

# WORLD TRADE ORGANIZATION

RESTRICTED

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**Working Party on the  
Accession of Vanuatu**

Original: English

## ACCESSION OF VANUATU

### Initial Offer on Services

#### Revision

The Department of Economic Affairs of the Government of Vanuatu has submitted the following revised initial offer on services, with the request that it be circulated to members of the Working Party.

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REPUBLIC OF VANUATU

Information to be Provided on Policy Measures Affecting Trade in Services

Table I: Measures Relating to Market Access<sup>\*</sup>

Modes of Supply		Measures	Relevant Laws and Regulations
<b>A. HORIZONTAL COMMITMENTS</b>			
(3)	<u>Commercial Presence</u>	<p>3) (a) Normal government approval and registration is required for all foreign investors and receipt of Business Licence<sup>**</sup> by the Business Licence Committee. The following criteria are in general, applied:</p> <ul style="list-style-type: none"> <li>(i) improvement in the productive capacity of the economy;</li> <li>(ii) provision of new product or service;</li> <li>(iii) implications for employment in Vanuatu.</li> </ul> <p>(b) (new investment criteria are being developed and will be notified once passed through parliament)</p> <p>(c) Subject to certification by the respective authority agencies and boards. Financial services Subject to approval of government and the Reserve Bank of Vanuatu/Financial Services Commission.</p>	<p>Business Licence Act [Cap.173] as amended; Immigration Act [Cap.66] as amended; Citizenship Act [Cap.112]; Labour (Work Permits) Act [Cap.187]; Companies Act [Cap.191] as amended; International Companies Act No. 32 of 1992; Trust Companies Act [Cap.69].</p>

<sup>\*</sup>The column entitled "Relevant Laws and Regulations" is provided for information purposes only and does not constitute a binding or commitment by the Government of Vanuatu to these laws.

<sup>\*\*</sup>The Government of Vanuatu currently requires a minimum of VT 5 million investment in order to obtain a business licence.

Modes of Supply	Measures	Relevant Laws and Regulations
(4) <u>Presence of Natural Persons</u>	4) Unbound except for measures affecting the entry and temporary stay of natural persons with managerial and technical skills which are in short supply in Vanuatu and fall within the following categories: (i) business managers; (ii) intracorporate transferees; (iii) professionals under service contract.	
<b>B. SPECIFIC SERVICE SECTOR OR SUB-SECTOR</b>		
<b>I. BUSINESS SERVICES</b>		
1. <u>Professional services</u> (a) Legal services, home & host country law, including international law (CPC 861)  1) <u>Cross border supply</u>  2) <u>Consumption abroad</u> 3) <u>Commercial Presence</u>  4) <u>Presence of Natural Persons</u>	1) Supply must be through a domestic law firm 2) None 3) Commercial presence must take the form of sole proprietorship or partnership 4) Unbound except as indicated in horizontal section	Legal Practitioners Act [Cap.119]; Partnership Act [Cap.92];
(b) Accounting, auditing and bookkeeping services (CPC 862)  1) <u>Cross border supply</u> 2) <u>Consumption abroad</u> 3) <u>Commercial Presence</u> 4) <u>Presence of Natural Persons</u>	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	Audit of Public Accounts [Cap.165]

Modes of Supply	Measures	Relevant Laws and Regulations
(c) Architectural services (CPC 8671)  1) <u>Cross border supply</u> 2) <u>Consumption abroad</u> 3) <u>Commercial Presence</u> 4) <u>Presence of Natural Persons</u>	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
d) Engineering Services (CPC 8672)  1) <u>Cross border supply</u> 2) <u>Consumption abroad</u> 3) <u>Commercial Presence</u> 4) <u>Presence of Natural Persons</u>	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	Land Surveyors Act [Cap.175]; Maritime Act [Cap.131].
<b>III. CONSTRUCTION AND RELATED ENGINEERING SERVICES</b>		
1. General construction work for buildings (CPC 512)  1) <u>Cross border supply</u> 2) <u>Consumption abroad</u> 3) <u>Commercial Presence</u> 4) <u>Presence of Natural Persons</u>	1) Unbound* 2) None 3) None 4) Unbound except as indicated in the horizontal section	
2. General construction for civil engineering (CPC 513)  1) <u>Cross border supply</u> 2) <u>Consumption abroad</u> 3) <u>Commercial Presence</u> 4) <u>Presence of Natural Persons</u>	1) Unbound except where resources and materials are not available locally 2) None 3) None 4) Unbound except as indicated in the horizontal section	

\*Unbound due to lack of technical feasibility.

Modes of Supply	Measures	Relevant Laws and Regulations
<b>V. EDUCATIONAL SERVICES</b>		
1) <u>Cross border supply</u> 2) <u>Consumption abroad</u> 3) <u>Commercial Presence</u> 4) <u>Presence of Natural Persons</u>	1) None 2) None 3) In consultation with the Department of Education 4) Unbound except as indicated in the horizontal section	
<b>VI. ENVIRONMENTAL SERVICES</b>		
1) <u>Cross border supply</u> 2) <u>Consumption abroad</u> 3) <u>Commercial Presence</u> 4) <u>Presence of Natural Persons</u>	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
<b>VII. FINANCIAL SERVICES</b>		
1. All insurance and related services (CPC 812)  1) <u>Cross border supply</u> 2) <u>Consumption abroad</u> 3) <u>Commercial Presence</u> 4) <u>Presence of Natural Persons</u>	  1) None 2) None 3) None 4) Unbound except as indicated in horizontal section	Insurance Act [Cap. 82]; Financial Services Commission Act of 1992.
2. Banking and other related services (CPC 811-813)  1) <u>Cross border supply</u> 2) <u>Consumption abroad</u> 3) <u>Commercial Presence</u> 4) <u>Presence of Natural Persons</u>	  1) None 2) None 3) Banks must comply with provisions of relevant banking legislation 4) Unbound except as indicated in horizontal section	Banking Act [Cap.63]; National Commercial Trading Bank of Vanuatu Act 46 of 1989; Central Bank of Vanuatu Act [Cap.125]; Banking Regulation Act as amended , Act 41 of 1989; Reserve Bank of Vanuatu Act, No 20, 1989; Vanuatu National Provident Fund Act [Cap.189].

Modes of Supply	Measures	Relevant Laws and Regulations
<b>IX. TOURISM AND TRAVEL RELATED SERVICES</b>		
1. Hotels and Restaurants (including catering) (CPC 641-643)  1) <u>Cross border supply</u> 2) <u>Consumption abroad</u> 3) <u>Commercial Presence</u> 4) <u>Presence of Natural Persons</u>	1) None 2) None 3) None except in rural areas and in direct competition with village hotels 4) Unbound except as indicated in the horizontal section	Hotel and Licensed Premises Tax Act [Cap.141]

Table II: Measures Relating to National Treatment

Modes of Supply	Measures	Relevant Laws and Regulations
<b>A. HORIZONTAL COMMITMENTS</b>		
<u>4) Presence of Natural Persons</u>	4) Unbound except as specified under market access	Business Licence Act [Cap.173] as amended; Immigration Act [Cap.66] as amended; Citizenship Act [Cap.112]; Labour (Work Permits) Act [Cap.187]; Companies Act [Cap.191] as amended; International Companies Act No. 32 of 1992; Trust Companies Act [Cap.69].
<b>B. SPECIFIC SERVICES SECTOR OR SUB-SECTOR</b>		
<b>I. BUSINESS SERVICES</b>		
1. <u>Professional services</u> (a) Legal services, home & host country law, including international law (CPC 861)  1) <u>Cross border supply</u> 2) <u>Consumption abroad</u> 3) <u>Commercial Presence</u> 4) <u>Presence of Natural Persons</u>	1) Refer entry on market access 2) None 3) None 4) Unbound except as indicated in horizontal section	Legal Practitioners Act [Cap.119] Partnership Act [Cap.92]
2. <u>Accounting, auditing and bookkeeping services (CPC 862)</u>  1) <u>Cross border supply</u> 2) <u>Consumption abroad</u> 3) <u>Commercial Presence</u> 4) <u>Presence of Natural Persons</u>	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	Audit of Public Accounts Act [Cap.165]

Modes of Supply	Measures	Relevant Laws and Regulations
(c) Architectural services (CPC 8671)		Land Surveyors Act [Cap.175]; Maritime Act [Cap.131].
1) <u>Cross border supply</u>	1) None	
2) <u>Consumption abroad</u>	2) None	
3) <u>Commercial Presence</u>	3) None	
4) <u>Presence of Natural Persons</u>	4) Unbound except as indicated in the horizontal section	
(d) Engineering services (CPC 8672)		
1) <u>Cross border supply</u>	1) None	
2) <u>Consumption abroad</u>	2) None	
3) <u>Commercial Presence</u>	3) None	
4) <u>Presence of Natural Persons</u>	4) Unbound except as indicated in the horizontal section	
III. CONSTRUCTION AND RELATED ENGINEERING SERVICES		
1. General Construction work for buildings (CPC 512)		
1) <u>Cross border supply</u>	1) Unbound*	
2) <u>Consumption abroad</u>	2) None	
3) <u>Commercial Presence</u>	3) None	
4) <u>Presence of Natural Persons</u>	4) Unbound except as indicated in the horizontal section	
2. General Construction for Civil engineering (CPC 513)		
1) <u>Cross border supply</u>	1) Unbound except where resources and materials are not available locally	
2) <u>Consumption abroad</u>	2) None	
3) <u>Commercial Presence</u>	3) None	
4) <u>Presence of Natural Persons</u>	4) Unbound except as indicated in the horizontal section	

\*Unbound due to lack of technical feasibility.



Modes of Supply	Measures	Relevant Laws and Regulations
<b>V. EDUCATIONAL SERVICES</b>		
1) <u>Cross border supply</u>	1) None	
2) <u>Consumption abroad</u>	2) None	
3) <u>Commercial Presence</u>	3) None	
4) <u>Presence of Natural Persons</u>	4) Unbound except as indicated in the horizontal section	
<b>VI. ENVIRONMENTAL SERVICES</b>		
1) <u>Cross border supply</u>	1) None	
2) <u>Consumption abroad</u>	2) None	
3) <u>Commercial Presence</u>	3) None	
4) <u>Presence of Natural Persons</u>	4) Unbound except as indicated in the horizontal section	
<b>VII. FINANCIAL SERVICES</b>		
1. All Insurance and related services (CPC 812)		Insurance Act [Cap.82]; Financial Services Commission Act of 1992.
1) <u>Cross border supply</u>	1) None	
2) <u>Consumption abroad</u>	2) None	
3) <u>Commercial Presence</u>	3) None	
4) <u>Presence of Natural Persons</u>	4) Unbound except as indicated in horizontal section	
2. Banking and other related services (CPC 811-813)		Banking Act [Cap.63]; National Commercial Trading Bank of Vanuatu Act No. 46 of 1989; Central Bank of Vanuatu Act [Cap.125]; Banking Regulation Act No. 41 of 1989 as amended; Reserve Bank of Vanuatu Act No. 20 of 1989; Vanuatu National Provident Fund Act [Cap.189];
1) <u>Cross border supply</u>	1) None	
2) <u>Consumption abroad</u>	2) None	
3) <u>Commercial Presence</u>	3) None	
4) <u>Presence of Natural Persons</u>	4) Unbound except as indicated in horizontal section	

Modes of Supply	Measures	Relevant Laws and Regulations
IX. TOURISM AND TRAVEL RELATED SERVICES		
1. Hotels and Restaurants (including catering) (CPC 641-643)  1) <u>Cross border supply</u> 2) <u>Consumption abroad</u> 3) <u>Commercial Presence</u>  4) <u>Presence of Natural Persons</u>	1) None 2) None 3) None except in rural areas and in direct competition with village hotels 4) Unbound except as indicated in the horizontal section	

Table 3: Measures Related to Most-Favoured-Nation Treatment (MFN)

Measures	Relevant Laws & Regulations
<p><b>A. HORIZONTAL COMMITMENTS</b></p> <p>Depending upon the progress made within the Melanesian Spearhead Group*, members of the Group may have recourse to waivers from Article II (MFN) with respect to normal government approval and registration for foreign investors and measures affecting the entry and temporary stay of natural persons. MSG members are in the process of expanding links between the States including the trade in goods and services.</p> <p>The Government of Vanuatu reserves the right to pass legislation in regards to the cultural or linguistic content of broadcasts and audio-visual products that would protect the multilingual and cultural nature of the country and hence may limit MFN treatment in the respective sectors in future.</p>	<p>Business Licence Act [Cap.173] as amended; Immigrations Act [Cap.66] as amended; Citizenship Act [Cap.112]; Labour (Work Permits) Act [Cap.187]; Companies Act [Cap.191] as amended.</p>

\*The Melanesian Spearhead Group currently includes Vanuatu, Solomon Islands and Papua New Guinea and may include, at a future date, Fiji and New Caledonia.