

# WORLD TRADE ORGANIZATION

RESTRICTED

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**Council for Trade in Services**

Original: Spanish

## **COMMUNICATION FROM CHILE**

### Review of Article II Exemptions

#### *Questionnaire on the List of MFN Exemptions*

The attached paper has been received from the delegation of Chile with the request that it be circulated to Members of the Council for Trade in Services.

## QUESTIONS FROM CHILE

### Horizontal exemptions

This is the third largest group in terms of number of exemptions (73), after transport services (143) and communications services (98). Twenty per cent of the exemptions which apply to all countries also apply to all sectors. This group of exemptions includes the most held by individual Members (EC with nine and United States with seven.)

1. Austria, page 2. Could Austria indicate why it thinks the exemption on page 2 is a measure not covered by Article V-*bis* of GATS? Has it maintained the same measure after joining the EU?
2. Estonia, page 7. Why does Estonia think that these measures would not be covered by Article V-*bis*?
3. European Communities, page 8. For the third entry on page 8, could you explain what the activities and professions covered by the measure are and how they are linked to historical reasons?
4. European Communities, page 8. What are the activities and professions referred to by the exception in the last entry on page 8? What are the historical reasons you suggest to justify the exception in the cases of Romania and Switzerland?
5. European Communities, page 8. Please indicate how the measures adopted by Denmark (page 8) and Sweden (page 21) infringe the MFN treatment. By whom and to what kind of organizations is this credit granted? What is the legal status of the Nordic Bank? These same questions are addressed to Finland (page 11), Iceland (page 13) and Norway (page 17).
6. Peru, page 18. Please indicate with which countries you have this type of agreement. Why do you think that this exemption would not be covered by Article V-*bis*? Is this reciprocity provided for in national legislation or is it based on international agreements?
7. Thailand, page 23. Please indicate what the better treatment granted to United States citizens consists of.
8. United States, page 33. Is the better treatment granted to small businesses from Canada provided for in the provisions of the North American Free Trade Agreement?
9. Canada, (page 3) and Poland (page 19). These two Members have defined the duration of their exceptions in this group as "indeterminate" rather than "indefinite", which is the term used by most. In your opinion, is there a difference between these two concepts?
10. Sweden, page 21. You have stated a minimum duration of 11 years for your exception applied to all sectors. How do you interpret the scope of paragraph 6 of the Annex to Article II in this respect? What are the improved conditions established by these Agreements? Is there an expiry date in the provisions of these Agreements?
11. Tunisia, page 24. You have not specified a period of duration for the exception applied to all sectors. Are you now in a position to determine this period?
12. Guatemala, page 11. While you mention the agreements involved, you do not explain which measures are inconsistent with Article II. Could you indicate more precisely which measures in these treaties are strictly covered by the exception?

13. El Salvador, page 7. A reservation is made for the General Treaty of Central American Economic Integration. Please indicate why you think this exception is necessary. Wouldn't this Agreement be covered by Article V of GATS?

14. In its third entry on page 9, the European Union establishes an exception for San Marino, Monaco, Andorra and the Vatican City. In your view, should this exemption really be considered an exception relating to labour market integration agreements? Wouldn't this exemption be covered by Article V-*bis* of GATS?

#### Professional services exemptions

There are not many exemptions (15) in this group, but 11 of them apply to all countries.

15. Some of the exceptions made in the professional services sector are based on the fact that professional qualifications are mutually recognized. This is the case for the exemptions in the lists of Costa Rica, the Dominican Republic, Honduras, Thailand and Turkey. Would such circumstances not be covered by the provisions of Articles VI and VII of GATS? In the case of Costa Rica, would these circumstances not also be covered by Article V of GATS?

16. Could Costa Rica, the Dominican Republic, Honduras, Thailand and Turkey please indicate the criteria on which the granting of reciprocity depends? How do the reciprocal agreements differ from mutual recognition agreements?

17. Brunei Darussalam has stated that the exemption corresponding to its first entry and relating to legal services, could be removed. Has an analysis been carried out to remove this measure? What time-period has been foreseen for this?

18. The Dominican Republic. Please explain the entry in the second column relating to legal services.

19. Singapore. Please explain the political reasons which led you to adopt this exemption in just one subsector of professional services (legal services).

20. Thailand. Please indicate the reasons which led you to adopt this exemption only in the subsector of accounting services.

#### Other business services exemptions

21. Costa Rica has listed an advertising services exemption on the basis of the Agreement on Central American Economic Integration. Would this exemption not be covered by Article V of GATS?

#### Telecommunications services exemptions

22. Antigua and Bermuda, Honduras and Colombia list exemptions from the MFN principle to third countries because of their respective economic integration agreements. Would these agreements not be exempt under Article V of GATS?

#### Audio-visual services exemptions

23. The second entry for Australia on page 45 includes measures taken to respond to unreasonable measures imposed on Australian services or services suppliers by another Member. Could Australia please indicate what kind of measures these are? Could it explain the concept of

"unreasonable unilateral actions" which appears in the third column of the same entry? Could it give examples of these kinds of measures? What measures have been applied in practice?

Air transport

24. Canada, page 117. Could you please indicate which countries and repair and maintenance service suppliers have been granted preferential treatment. What criteria have been used for this improved treatment?

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