusts and investment companies" and that "only firms having their registered office in the Community can act as depositories of the assets of investment funds", both under mode 1 and 3, were not included in the schedule of Czech Republic as regards mode 3, Estonia (not included in mode 1 nor in mode 3), Latvia as regards mode 3, Lithuania as regards mode 1, Hungary as regards mode 3 and Slovakia as regards mode 3. These limitations are now extended to these Member States.
- Space Transport. The commitment included in the schedule of Austria is withdrawn.
- Air Transport - Rental of aircraft with crew (page 246). Two market access limitations (one under modes 1 and 2 and another one under mode 3) are introduced for Poland.
- Air Transport - Sales and Marketing (pages 247 and 248). The schedule of specific commitments of Estonia did not include the national treatment limitation on distribution through CRS of air transport services provided by CRS parent carrier.
- Air Transport - Computer Reservations System (page 248). The schedule of specific commitments of Hungary did not include the national treatment limitation on the obligations of parent or participating carriers in respect of a CRS controlled by an air carrier of one or more third countries.
- Services auxiliary to all modes of transport - Cargo handling services (page 259). A market access limitation under mode 3 has been introduced for Estonia, Latvia and Lithuania.

B) Modifications notified in document S/SECRET/9

Horizontal Commitments

- Cyprus' and Malta's commitments on mode 4 under national treatment (pages 25, 29 and 32 of S/SECRET/8). These commitments are withdrawn.

Sectoral commitments

- Computer and Related Services - a)Consultancy Services related to the Installation of Computer Hardware (CPC 841) (page 82) - b) Software Implementation Services (CPC 842) (page 83) - c) Data Processing Services (CPC 843) (page 85) - d) Data Base Services (CPC 844) (page 86). Cyprus' commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.
- Research and Development Services - b) R & D Services on Social Sciences and Humanities (CPC 852) (pages 89 and 90). Cyprus' commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.
- Insurance and Insurance-Related Services - (i) Direct insurance (including co-insurance): (a) life and (b) non-life (pages 211 and 212). Cyprus' commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.
- Banking and Other Financial Services (excluding insurance) – (x) (e) transferable securities (page 223). Cyprus' commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.
- Hotels, Restaurants and Catering (CPC 641,642 and 643) (page 232). Malta's commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.
- Travel Agencies and Tour Operators Services (CPC 7471) (pages 233 and 234). Malta's commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.
- Maritime transport services - excluding cabotage transport - (a) Passenger transportation (CPC 7211); (b) Freight transportation (CPC 7212) (page 242). Malta's commitments on mode 4 (ICT, BV and CSS) under national treatment are withdrawn.

ANNEX II

COMPENSATION BY THE EC

- **Mode 3 horizontal limitation on public utilities**

  — Footnote on coverage indicating that this limitation does not apply to telecommunication and computer and related services.

- **Mode 3 horizontal limitations on investment**

  — Removal of the national treatment limitation for AT in Mode 3 on branches of foreign joint stock companies (Aktiengesellschaften) and limited liability companies (Gesellschaften mit beschränkter Haftung).

- **Mode 4** for intra-corporate transferees and business visitors

  — Market Access and National Treatment commitments by CY and MT in the horizontal section and in the sector-specific section in the sectors where CY and MT have undertaken Mode 3 commitments.

- Professional services - **Engineering services** (CPC 8672)

  — Market Access and National Treatment Commitments by CY and MT in Mode 2

  — Market Access commitments by CY, CZ, MT & SK in Mode 3

  — National Treatment commitments by CY and MT in Mode 3

  — Removal of the market access limitation for PT in mode 3

- Professional services - **Integrated Engineering Services** (CPC 8673):

  — Removal of the ENT applied on Mode 4/CSS by the UK

  — Market Access and National Treatment commitments by SK in Mode 3

- Professional services - **Urban planning and landscape architectural services** (CPC 8674):

  — Market Access and National Treatment commitments by CY, CZ, MT, PL, SI & SK in Mode 3.

  — Market Access and National Treatment commitments by HU on Landscape Architectural Services in Mode 2.

- **Computer and related services** -

  — Addition of a clarificatory footnote.

  — Market Access and National Treatment commitments by HU in Modes 1, 2 & 3 for CPC 845 and 849

  — Improved conditions for CSS/Mode 4 by SE for computer and related services in the horizontal section and new commitments by SE for CSS/Mode 4 for CPC 845 and 849.

- **Advertising services** (CPC 871):

  — Market Access and National Treatment commitments by CY, MT & PL in Mode 1

- **Telecommunication services**

  — New and improved commitments by the entire EC as offered in its revised DDA offer.

  — A clarification from FI that its three Mode 3 horizontal limitations on legal entities under market access, on subsidiaries, branches, agencies and representative offices under national treatment, and on investment under market access do not apply to telecommunications services.

— A clarificatory footnote indicating that Sub-sectors 2.C.h) to 2.C.m) of the Services Sectoral Classification List contained in MTN,GNS/W/120 (value-added services) and Sub-sectors 2.C.a) to 2.C.g) of that List are included here. Sub-sector 2.C.o) of that List is also included here to the extent that it falls under this definition. For the purpose of this schedule, subsector 2C.n of that list (on-line information and/or data processing) is reflected in this schedule of Commitments under 1.B (Computer and related services).

• **Financial services (insurance services):**

— Removal of part of the market access limitations for SK in Mode 3

• **Financial services (banking)**

— FI: change in Mode 3 permanent residency requirements ("At least one of the founders, the members of the board of directors, the supervisory board and the managing director shall have their permanent residence in the European Community…" instead of "At least one half of the founders, the members of the board of directors, the supervisory board and the delegates, the managing director, the holder of the procuration and the person entitled to sign in the name of the credit institution shall have their place of residence in the European Community…").

• **Hotels, Restaurants and Catering**

— New (less restrictive) language for IT's ENT in mode 3 on bars, cafes and restaurants, including a commitment on its non-discriminatory nature.

• **Travel Agencies and Tour Operators Services**

— Removal of the ENT applied on Mode 3 by the CZ

• **Hairdressing services**

— Market Access and National Treatment commitments by CZ, FI, HU and SK in Modes 2 & 3

The following abbreviations are used to indicate the Member States:

AT Austria

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CZ Czech Republic

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PT Portugal
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SI Slovenia
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UK United Kingdom

Joint letter from the European Communities and its Member States on the one part, and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, on the other part, pursuant to paragraph 5 of the Procedures for the implementation of Article XXI of the General Agreement on Trade in Services (GATS) (S/L/80 of 29 October 1999)

relating to

the modifications proposed in the GATS Schedules of the European Communities and its Member States (hereafter the EC) to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden to the European Communities

On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications, pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS.

Following the submission of the first Communication, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu submitted a claim of interest pursuant to Article XXI:2(a) of the GATS (S/L/169) with regard to S/SECRET/8. No claim of interest was submitted with regard to S/SECRET/9. The EC and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu entered into negotiations pursuant to Article XXI:2(a) of the GATS with regard to S/SECRET/8.

With regard to the procedure initiated by the notification contained in document S/SECRET/8, the initial period for the negotiations, which expired on 26 October 2004, was extended (by mutual agreement) five times (until 26 April 2005, until 27 February 2006, until 1 June 2006, until 1 July and until 17 July 2006). During such negotiations, the EC and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu have agreed on compensatory adjustments related to the withdrawals and modifications contained in document S/SECRET/8.

The Report on the result of these negotiations, which is attached to this letter, includes (1) the proposed modifications in the notifications referred to above, (2) the agreed compensatory adjustments with regard to the modifications or withdrawals notified in S/SECRET/8, and (3) the draft consolidated schedule of specific commitments that results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu.

This letter and Annex I and II of the report attached to it constitute the Agreement between the EC and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu with regard to S/SECRET/8 for purposes of Article XXI:2(a) of the GATS [1]. The Agreement shall not be interpreted to modify the Lists of Article II Exemptions of the EC and its Member States. The Agreement shall not be interpreted to affect the Parties' rights and obligations under Article VIII of the GATS.

Pursuant to the procedures referred to in paragraphs 20 to 22 of S/L/80, the EC will transmit, to the Secretariat for circulation, the draft consolidated schedule for certification by 14 September 2006, provided that an agreement has been signed with all affected Members, or the period foreseen in paragraph 7 of S/L/80 has expired, and no arbitration has been requested. The results of the negotiations are to enter into force, after completion of the certification procedures, on a date to be specified by the EC following completion of the EC's internal approval procedures, which the EC endeavours to accelerate as much as possible. The modifications and withdrawals proposed in documents S/SECRET/8 and S/SECRET/9 shall not enter into force until all of the compensatory adjustments indicated in Annex II have entered into force.

[1] This Agreement shall not be interpreted to prejudge the outcome of separate discussions within the WTO concerning the classification of telecommunication services (basic telecommunications and value-added services).

Report on the result of the negotiations conducted in accordance of Article XXI:2(a) of the General Agreement on Trade in Services (GATS)

relating to

the modifications proposed in the GATS Schedules of the European Communities and its Member States (hereafter the EC) to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden to the European Communities

Pursuant to paragraph 5 of the Procedures for the implementation of Article XXI of the GATS (S/L/80 of 29 October 1999), the EC submits the following report:

1. On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications (hereafter "the proposed modifications"), pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS. The proposed modifications are contained in Annex I.

2. Following the submission of the notification contained in document S/SECRET/8, and pursuant to Article XXI:2(a) of the GATS, eighteen WTO Members (Argentina, Australia, Brazil, Canada, China, Chinese Taipei, Colombia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland, Uruguay and the United States) submitted a respective claim of interest.

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4. The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu submitted a claim of interest pursuant to Article XXI:2(a) of the GATS (S/L/169) with regard to S/SECRET/8. No claim of interest was submitted with regard to S/SECRET/9. The EC and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu entered into negotiations pursuant to Article XXI:2(a) of the GATS with regard to S/SECRET/8.

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6. During such negotiations, the EC and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu have agreed on compensatory adjustments related to the modifications and withdrawals contained in document S/SECRET/8. Annex I and II of this report, together with the joint letter to which it is attached, constitute the Agreement between the EC and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu with regard to S/SECRET/8 for purposes of Article XXI:2(a) of the GATS ([2]). This Agreement shall not be interpreted to modify the lists of Article II Exemptions of the EC and its Member States. This Agreement shall not be interpreted to affect the Parties' rights and obligations under Article VIII of the GATS.

7. In view of the foregoing, the proposed modifications and the agreed compensatory adjustments are incorporated into the EC's draft GATS consolidated schedule, which results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu.

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ANNEX I

A) Modifications notified in document S/SECRET/8

Horizontal Commitments

- Market access entry (page 9): "In all EC Member States services considered as public utilities at a national or local level may be subject to public monopolies or to exclusive rights granted to private operators". This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Austria, Poland, Slovenia, Slovakia, Finland and Sweden. This limitation now applies to all Member States.

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- National treatment limitations on subsidies under mode 3 (page 13). The schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Malta, Austria, Slovenia, Slovakia, Finland and Sweden included only part of the limitations on subsidies on mode 3 inscribed in the schedule of the EC and its Member States. These limitations are now extended to these Member States.

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- Market access entry on mode 4 - Business visitors (BV) – establishment of commercial presence (page 30). The schedule of specific commitments of Lithuania did not include the limitation that those representatives will not be engaged in making direct sales to the general public or supplying services. This limitation is now extended to this Member State.

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Sectoral commitments

- Rental/Leasing services without operators - Relating to Aircraft (page 95). The market access limitation under mode 2 is extended to Estonia, Lithuania, Hungary, Austria, Slovenia, Finland and Sweden and the market access limitation under mode 3 is extended to Estonia, Hungary and Austria.

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ANNEX II

COMPENSATION BY THE EC

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  — Footnote on coverage indicating that this limitation does not apply to telecommunication and computer and related services.

- **Mode 3 horizontal limitations on investment**

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- **Mode 4** for intra-corporate transferees and business visitors

  — Market Access and National Treatment commitments by CY and MT in the horizontal section and in the sector-specific section in the sectors where CY and MT have undertaken Mode 3 commitments.

- Professional services - **Engineering services** (CPC 8672)

  — Market Access and National Treatment Commitments by CY and MT in Mode 2

  — Market Access commitments by CY, CZ, MT & SK in Mode 3

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  — Removal of the market access limitation for PT in mode 3

- Professional services - **Integrated Engineering Services** (CPC 8673):

  — Removal of the ENT applied on Mode 4/CSS by the UK

  — Market Access and National Treatment commitments by SK in Mode 3

- Professional services - **Urban planning and landscape architectural services** (CPC 8674):

  — Market Access and National Treatment commitments by CY, CZ, MT, PL, SI & SK in Mode 3.

  — Market Access and National Treatment commitments by HU on Landscape Architectural Services in Mode 2.

- **Computer and related services** -

  — Addition of a clarificatory footnote.

  — Market Access and National Treatment commitments by HU in Modes 1, 2 & 3 for CPC 845 and 849

  — Improved conditions for CSS/Mode 4 by SE for computer and related services in the horizontal section and new commitments by SE for CSS/Mode 4 for CPC 845 and 849.

- **Advertising services** (CPC 871):

  — Market Access and National Treatment commitments by CY, MT & PL in Mode 1

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  — New and improved commitments by the entire EC as offered in its revised DDA offer.

  — A clarification from FI that its three Mode 3 horizontal limitations on legal entities under market access, on subsidiaries, branches, agencies and representative offices under national treatment, and on investment under market access do not apply to telecommunications services.

  — A clarificatory footnote indicating that Sub-sectors 2.C.h) to 2.C.m) of the Services Sectoral Classification List contained in MTN,GNS/W/120 (value-added services) and Sub-sectors 2.C.a) to 2.C.g) of that List are included here. Sub-sector 2.C.o) of that List is also included here to the extent that it falls under this definition. For the purpose of this schedule, subsector 2C.n of that list (on-line information and/or data processing) is reflected in this schedule of Commitments under 1.B (Computer and related services).

- **Financial services (insurance services):**

  — Removal of part of the market access limitations for SK in Mode 3

- **Financial services (banking)**

  — FI: change in Mode 3 permanent residency requirements ("At least one of the founders, the members of the board of directors, the supervisory board and the managing director shall have their permanent residence in the European Community…" instead of "At least one half of the founders, the members of the board of directors, the supervisory board and the delegates, the managing director, the holder of the procuration and the person entitled to sign in the name of the credit institution shall have their place of residence in the European Community…").

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  — New (less restrictive) language for IT's ENT in mode 3 on bars, cafes and restaurants, including a commitment on its non-discriminatory nature.

- **Travel Agencies and Tour Operators Services**

  — Removal of the ENT applied on Mode 3 by the CZ

- **Hairdressing services**

  — Market Access and National Treatment commitments by CZ, FI, HU and SK in Modes 2 & 3

The following abbreviations are used to indicate the Member States:

AT Austria

BE Belgium

CY Cyprus

CZ Czech Republic

DE Germany

DK Denmark

EE Estonia

EL Greece

ES Spain

FI Finland

FR France

HU Hungary

IE Ireland

IT Italy

LT Lithuania

LU Luxembourg

LV Latvia

MT Malta

NL The Netherlands

PL Poland

PT Portugal

SE Sweden

SI Slovenia

SK Slovak Republic

UK United Kingdom

Joint letter from the European Communities and its Member States on the one part, and the United States of America, on the other part, pursuant to paragraph 5 of the Procedures for the Implementation of Article XXI of the GATS (S/L/80 of 29 October 1999)

relating to

the modifications proposed in the GATS Schedules of the European Communities and its Member States (hereafter the EC) to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden to the European Communities

On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications, pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS.

Following the submission of each Communication, the United States of America (hereafter the United States) submitted two respective claims of interest pursuant to Article XXI:2(a) of the GATS (S/L/166 with regard to S/SECRET/8 and S/L/217 with regard to S/SECRET/9). The EC and the United States entered into negotiations pursuant to Article XXI:2(a) of the GATS with regard to S/SECRET/8 and S/SECRET/9.

With regard to the procedure initiated by the notification contained in document S/SECRET/8, the initial period for the negotiations, which expired on 26 October 2004, was extended (by mutual agreement) five times (until 26 April 2005, until 27 February 2006, until 1 June 2006, until 1 July and until 17 July 2006). During such negotiations, the EC and the United States have agreed on compensatory adjustments related to the withdrawals and modifications contained in document S/SECRET/8.

With regard to the procedure initiated by the notification contained in document S/SECRET/9, no agreement between the EC and the United States was reached by the end of the period provided for negotiations and no affected Member referred the matter to arbitration within the applicable deadline pursuant to paragraph 7 of S/L/80. Pursuant to Article XXI:3(b) of the GATS and subject to completion of the procedures set out in paragraphs 20-22 of S/L/80, the EC shall be free to implement the modifications and withdrawals proposed in document S/SECRET/9.

The Report on the result of these negotiations, which is attached to this letter, includes (1) the proposed modifications in the notifications referred to above, (2) the agreed compensatory adjustments with regard to the modifications or withdrawals notified in S/SECRET/8, and (3) the draft consolidated schedule of specific commitments that results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and the United States.

This letter and Annex I and II of the report attached to it constitute the Agreement between the EC and the United States with regard to S/SECRET/8 for purposes of Article XXI:2(a) of the GATS [1]. The Agreement shall not be interpreted to modify the Lists of Article II Exemptions of the EC and its Member States. The Agreement shall not be interpreted to affect the Parties' rights and obligations under Article VIII of the GATS.

Pursuant to the procedures referred to in paragraphs 20 to 22 of S/L/80, the EC will transmit, to the Secretariat for circulation, the draft consolidated schedule for certification by 14 September 2006, provided that an agreement has been signed with all affected Members, or the period foreseen in paragraph 7 of S/L/80 has expired, and no arbitration has been requested. The results of the negotiations are to enter into force, after completion of the certification procedures, on a date to be specified by the EC following completion of the EC's internal approval procedures, which the EC endeavours to accelerate as much as possible. The modifications and withdrawals proposed in documents S/SECRET/8 and S/SECRET/9 shall not enter into force until all of the compensatory adjustments indicated in Annex II have entered into force.

[1] This Agreement shall not be interpreted to prejudge the outcome of separate discussions within the WTO concerning the classification of telecommunication services (basic telecommunications and value-added services).

Report on the result of the negotiations conducted in accordance of Article XXI:2(a) of the General Agreement on Trade in Services (GATS)

relating to

the modifications proposed in the GATS Schedules of the European Communities and its Member States (hereafter the EC) to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Austria, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden to the European Communities

Pursuant to paragraph 5 of the Procedures for the implementation of Article XXI of the GATS (S/L/80 of 29 October 1999), the EC submits the following report:

1. On 28 May 2004 and on 4 April 2005, the EC submitted two respective Communications pursuant to Article V of the GATS (circulated as document S/SECRET/8, dated 11 June 2004, and as document S/SECRET/9, dated 12 April 2005), whereby it notified its intention to modify or withdraw the specific commitments included in the list attached to the communications (hereafter "the proposed modifications"), pursuant to Article V:5 of the GATS and in accordance with the terms of Article XXI:1(b) of the GATS. The proposed modifications are contained in Annex I.

2. Following the submission of the notification contained in document S/SECRET/8, and pursuant to Article XXI:2(a) of the GATS, eighteen WTO Members (Argentina, Australia, Brazil, Canada, China, Chinese Taipei, Colombia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland, Uruguay and the United States of America (hereafter the United States) submitted a respective claim of interest.

3. Following the submission of the notification contained in document S/SECRET/9, and pursuant to Article XXI:2(a) of the GATS, fourteen WTO Members (Argentina, Australia, Brazil, Canada, China, Colombia, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, Uruguay and the United States) submitted a respective claim of interest.

4. The United States submitted two respective claims of interest pursuant to Article XXI:2(a) of the GATS (S/L/166 with regard to S/SECRET/8 and S/L/217 with regard to S/SECRET/9. The EC and the United States entered into negotiations pursuant to Article XXI:2(a) of the GATS with regard to S/SECRET/8 and S/SECRET/9.

5. With regard to the procedure initiated by the notification contained in document S/SECRET/8, the initial period for the negotiations, which expired on 26 October 2004, was extended (by mutual agreement) five times (until 26 April 2005, until 27 February 2006, until 1 June 2006, until 1 July and until 17 July 2006).

6. During such negotiations, the EC and the United States have agreed on compensatory adjustments related to the modifications and withdrawals contained in document S/SECRET/8. Annex I and II of this report, together with the joint letter to which it is attached, constitute the Agreement between the EC and the United States with regard to S/SECRET/8 for purposes of Article XXI:2(a) of the GATS ([2]). This Agreement shall not be interpreted to modify the lists of Article II Exemptions of the EC and its Member States. This Agreement shall not be interpreted to affect the Parties' rights and obligations under Article VIII of the GATS.

7. With regard to the procedure initiated by the notification contained in document S/SECRET/9, no agreement between the EC and the United States was reached by the end of the period provided for negotiations and no affected Member referred the matter to arbitration within the applicable deadline pursuant to paragraph 7 of S/L/80. Pursuant to Article XXI:3(b) of the GATS and subject to completion of the procedures set out in paragraphs 20-22 of S/L/80, the EC shall be free to implement the modifications and withdrawals proposed in document S/SECRET/9.

([2]) This Agreement shall not be interpreted to prejudge the outcome of separate discussions within the WTO concerning the classification of telecommunication services (basic telecommunications and value-added services).

8. In view of the foregoing, the proposed modifications and the agreed compensatory adjustments are incorporated into the EC's draft GATS consolidated schedule, which results from merging existing schedules of commitments of the EC and its Member States and from inserting therein both the modifications or withdrawals of commitments notified by the EC under documents S/SECRET/8 and S/SECRET/9 and the compensatory adjustments agreed between the EC and the United States.

9. Pursuant to the procedures referred to in paragraphs 20 to 22 of S/L/80, the EC will transmit, to the Secretariat for circulation, the draft consolidated schedule for certification by 14 September 2006, provided that an agreement has been signed with all affected Members, or the period foreseen in paragraph 7 of S/L/80 has expired, and no arbitration has been requested. The results of the negotiations are to enter into force, after completion of the certification procedures, on a date to be specified by the EC following completion of the EC's internal approval procedures, which the EC endeavours to accelerate as much as possible. The modifications and withdrawals proposed in documents S/SECRET/8 and S/SECRET/9 shall not enter into force until all of the compensatory adjustments indicated in Annex II have entered into force.

ANNEX I

A) Modifications notified in document S/SECRET/8

Horizontal Commitments

- Market access entry (page 9): "In all EC Member States services considered as public utilities at a national or local level may be subject to public monopolies or to exclusive rights granted to private operators". This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Austria, Poland, Slovenia, Slovakia, Finland and Sweden. This limitation now applies to all Member States.

- National treatment limitations on branches, agencies and representative offices under mode 3 (pages 9 and 10). This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Malta, Slovenia and Slovakia. This limitation now applies to all Member States.

- National treatment limitations on subsidiaries under mode 3 (page 10). This entry was not included in the schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia. This limitation now applies to all Member States.

- National treatment limitations on subsidies under mode 3 (page 13). The schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Malta, Austria, Slovenia, Slovakia, Finland and Sweden included only part of the limitations on subsidies on mode 3 inscribed in the schedule of the EC and its Member States. These limitations are now extended to these Member States.

- National treatment limitation on subsidies under mode 4 (page 13). The schedule of specific commitments of the Czech Republic, Estonia, Cyprus, Latvia, Hungary, Malta and Slovakia did not include the limitation on subsidies under mode 4 inscribed in the schedule of the EC and its Member States. This limitation is now extended to these Member States.

- Cyprus' market access commitments on mode 4. These commitments are withdrawn.

- Market access entry on mode 4 - Intra-company transfers (ICT) (page 26). The schedule of specific commitments of the Czech Republic, Latvia, Lithuania, Hungary, Poland and Slovakia did not include the limitation that the receiving entity must be effectively providing like services in the territory of the Community Member State concerned. This limitation is now extended to these Member States.

- Market access entry on mode 4 - Business visitors (BV) – service sellers (page 30). The schedule of specific commitments of Poland did not include the limitation that those representatives will not be engaged in making direct sales to the general public. This limitation is now extended to this Member State.

- Market access entry on mode 4 - Business visitors (BV) – establishment of commercial presence (page 30). The schedule of specific commitments of Lithuania did not include the limitation that those representatives will not be engaged in making direct sales to the general public or supplying services. This limitation is now extended to this Member State.

- Lithuania's market access commitments on mode 4 – Business visitors (BV) (page 32). These commitments are partially withdrawn.

- Latvia's market access commitment on mode 4 – contractual services suppliers (CSS) (page 33). The schedule of specific commitments of Latvia did not include the limitation that the temporary entry and stay within the Member State concerned shall be for a period of not more than three months in any 12 months period. This limitation is now extended to this Member State.

Sectoral commitments

- Rental/Leasing services without operators - Relating to Aircraft (page 95). The market access limitation under mode 2 is extended to Estonia, Lithuania, Hungary, Austria, Slovenia, Finland and Sweden and the market access limitation under mode 3 is extended to Estonia, Hungary and Austria.

- Services incidental to manufacturing (pages 109 and 110). The commitments included in the schedule of Latvia, Lithuania and Austria are withdrawn.

- Education services (page 156): limitation to "only privately funded services". This limitation was not included in the schedule of Estonia, Latvia, Lithuania, Hungary, Austria, Slovenia (only not included with regard to adult education services) and Slovakia. This limitation is now extended to these Member States. In the case of Slovenia, such an extension only refers to adult education services.

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