

WORLD TRADE ORGANIZATION

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Committee on Trade in Financial Services

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COMMUNICATION FROM THE PHILIPPINES

Initial Offer on Financial Services

Addendum

The following communication is circulated at the request of the Philippines to Members of the Committee on Trade in Financial Services.

The Philippines hereby submits its initial offer on specific commitments on financial services.

The Philippine commitments are contained in its July 1995 Schedule (GATS/SC/70/Supp. 1/Rev. 1, dated 4 October 1997). Furthermore, the Philippines is willing to offer the following:

1. Increase foreign equity participation to 51 per cent in banking

Increase the allowable equity participation by foreign banks on existing domestic banks or new locally incorporated banking subsidiaries from 49 per cent of the voting stock committed in 1995 to 51 per cent. Foreign equity participation in existing banks beyond 51 per cent will be maintained at existing levels.

2. Increase foreign equity participation to 51 per cent in insurance

Increase the allowable equity participation by foreign insurance companies on existing domestic insurance companies or new locally incorporated insurance companies from the 40 per cent of the voting stock committed in 1995 to 51 per cent. Foreign equity participation in existing insurance companies beyond 51 per cent will be maintained at existing levels.

3. Increase allowable additional branches of foreign bank branches to six

Increase the number of allowable additional branches of foreign banks from four (4) to six (6) with the first three (3) of these branches in locations of their choice and the remaining three (3) branches at locations designated by the Monetary Board.

4. Allow cross border trade in marine hull and marine cargo insurance

Offer cross border trade in marine hull and marine cargo insurance as an exception to the limitations on market access under general non-life insurance.

This offer is conditional and pursuant to the Second Decision on Financial Services of 21 July 1995, the Philippines retains the right to modify or withdraw all or part of the specific commitments on financial services.