

WORLD TRADE ORGANIZATION

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Committee on Trade in Financial Services

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COMMUNICATION FROM NEW ZEALAND

Revised Offer on Financial Services

Revision

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

New Zealand has pleasure in submitting the attached revised conditional offer on financial services.

This revised conditional offer represents a further improvement on New Zealand's initial offer (Doc S/FIN/W/12/Add.16). It demonstrates New Zealand's continued strong commitment to a successful outcome in these negotiations.

In its initial offer, New Zealand indicated a willingness to consider using the Understanding on Financial Services as the basis for scheduling its commitments in this sector. This revised offer is made in accordance with the provisions of the Understanding. This revised offer also responds to requests from New Zealand's negotiating partners to include commitments on life insurance.

This revised offer is conditional on improvements in other partners' commitments capable of delivering a commensurate level of benefit. It is also conditional on the achievement of a successful, MFN-based outcome in the negotiations.

As provided for in the Second Decision on Financial Services, New Zealand further reserves the right to modify or withdraw all or part of its specific commitments on financial services and to list MFN exemptions, as well as to make any necessary technical amendments, during the course of these negotiations.

NEW ZEALAND
REVISED CONDITIONAL OFFER ON FINANCIAL SERVICES

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
7. FINANCIAL SERVICES			
1.	New Zealand undertakes its specific commitments on Financial Services in accordance with the provisions of the "Understanding on Commitments in Financial Services" (the Understanding).		
2.	These commitments on financial services are subject to the general limitations contained in the "Horizontal Commitments" section of New Zealand's GATS Schedule.		
3.	Unless otherwise specified, market access and national treatment commitments in Modes (1) and (2) are bound to the extent of the obligations in paragraphs 3 and 4 of the Understanding.		
4.	The admission to the market of new financial services or products may be subject to the existence of, and consistency with, a regulatory framework aimed at achieving the objectives indicated in Article 2(a) of the Financial Services Annex.		
5.	Mode 3 commitments are subject to the provisions of the Financial Reporting Act 1993 and the Companies Act 1993. These require overseas companies to prepare financial statements on an annual basis comprising a balance sheet, a profit and loss statement and (if required by an applicable financial reporting standard approved by the Accounting Standards Review Board) a statement of cash flows. The Acts also require such financial statements in relation to an overseas company's New Zealand business. The Acts require the following companies to deliver annual audited financial statements to the Registrar of Companies for registration: (a) issuers (i.e. those which have raised investment from the public); (b) overseas companies; (c) subsidiaries of companies or bodies corporate incorporated outside New Zealand; (d) companies in which 25 percent or more of the shares are held or controlled by: (i) a subsidiary of a company or body corporate incorporated outside New Zealand or a subsidiary of that subsidiary; (ii) a company or body corporate incorporated outside New Zealand; or (iii) a person not ordinarily resident in New Zealand.		
6.	New Zealand is not making commitments in any mode for any subsector not listed in the sectoral coverage column.		

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>A. <u>Insurance and Insurance-related Services</u></p> <p>a) Life insurance services (8121)</p> <p>b) Non-life insurance services (8129)</p>	<p>3) None</p> <p>4) Unbound except as indicated in the horizontal section.</p> <p>1,3) The Accident Rehabilitation and Compensation Insurance Act 1992 provides for compulsory worker's compensation insurance via levies on vehicle owners, employers, employees and the self-employed. The Act is administered by the Accident Rehabilitation and Compensation Insurance Corporation.</p> <p>1,3) The Earthquake Commission is the sole insurer of residential property disaster insurance for replacement cover up to NZ\$100,000 per dwelling and NZ\$20,000 on personal property. These amounts may be increased by regulation.</p> <p>1,3) Under the Apple and Pear Marketing Act 1971 the Apple and Pear Marketing Board has the power to organise compulsory hail insurance on behalf of growers and to require growers to pay a levy to recover the premium amount of this insurance.</p>	<p>3) None</p> <p>4) Unbound except as indicated in the horizontal section.</p> <p>3) None</p>	

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c) Reinsurance and retrocession (81299)	1,2) Unbound for marketing and sales related to products covered under CPC 01, 02, 211, 213-216, 22, 2399 and 261.			
	4) Unbound except as indicated in the horizontal section.	4) Unbound except as indicated in the horizontal section.		
	3) None	3) None		
	4) Unbound except as indicated in the horizontal section.	4) Unbound except as indicated in the horizontal section.		
d) Insurance intermediation, such as brokerage and agency services (8140**)	1,3) The Accident Rehabilitation and Compensation Insurance Act 1992 provides for compulsory worker's compensation insurance via levies on vehicle owners, employers, employees and the self-employed. The Act is administered by the Accident Rehabilitation and Compensation Insurance Corporation.	3) None		
	1,3) Under the Apple and Pear Marketing Act 1971 and the Wheat Producers Levy Act 1987 (or regulations enacted under the Commodities Levy Act 1990), the respective bodies (the Apple and Pear Marketing Board and United Wheatgrowers (NZ) Ltd) have the power to organise compulsory disaster insurance on behalf of growers and to require them to pay a levy to recover the premium amount of this insurance.	4) Unbound except as indicated in the horizontal section.		

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e) Services Auxiliary to Insurance, such as consultancy, actuarial, risk assessment and claim settlement services (8140**)	<p>1,2) Unbound for loss of products covered under CPC 01, 02, 211, 213-216, 22, 2399 and 261.</p> <p>4) Unbound except as indicated in the horizontal section.</p> <p>3) None</p> <p>4) Unbound except as indicated in the horizontal section.</p>	<p>3) None</p> <p>4) Unbound except as indicated in the horizontal section.</p>	

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B) Banking and other Financial Services (excluding insurance) ¹	1) Unbound except as provided for in paragraph 3(c) of the Understanding.			
a) Acceptance of deposits and other repayable funds from the public (81115-81119)	3) None	3) None		
b) Lending of all types, including consumer credit, mortgage, credit, factoring and financing of commercial transactions (8113)	4) Unbound except as indicated in the horizontal section.	4) Unbound except as indicated in the horizontal section.		
c) Financial leasing (8112)				
d) All payment and money transmission services, including credit, charge and debit cards, travellers cheques and bankers drafts (81339**)				
e) Guarantees and commitments (81199**)				

¹ As defined in paragraph 5(a)(v)-(xvi) of the Annex on Financial Services.

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<p>f) Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:</p> <ul style="list-style-type: none"> i) money market instruments (cheques, bills, certificates of deposits etc) (81339**) ii) foreign exchange (81333) iii) derivative products including, but not limited to, futures and options (81339**) iv) exchange rates and interest rate instruments, including products such as swaps, forward rate agreements etc (81339**) v) transferable securities (81321) vi) other negotiable instruments and financial assets, including bullion (81339**) 			

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<p>g) Participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues (8132)</p> <p>h) Money broking (81339**)</p> <p>i) Asset management, such as cash or portfolio management; all forms of collective investment management, pension fund management, custodial, depository and trust services (8119**, 81323**)</p> <p>j) Settlement and clearing services for financial assets, including securities, derivative products, and other negotiable instruments (81339**, 81319**)</p> <p>k) Provision and transfer of financial information, and financial data processing and related software by providers of other financial services (8131)</p>				

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1) Advisory, intermediation, and other auxiliary financial services on all the activities listed in (a) to (k) above, including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy (8131, 8133)				