



Session 4: CARTIF Priority Chapters – Trade in Services

Jane Drake-Brockman

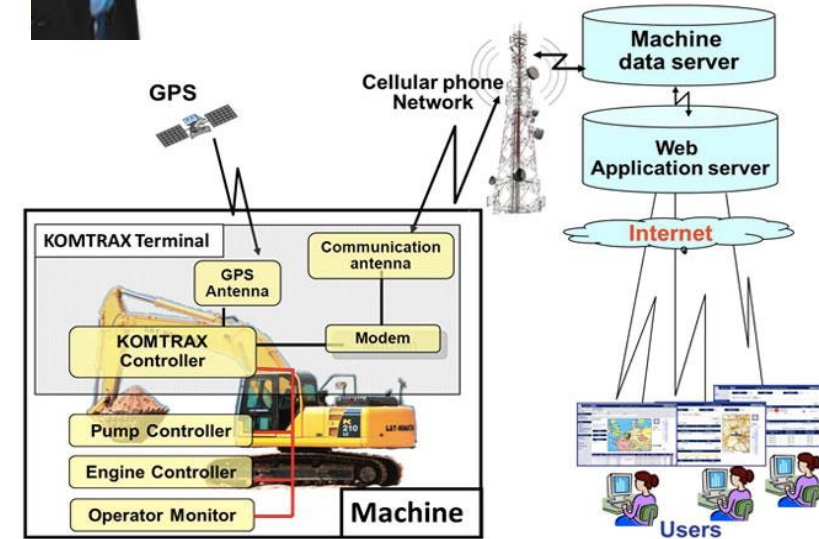
Visiting fellow

Institute for International Trade, University of Adelaide

What are Services and why do they matter? How important is Trade in Services and why should it be part of CARTIF?

Services Industries?

- Financial services (banking, insurance, securities, funds management)
- Telecommunications
- Information Technology and computer services
- Transport and logistics
- Professional Services (architecture, engineering, law, accountancy, consultancy)
- Business, Technical and R&D services
- Education, Tourism
- Health services, environmental services
- Media, entertainment, cultural, audiovisual, design services
- Mining Technology services, services incidental to agriculture

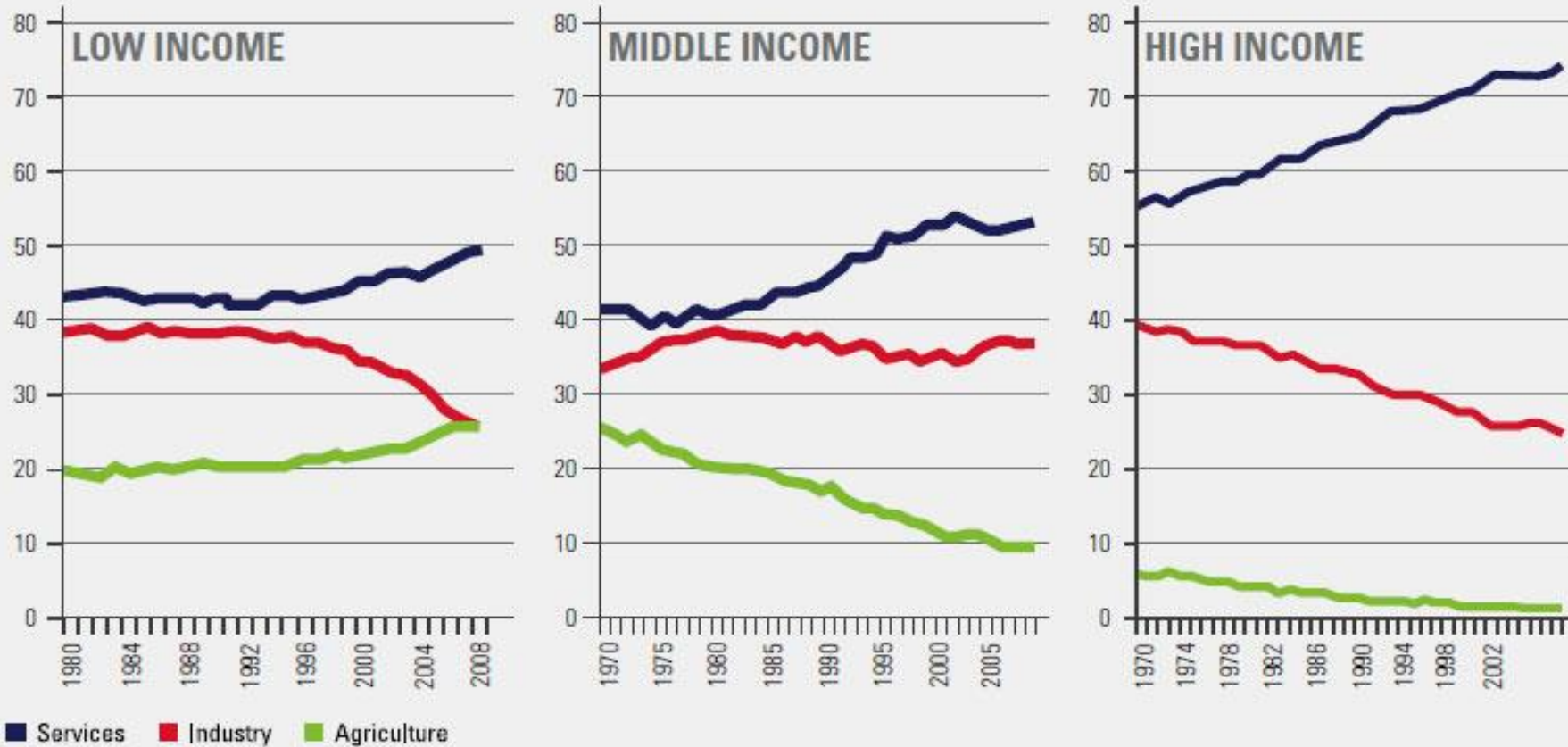


The Services Sector matters

- The largest sector of economic activity in most economies and *the* SME sector
- The dominant driver of economic growth, delivering both GDP growth and poverty reduction
- A major employer, delivering relatively more rapid employment growth than other sectors, female participation and female wage growth
- Employment in services surpassed employment in agriculture over a decade ago
- Dominant contributor to foreign direct investment flows
- Contributor to productivity growth (multifactor productivity increasingly understood as services innovation)
- Traditionally underperforming in trade terms (partly due to poor measurement of services trade)
- The services industries are everywhere now internationalizing and digitalising. Trade in Services is on a long run relative growth path compared with trade in Goods
- Developing countries (not including China) account for only 25% of world services exports, but their contribution is growing very fast
- Services value-added is embedded in all traded goods, and contributes heavily to goods export competitiveness
- A competitive services sector contributes to economy-wide goals of better productivity performance and overall growth, as well as to resilience, sustainability and inclusion.

Services Development Trajectory (GDP)

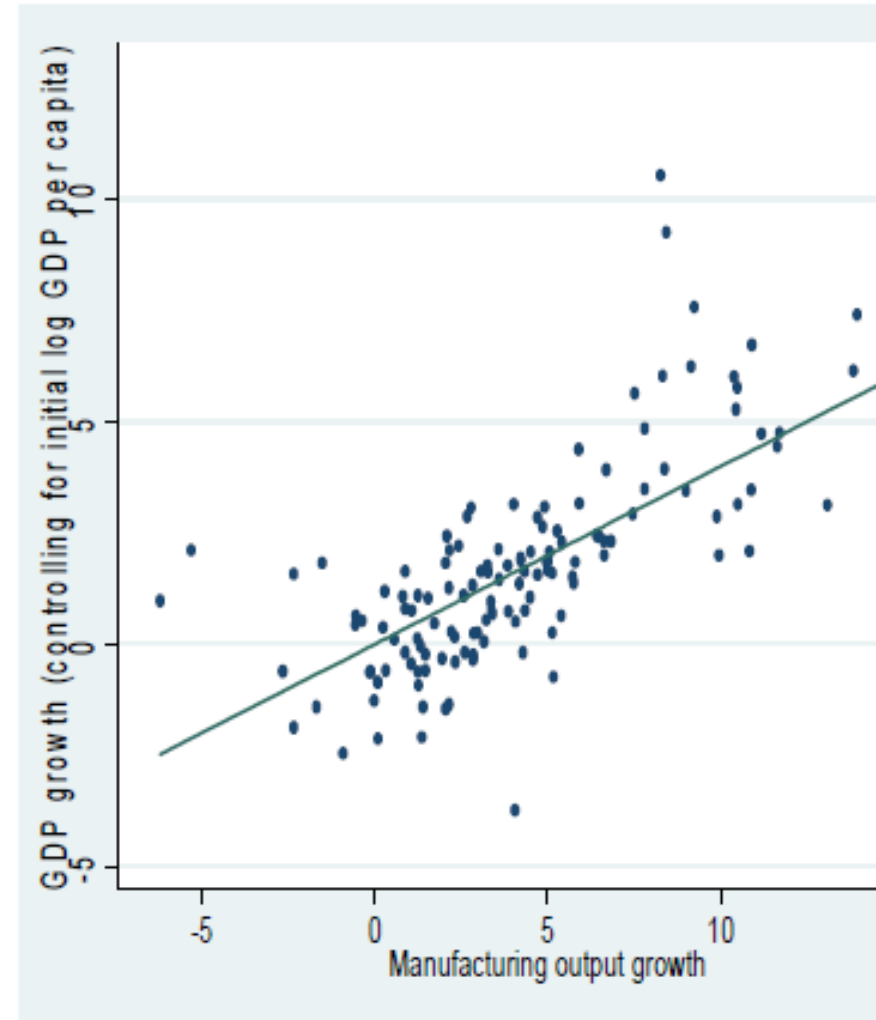
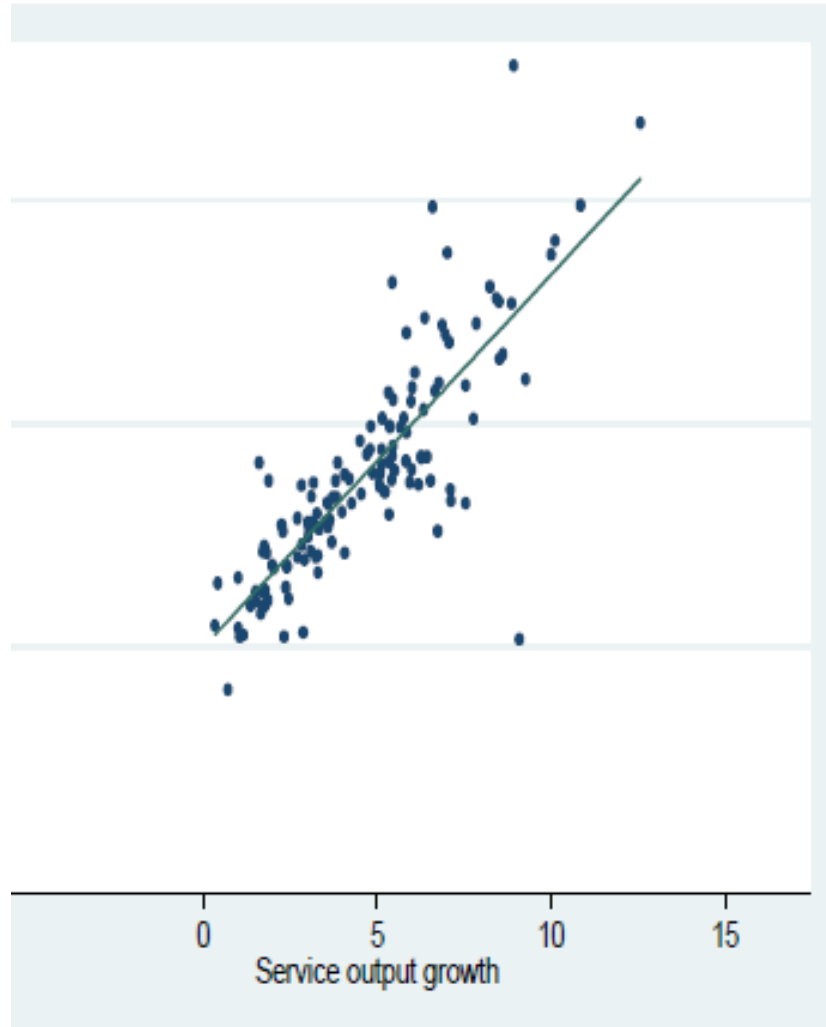
Figure 03 Services Sector Growth (% of GDP) through Economic Evolution



Source: Yi (2011)

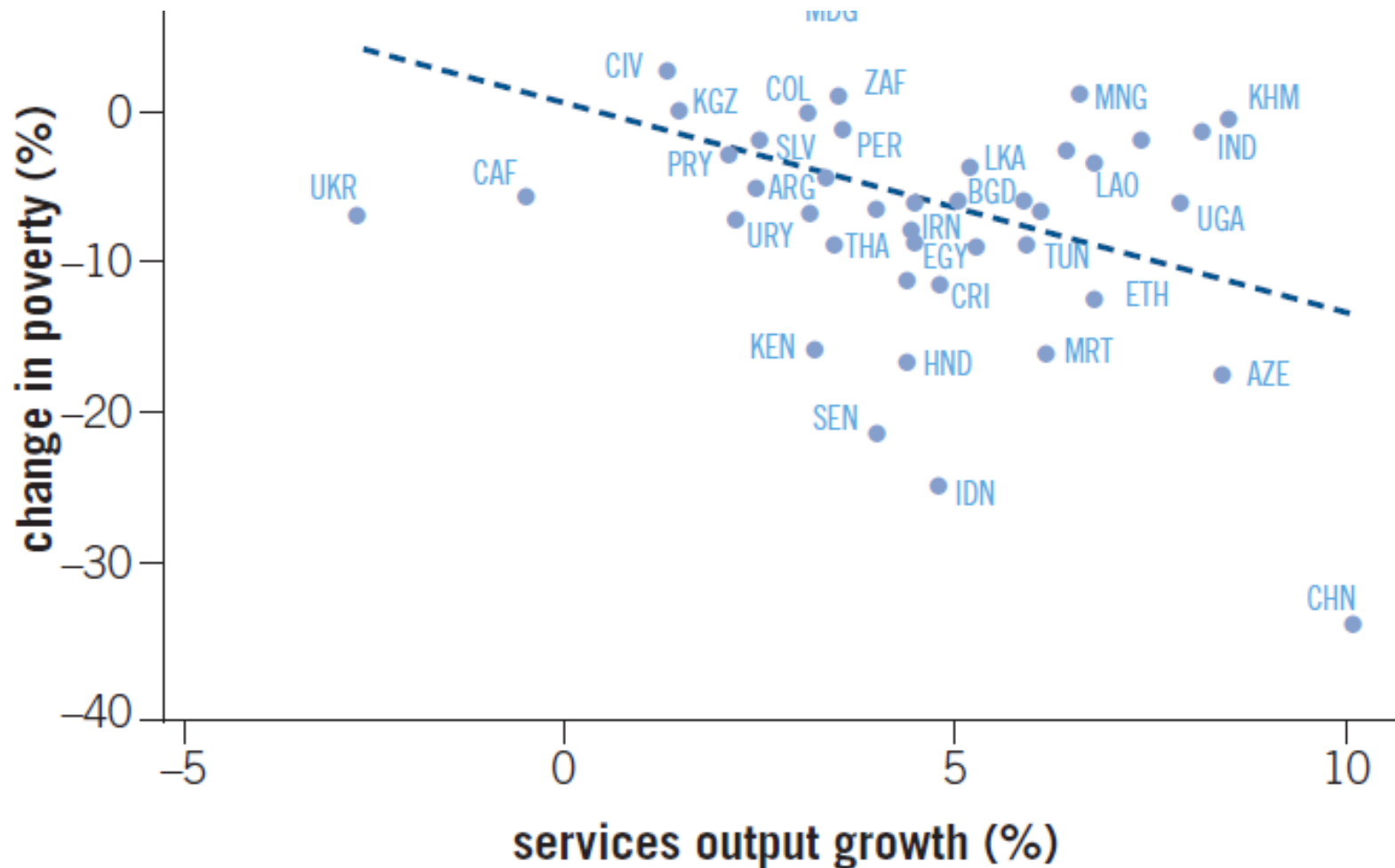
Source: World Bank (2011)

Services are driving development

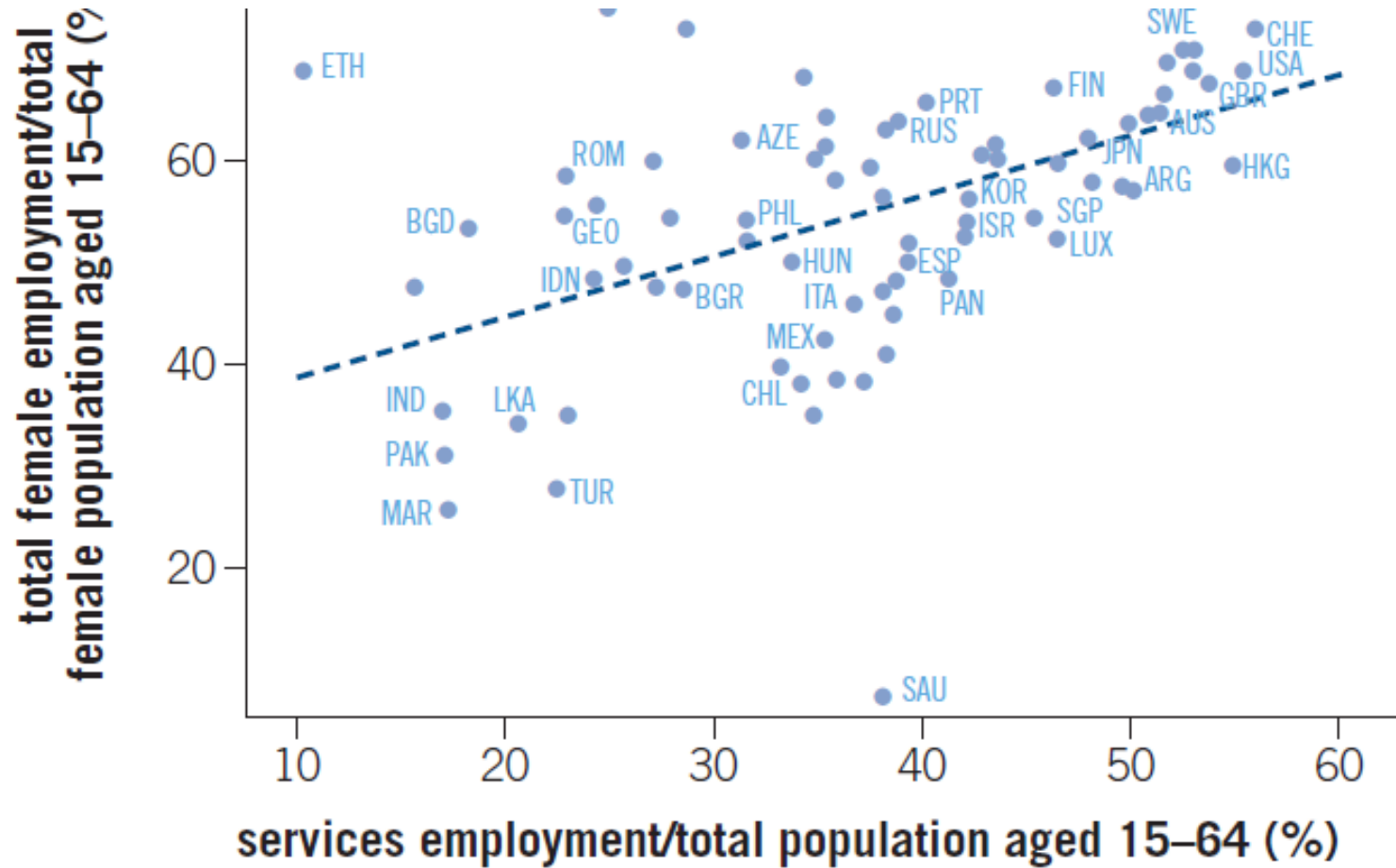


Source: World Bank (2009), *The Service Revolution in South Asia*, Figure 1.3-4, p. 41

Higher growth in Services output is associated with larger falls in poverty

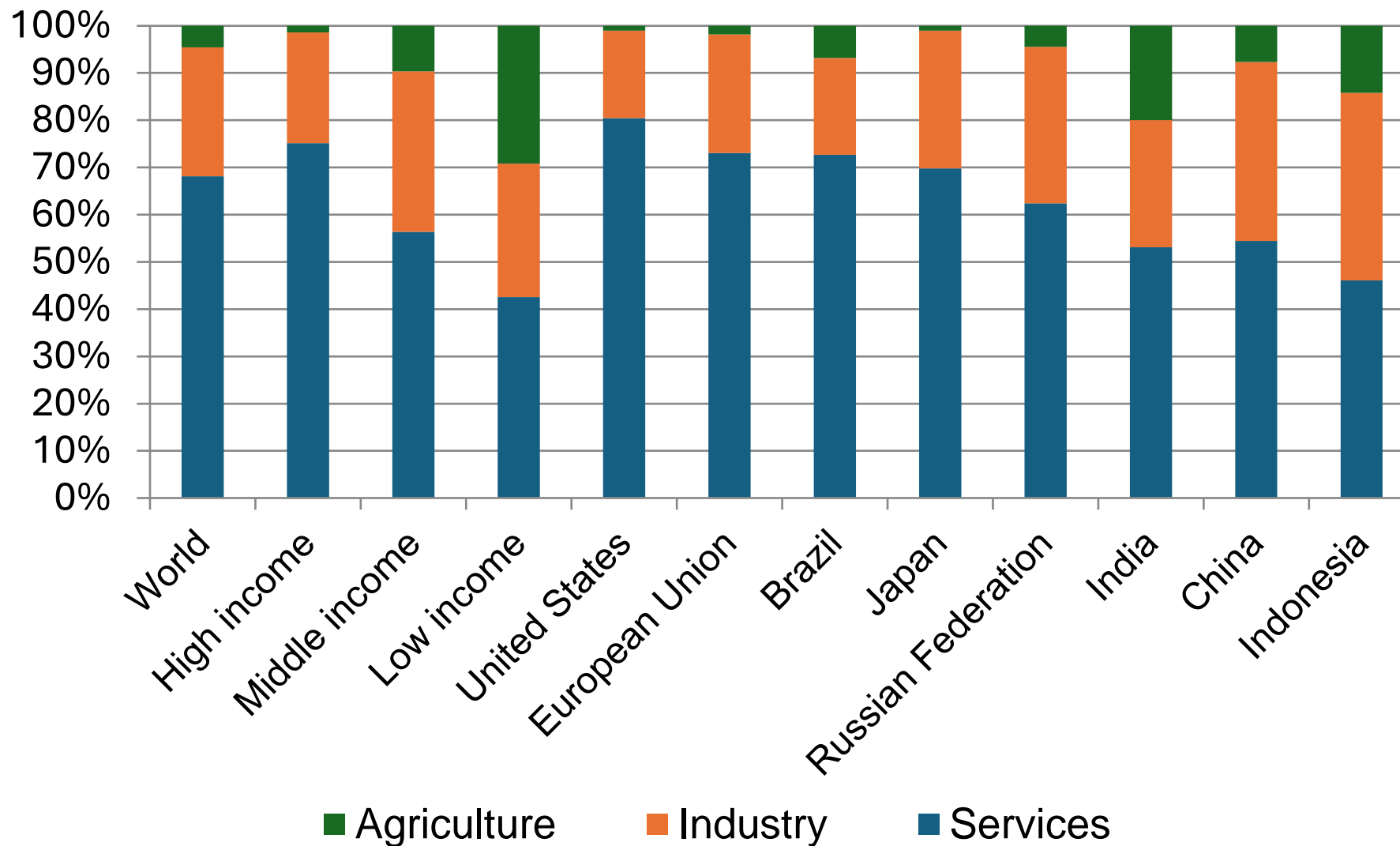


High Services Shares of Employment are associated with high Female Participation Rates



Source: Ghani and Kharas (2010)

Share of Services Value Added in GDP, 2020, selected countries

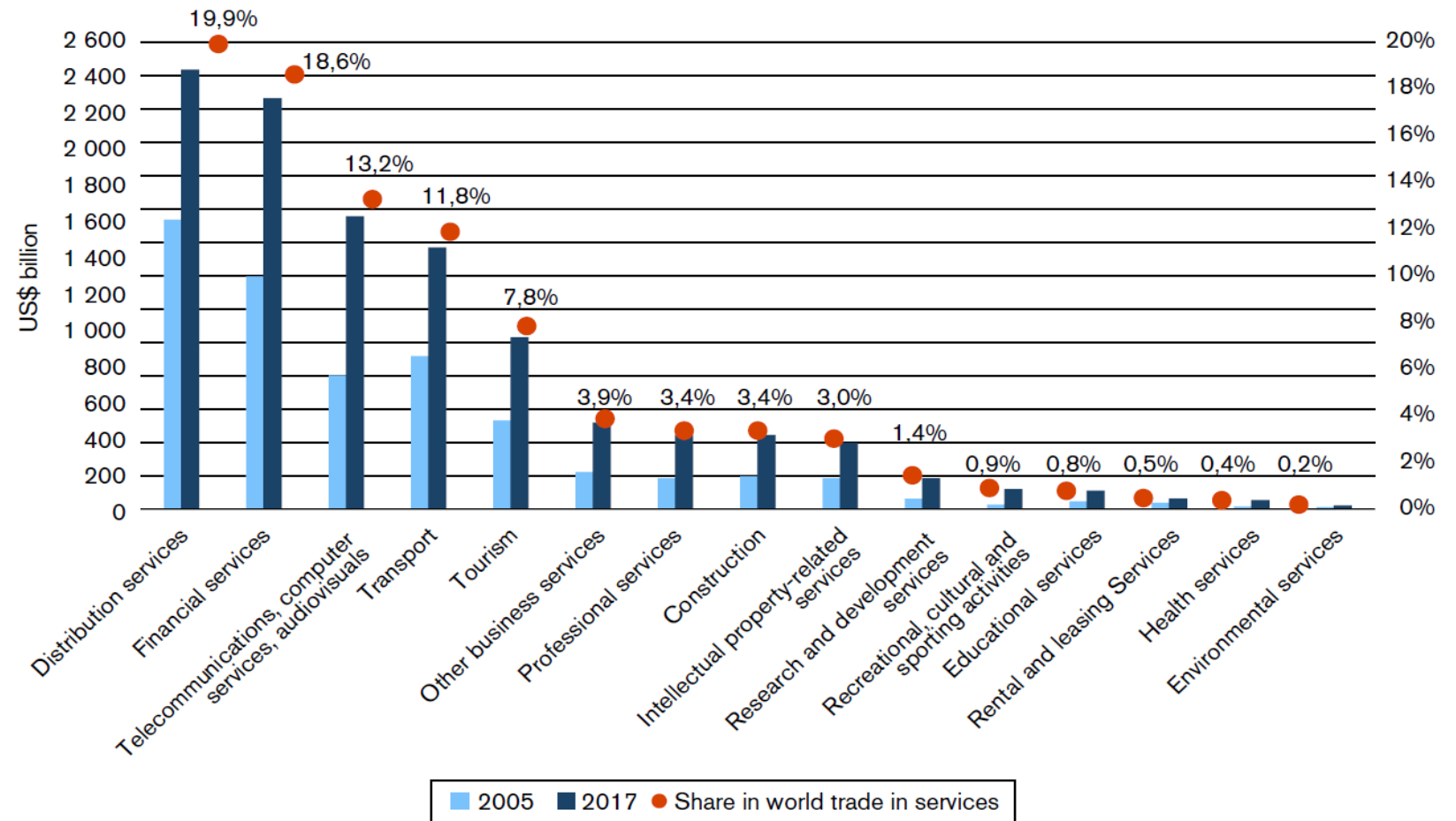


World Trade in Services

The only macroeconomic aggregate in which services traditionally underperform is international trade. Gross balance of payments data shows Services accounting typically for around **25% of global exports.**

The composition of that trade is shifting.

Once dominated by Travel and Transport, Other Commercial Services are rapidly on the rise.



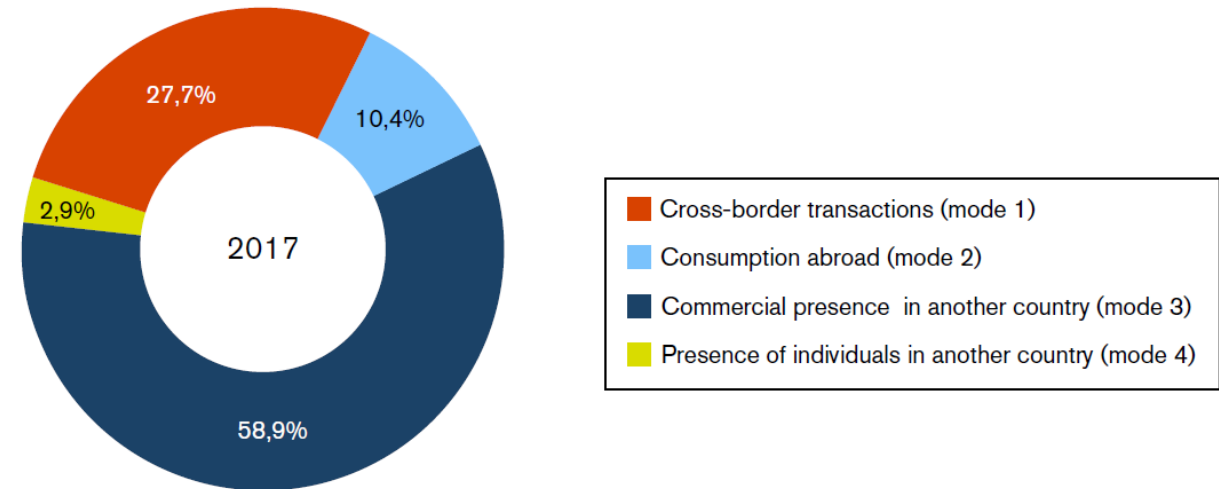
Source: WTO estimates (2019).

Note: World trade is calculated as the average of world exports and world imports.

What sorts of Services provisions might be needed and how do we design them – are there any appropriate templates?

First we have to understand how Services are traded?

- Services “exports” are services provided by a resident to a non-resident
- Sometimes the customer travels to the exporting country to receive the Service (mode 2)
- Sometimes the Services exporter travels overseas to deliver the Service (mode 4)
- Sometimes the Services exporter has to invest in setting up a commercial presence in order to provide the service effectively in the target market (Mode 3)
- Sometimes the Service itself crosses the border e.g. when the services exporter uses the internet to deliver the Service overseas online (Mode 1)



Source: WTO estimates (2019).

Note: World trade is calculated as the average of world exports and world imports.

And we have to understand what the main problems are in services trade?

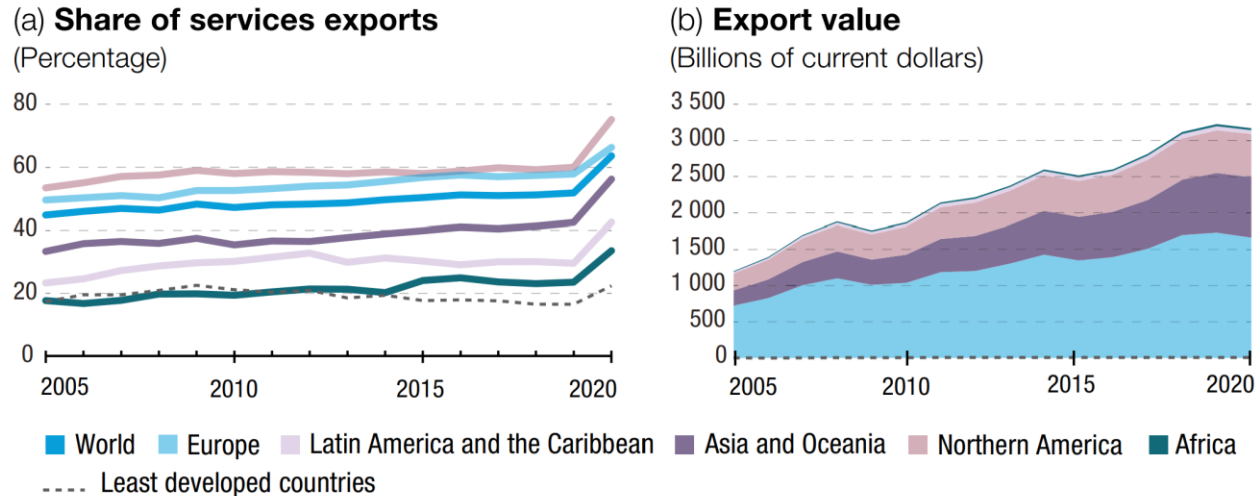
- Restrictions on the entry (*of services, investment, people*) into and establishment in the market;
- Restrictions on ongoing services operations;
- Discriminatory treatment against foreign services suppliers;
- Non-transparent laws, regulations, rules, and procedures affecting services suppliers;
- Burdensome and/or anti-competitive regulatory requirements and practices.

We have to be aware of the challenges in drafting services trade rules

- Need to adapt to the nature and characteristics of ‘trade in services’
- Need to ensure a balance between trade liberalisation and regulatory autonomy (while fully exploring the trade facilitation benefits of agreeing on good domestic regulatory practices for services);
- Need to manage the diversity of services sectors, services transactions, levels of development (complexity of services trade) and the number of domestic agencies involved
- Need to be aware of the increasing importance of digitally-delivered services

Rapid, long lasting & irreversible growth in digital services trade

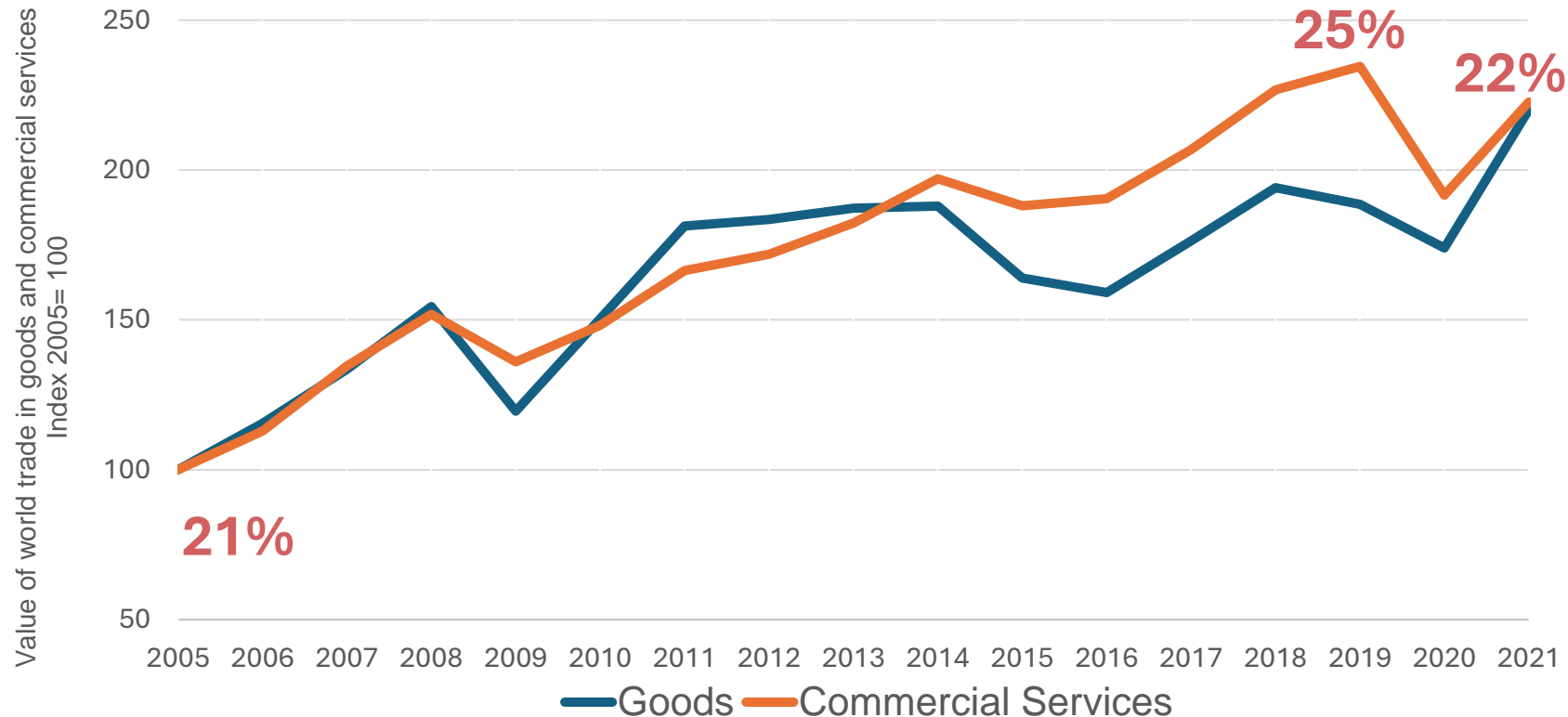
Exports of digitally deliverable services, by region and country grouping



Source: UNCTAD.

- In 2020, global services exports fell **20%** compared with 2019, but exports of digitally deliverable services declined only **1.8%**
- Digitally deliverable services reached **64% of global services exports**
- The share of transport and travel in total services trade fell from 43% to 31% in 2020.
- From 2005 to 2019, global exports of **digitally deliverable services grew at 12% per year** and as much as 21% in Asia
- Computer services grew by 8% in 2020
- Other commercial services - financial services, legal services, computer services and professional services - increased their share from 54% to 66%.

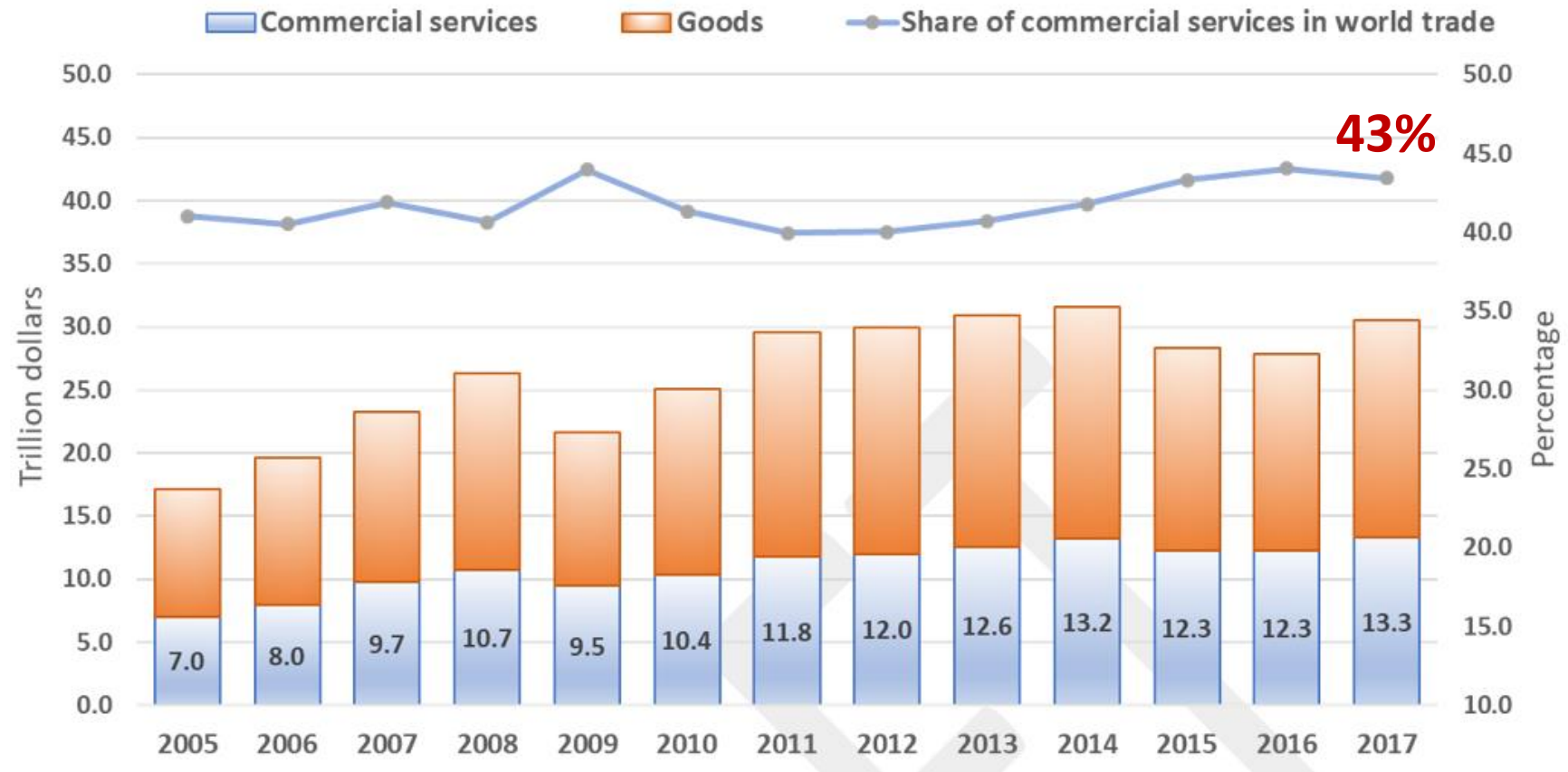
Trade in services (BoP basis) has grown more rapidly than trade in goods



Source: WTO-UNCTAD estimates.

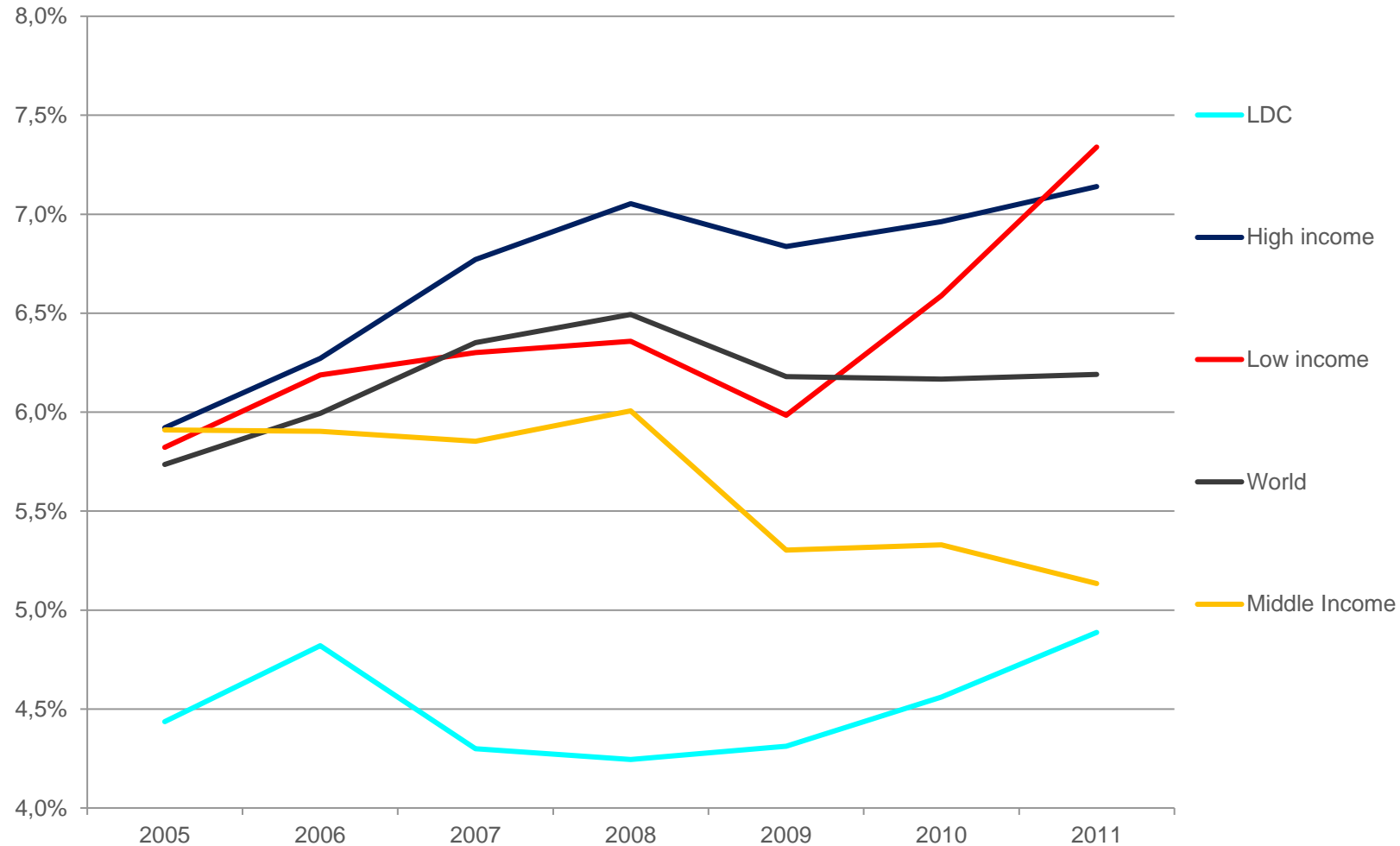
Note: World trade is calculated as the average of world exports and world imports

...even without adding in mode 3.....



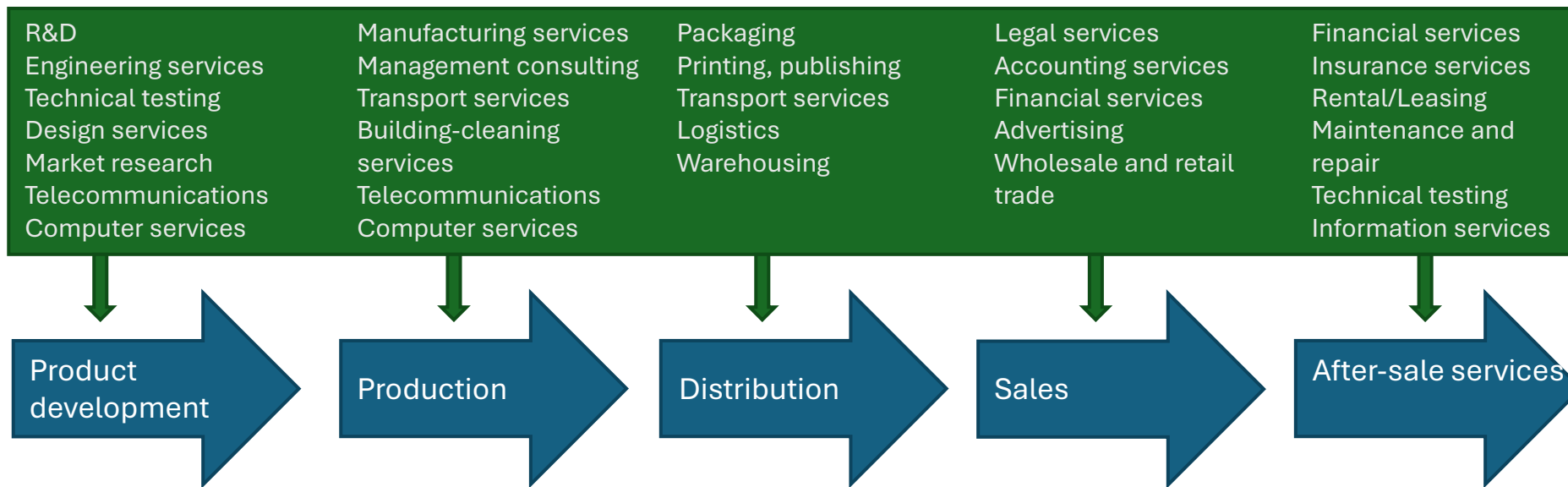
Source: WTO estimates. World trade is calculated as the average of world exports and world imports.

Services Exports are contributing to GDP growth & countries are turning to services earlier in the development trajectory



Services activities (domestic and foreign) are also embodied in, bundled with (and traded indirectly) via goods

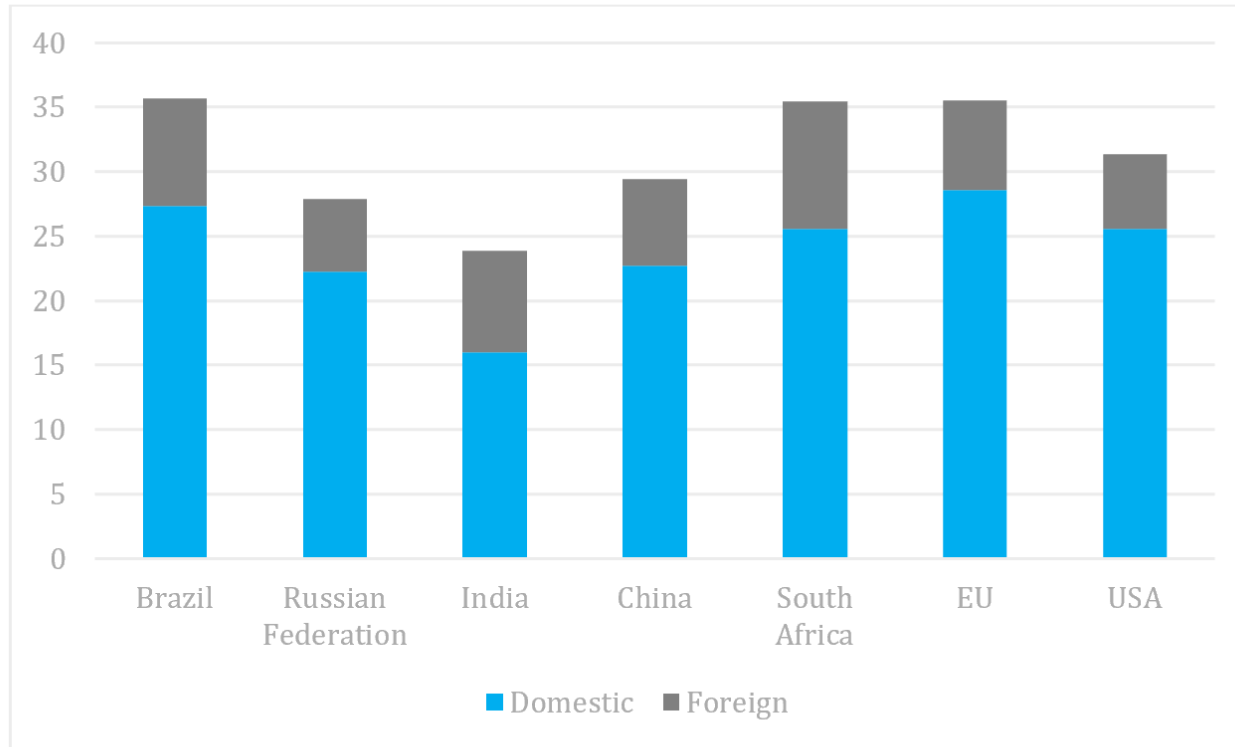
- ‘Servicification’ of goods production and trade



Services tasks are involved at every stage along the goods value chain; most goods value chains begin & end with high value-added services tasks

Services value-added in goods exports

Figure 31 Services value added in gross exports of manufactured goods, by origin, 2018 (percentage)

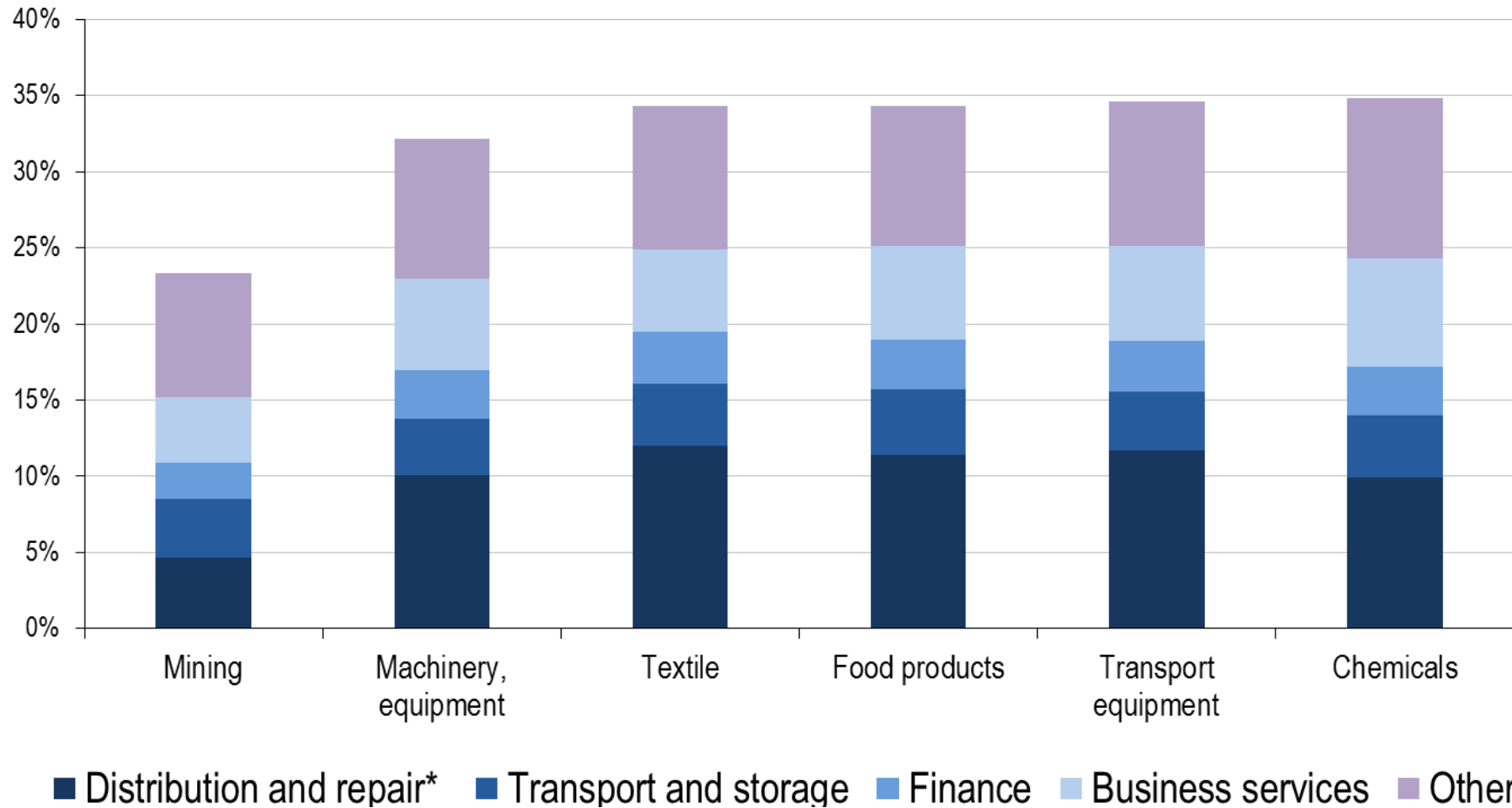


Services value-added accounts for about 1/3 in export of manufactured goods

BRICS Trade in Services Report 2022

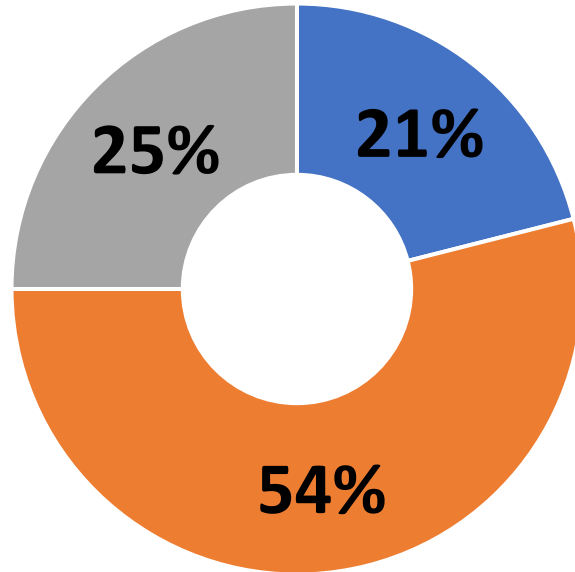
Source: OECD–WTO Trade in Value Added database, and authors' calculations.

Services share of value-added in merchandise exports by sector (OECD average)



When first measured this way, Services trade doubled in importance

Structure of world exports in gross terms, 2018



Primary



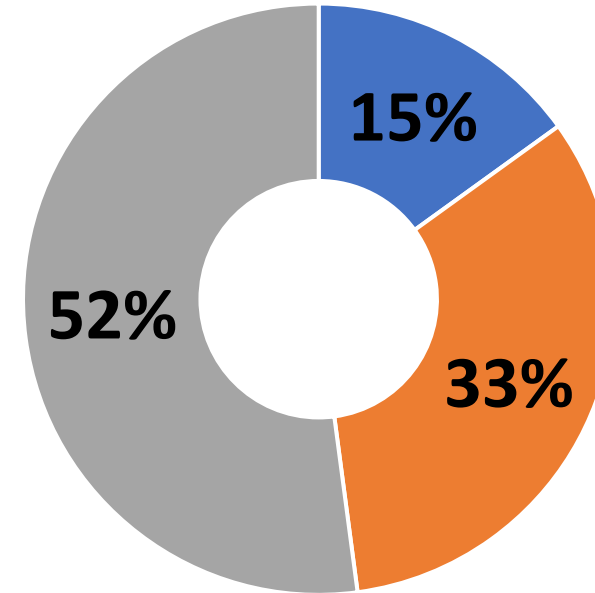
Manufacturing



Services



Structure of world exports in value added terms, 2018



Services are now over half of world exports in value-added

Source: OECD.Stat, OECD-WTO Trade in Value Added (TIVA), September 2022

Leading services exporters, 2021 (billion USD and %)

Rank	Exporters	Value	Share
1	Extra-EU(27)	1232	25.3
2	United States	772	15.9
3	United Kingdom	415	8.5
4	China	391	8
5	India	240	4.9
6	Singapore	230	4.7
7	Japan	164	3.3
8	Switzerland	133	2.7
9	Korea, Rep. of	122	2.5
10	Canada	103	2.1
11	U.A.E	101	2
12	Hong Kong, China	77	1.6
13	Israel	72	1.5
14	Türkiye	58	1.2
15	Russian Federation	56	1.1

77.9%
of world
exports

Source: WTO-UNCTAD estimates

Drafting Templates

The good news is that appropriate templates exist

WTO GATS is the typical template guiding how to cover the key principles.

GATS also disciplines under Article V what Regional Trade Agreements can and cant do.

RTAs increasingly differ from the GATS in their *architecture* on services and in their manner of *listing commitments by participants*.

GATS uses a *positive list* approach to scheduling commitments on a *sector-by-sector* basis.

RTAs increasingly use a *negative list* approach where participants schedule in one list their measures which do not currently conform with the RTA provisions and in a second sensitive list they effectively carve some non-conforming measures out of future liberalization efforts.

RTAs, especially mega-regional and plurilateral RTAs which include significant numbers of developing countries, sometimes use a *hybrid approach*.

RCEP and ATISA offer valuable innovative templates on hybrid approaches which allow initial scheduling in either positive or negative format, but encourage, or in due course require, a full transition by all participants to a negative list approach.

We take a quick look at the **GATS, RCEP and ATISA**

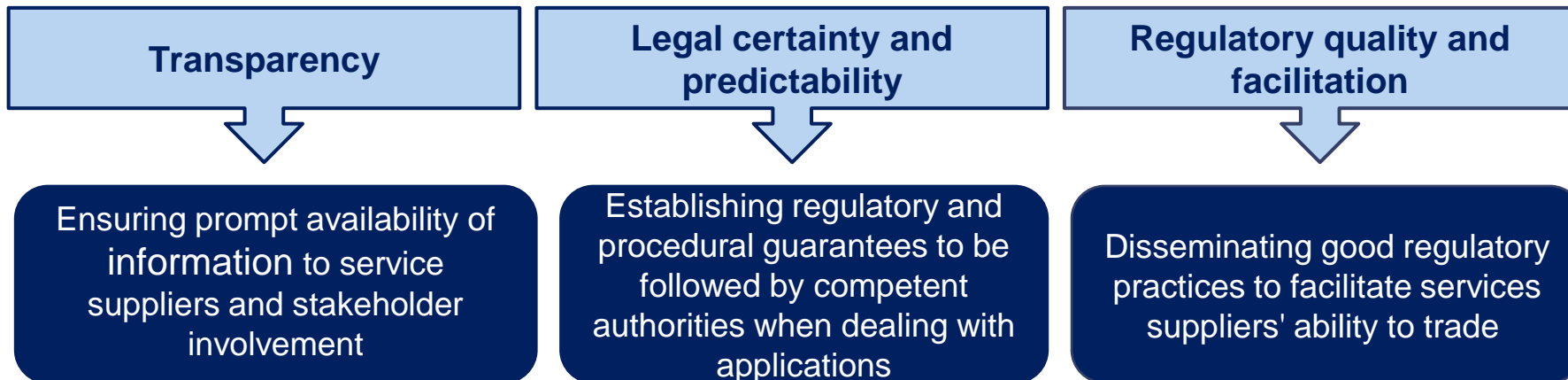
CAREC's Inter-regional Trade

Region/Country	Total Trade (in US\$bn)		Trade Share (in %)	
	2017	2018	2017	2018
East Asia	894.37	982.09	20.62	19.98
European Union	676.18	754.62	15.59	15.35
ASEAN	525.05	601.7	12.1	12.24
Russian Federation	111.16	138.86	2.56	2.82
South Asia	111.31	128.38	2.57	2.61
India	88.28	101.99	2.04	2.07

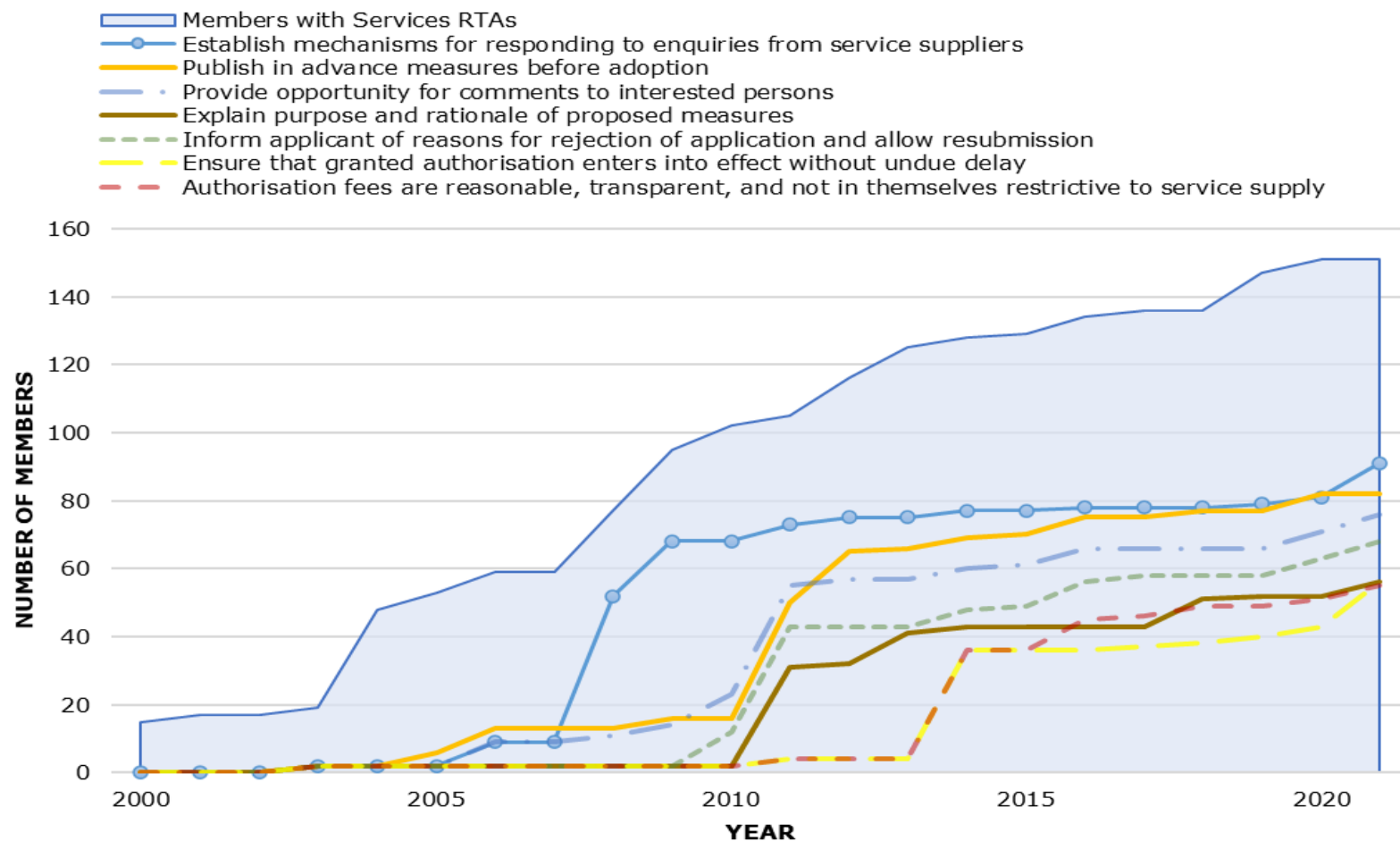
Source: Calculation using UN Comtrade data, extracted from World Integrated Trade Solution

Services Domestic Regulation – key to services trade facilitation

- **Domestic Regulation (Article VI: 1-6)**
 - qualitative and procedural requirements
- **Other GATS provisions (e.g. transparency)**
- **GATS Annexes (Telecommunication Services, Trade in Financial Services)**
- **New JSI on Services Domestic Regulation**
- **Reference Paper of Basic Telecommunications**
- **Services domestic regulation disciplines (through GATS Article 18 – additional commitments)**



Increasing prevalence of Good Regulatory Practice provisions in Services Chapters of RTAs



See: [WTO Staff Working Paper \(September 2021\)](#)

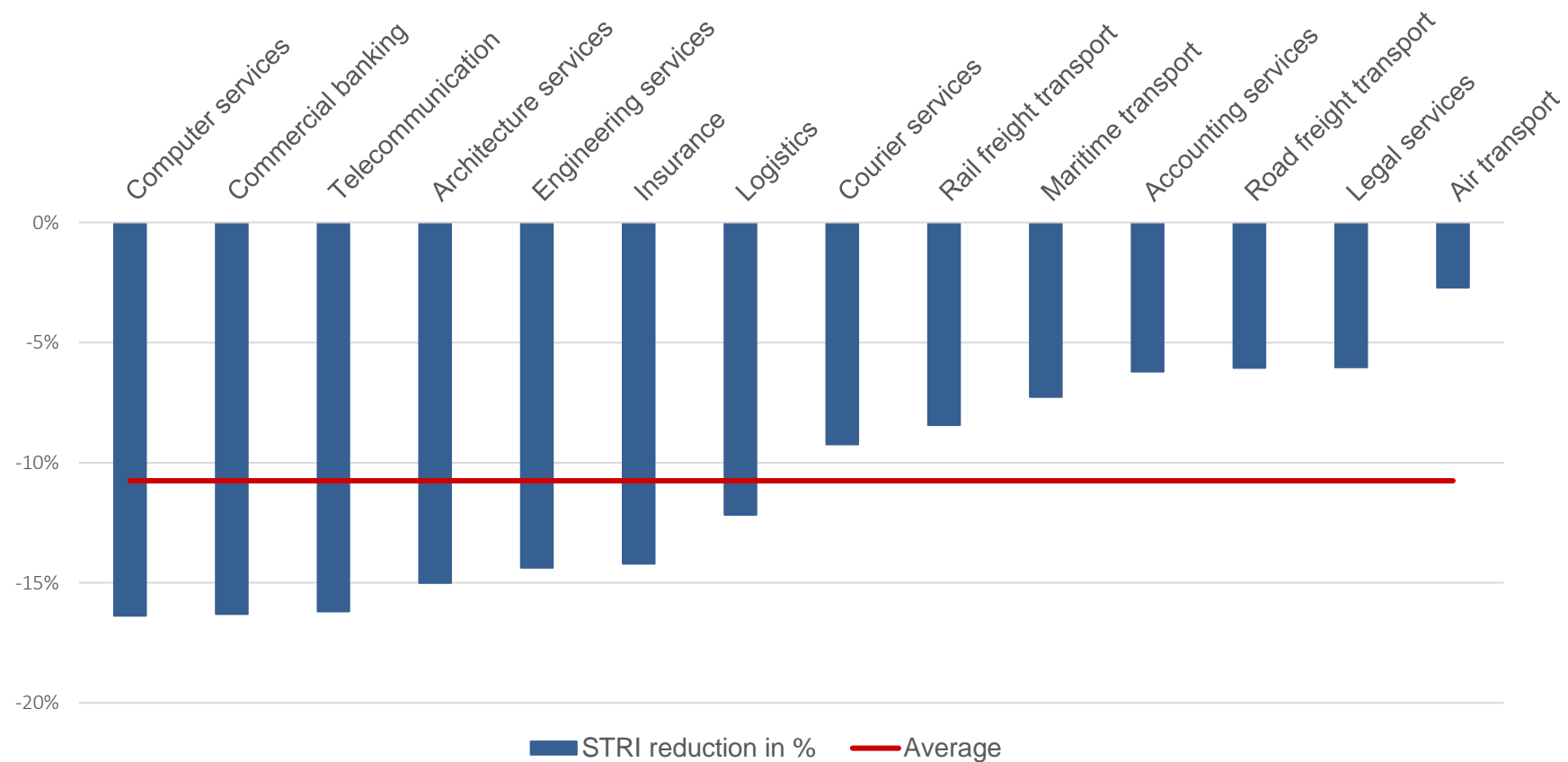
WTO Reference Paper on Services Domestic Regulation	ATISA	RCEP
<p>Para 13: Publish and make available information required to comply with requirements and procedures for authorization, including through electronic means</p>	<p>Article 14.3: To the extent possible, each Member State shall make the measures and international agreements of the kind referred to in paragraph 2 available on the internet and, to the extent provided for under its domestic legal framework, in the English language.</p>	
<p>Para 20: Establish appropriate mechanisms for responding to enquiries from interested service suppliers</p>		
<p>Paras 14-18: Engage stakeholders by publishing proposed laws and regulations, providing opportunity for comments from interested persons, and considering comments received (paras 14-18)</p>	<p>Article 14.5: To the extent possible and provided for under its domestic legal framework, each Member State shall provide a reasonable opportunity for comments by interested persons of the Member States on any regulation of general application affecting trade in services that it proposes to adopt, amend or repeal, before its adoption and publication.</p>	<p>Article 17.3.2: To the extent possible and practicable, each Party shall: (a) publish in advance any such laws, regulations, procedures, and administrative rulings of general application with respect to any matter covered by this Agreement that it proposes to adopt; and (b) provide, where appropriate, interested persons and other Parties with a reasonable opportunity to comment on any such laws, regulations, procedures, and administrative rulings of general application with respect to any matter covered by this Agreement.</p>

WTO Reference Paper on Services Domestic Regulation	ATISA	RCEP
<p>Paras 7-8: Processing of applications:</p> <ul style="list-style-type: none"> • Establish indicative timeframes for processing application • Provide information on the status of application and process it in a timely manner • Inform about decisions on application, including about additional information required to correct deficiencies • Inform applicants of reasons for rejection of application and allow resubmission • Allow authorization once granted to enter into effect without undue delay 	<p>Article 16.3: Where authorisation is required by the domestic laws and regulations for the supply of a service, the competent authorities of that Member State shall:</p> <p>(a) in the case of an incomplete application, at the request of the applicant, identify all the additional information that is required to complete the application and provide the opportunity to remedy deficiencies within a reasonable timeframe;</p> <p>(b) at the request of the applicant, provide, without undue delay, information concerning the status of the application;</p> <p>(c) within a reasonable period of time after the submission of an application considered complete under domestic laws and regulations, inform the applicant of the decision concerning the application;</p> <p>(d) if an application is terminated or denied, to the maximum extent possible, inform the applicant in writing and without delay the reasons for such action. The applicant will have the possibility of resubmitting, at its discretion, a new application.</p>	<p>Article 8.15.7:7. Where a Party requires authorisation for the supply of a service, it shall ensure that its competent authorities:</p> <p>(b) within a reasonable period of time after the submission of an application considered complete under its laws and regulations, inform the applicant of the decision concerning the application;</p> <p>(c) to the extent practicable, establish an indicative time frame for processing of an application;</p> <p>(d) on request of the applicant, provide, without undue delay, information concerning the status of the application;</p> <p>(e) in the case of an incomplete application and on request of the applicant, identify, where practicable, all the additional information that is required to complete the application, and provide the opportunity to remedy deficiencies within a reasonable time frame;</p> <p>(f) if an application is terminated or denied, to the extent possible and without undue delay, inform the applicant in writing of the reasons for such action. The applicant will have the possibility of resubmitting, at its discretion, a new application.</p>
<p>Para 19: Allow reasonable time between publication of laws and regulations and date of required compliance by service suppliers</p>	<p>Article 14.6: To the extent possible, each Member State shall allow reasonable time between publication of final regulations relating to the subject matter of this Agreement and their effective date.</p>	
<p>Para 10: Hold examinations at reasonably frequent intervals</p>	<p>Article 14.5.8:If licensing or qualification requirements include the completion of an examination, each Member State shall, to the extent practicable, ensure that:</p> <p>(a) the examination is scheduled at reasonably frequent intervals; and</p> <p>(b) a reasonable period of time is provided to enable interested persons to submit an application.</p>	<p>Article 8.15: If licensing or qualification requirements include the completion of an examination, each Party shall, to the extent practicable, ensure that:</p> <p>(a) the examination is scheduled at reasonable intervals; and</p> <p>(b) a reasonable period of time is provided to enable interested persons to submit an application.</p>

WTO Reference Paper on Services Domestic Regulation	ATISA	RCEP
<p>Para 4: Require applicants to approach only one competent authority to obtain authorization</p>		
<p>Para 5: Permit submission of applications at any time throughout the year, or at least, allow reasonable periods of time for submission</p>		
<p>Para 6: Accept electronic applications and authenticated copies of documents</p>	<p>Article 16.7: Each Member State shall ensure its competent authorities accept copies of documents authenticated in accordance with its domestic laws and regulations, in place of original documents, to the extent domestic laws and regulations permit.</p> <p>Article 16.9: Member States shall, in accordance with their domestic laws and regulations, endeavour to accept applications in electronic format under the equivalent conditions of authenticity as paper submissions.</p>	<p>Article 8.15.7: Where a Party requires authorisation for the supply of a service, it shall ensure that its competent authorities:</p> <p>(h) endeavour to accept applications in electronic format under the equivalent conditions of authenticity as paper submissions, in accordance with its laws and regulations;</p> <p>(i) where they deem appropriate, accept copies of documents authenticated in accordance with its laws and regulations, in place of original documents</p>
<p>Para 9: Ensure that authorization fees are reasonable, transparent, and do not in themselves restrict the supply of service</p>	<p>Article 16.10: Each Member State shall ensure that the authorisation fees charged by the competent authority are reasonable, transparent and do not in themselves restrict the supply of the relevant service.</p>	<p>Article 8.15.7: Where a Party requires authorisation for the supply of a service, it shall ensure that its competent authorities:(a) ensure that any authorisation fees charged for the completion of relevant application procedures are reasonable, transparent, and do not in themselves restrict the supply of a service. For the purposes of this subparagraph, authorisation fees do not include fees for the use of natural resources, payment for auction, tendering, or other non-discriminatory means of awarding concessions, or mandated contributions to universal services provision;</p>

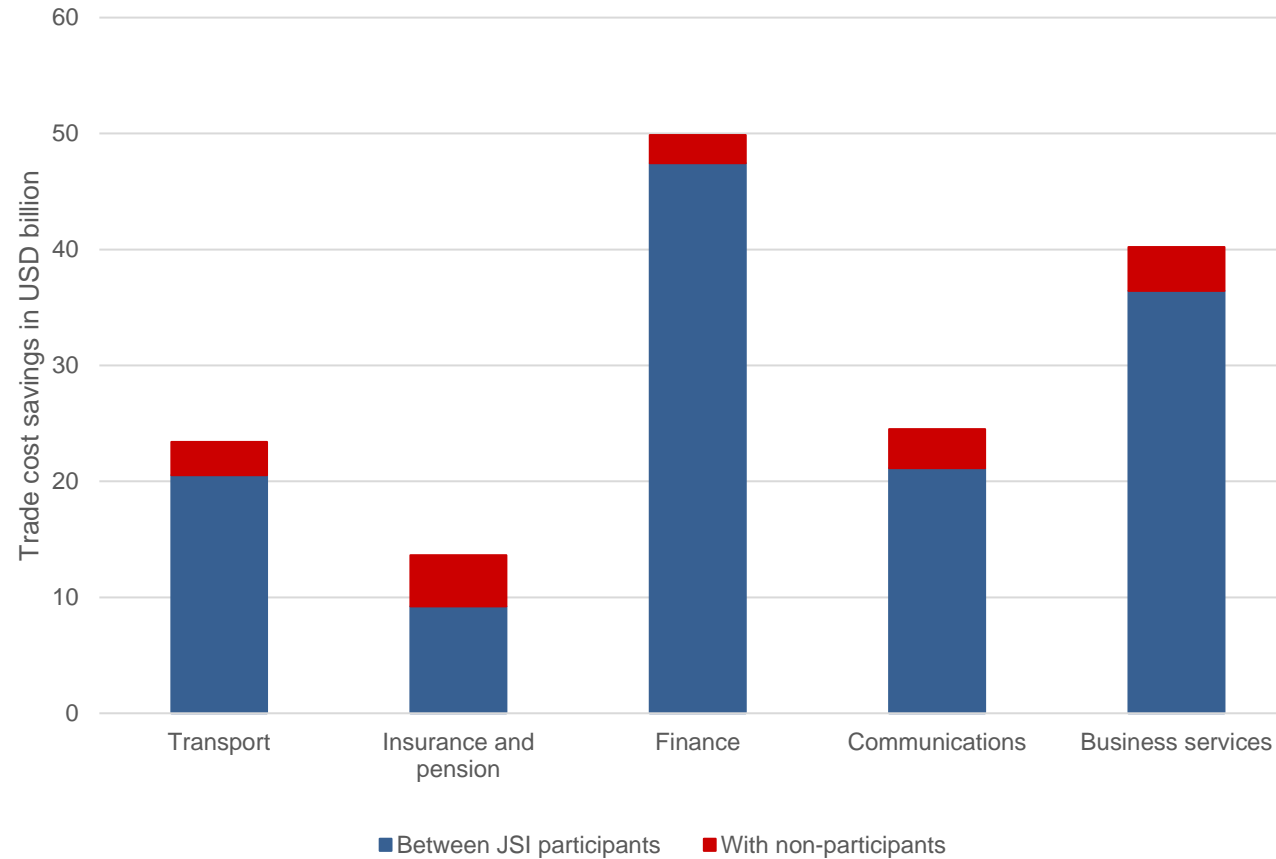
WTO Reference Paper on Services Domestic Regulation	ATISA	RCEP
<p>Para 11: Support professional bodies wishing to establish dialogues on issues relating to recognition of professional qualifications</p>	<p>Article 17: A Member State may recognise the education or experience obtained, requirements met, or licenses or certifications granted in another Member State, for the purpose of licensing or certification of service suppliers. Such recognition, which may be achieved through harmonisation or otherwise, may be based upon an agreement or arrangement with the Member State concerned or may be accorded autonomously.</p>	<p>Article 8.16.1: For the purposes of the fulfilment, in whole or in part, of its standards or criteria for the authorisation, licensing, or certification of service suppliers, and subject to the requirements of paragraph 4, a Party may recognise the education or experience obtained, requirements met, or licences or certifications granted in a particular country. Such recognition, which may be achieved through harmonisation or otherwise, may be based upon an agreement or arrangement with the country concerned, or may be accorded autonomously.</p>
<p>Para 12: Ensure that competent authorities reach their decisions in a manner independent from services suppliers</p>		
<p>Para 21: Develop technical standards through open and transparent processes</p>		
<p>Para 22 (a): Base measures relating to authorization on objective and transparent criteria</p>	<p>Article 16.4: Where a Member State adopts or maintains measures relating to licensing requirements and procedures, qualification requirements and procedures, or where a Member State adopts or maintains measures relating to technical standards as a condition for the supply of a service, the Member State shall ensure that: (a) such measures are based on objective and transparent criteria;</p>	<p>Article 8.15.5: With a view to ensuring that measures relating to qualification requirements and procedures, technical standards, and licensing requirements do not constitute unnecessary barriers to trade in services, while recognising the right to regulate and to introduce new regulations on the supply of services in order to meet its policy objectives, each Party shall endeavour to ensure that any such measures that it adopts or maintains are:(a) based on objective and transparent criteria, such a competence and the ability to supply the service;</p>
<p>Para 22 (b) and (c): Ensure that procedures are impartial, adequate and do not unjustifiably prevent fulfilment of authorization requirements</p>	<p>Article 16.4. Where a Member State adopts or maintains measures relating to licensing requirements and procedures, qualification requirements and procedures, or where a Member State adopts or maintains measures relating to technical standards as a condition for the supply of a service, the Member State shall ensure that: (b) the procedures are impartial, and that the procedures are adequate for applicants to demonstrate whether they meet the requirements, where such requirements exist; and (c) the procedures are reasonable and do not in themselves unduly prevent fulfilment of requirements.</p>	

Full implementation of the reference paper implies significant reduction of trade barriers



See: [OECD WTO Trade Policy Brief](#) (November 2021)

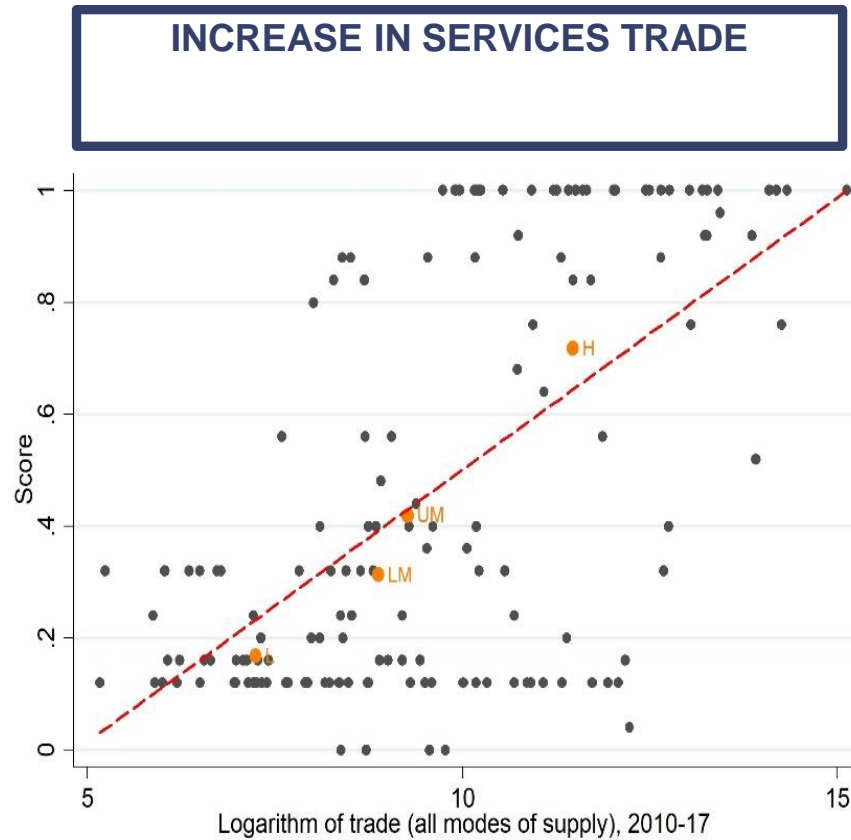
... and significant trade costs savings



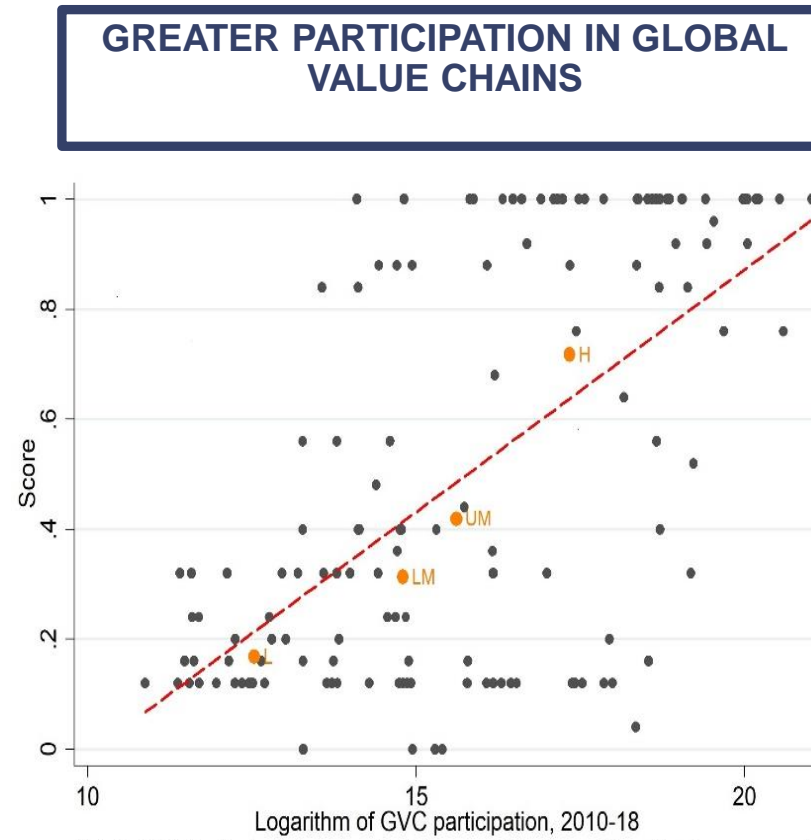
“...significantly larger benefits will accrue to WTO members that are implementing the disciplines themselves in their internal regulatory frameworks.”

See: [OECD WTO Trade Policy Brief \(November 2021\)](#)

Services GRP benefits for the whole economy



Note: H, UM, LM and L denote the average for high, upper-middle, lower-middle and low income economies.
Number of economies: 150



Note: H, UM, LM and L denote the average for high, upper-middle, lower-middle and low income economies.
Number of economies: 136

See: [WTO Staff Working Paper \(September 2021\)](#)

How to put services commitments into legal text.

“Positive List” Approach

List of what country X will liberalise

- This was the approach used at the multilateral level – the “WTO/GATS template”.
- Positive listing has been the traditional standard bilateral FTA approach for most developing countries and many developed countries
- Increasingly the global trend has been to shift away from “positive” schedules of specific commitments to use of a “negative” list of non-conforming measures. This now tends to be a preferred approach at both bilateral and regional level (eg ATISA, RCEP, CPTPP).

“Negative list” approach

List of what country X will not liberalise

- A “negative list” is a list of all the things a party will NOT, in this agreement, commit to do even though the principles in the agreement indicate that it should. It is the “opt out” or “no go” list of sensitivities/reservations/exceptions
- A “negative list” sets out the areas where a party retains the right to continue to act in ways that do NOT CONFORM with the text of the agreement.
- The parties are obliged to reform any measure which does not conform with the agreement, and is not listed as non-conforming. (List it or lose it.) By listing an existing restrictive measure, the parties can retain a degree of discretionary policy space.

Why are countries and regional groupings shifting to negative listing?

- Insufficient progress has been made under the GATS to deliver increased market access commitments. There is a great deal of “water” between bound GATS commitments and actual restrictions
- A negative list approach is considered likely to encourage more liberalisation. A negative list approach requires a more intensive domestic preparation process. It is likely to deliver a more transparent outcome.
- A negative list approach is therefore more likely to stimulate a domestic reform process. But it is not necessarily more likely to lock in actual levels of regulation and hence achieve greater security for business
- There is variety and room for manoeuvre in the different architectural approaches to services commitments in FTAs. But in principle
 - convergence of scheduling approaches towards “best practice” is a good thing
 - a higher degree of transparency is a good thing
 - greater locking in of applied regulations is a good thing
 - more actual liberalisation is a good thing.

What negative lists look like

- Typically there will be 2 Negative Lists of Non Conforming (Sensitive) Measures for Services
- They will occur as 2 Annexes to a Chapter on Cross Border Trade in Services
- For Financial Services, they might ALSO occur as an additional 2 Sections of a 3rd Annex, to a Chapter on Financial Services

Non-Conforming Measures Annex I

- A list of existing restrictive measures which do not conform with the principles set out in the text of the agreement, but which are “grandfathered” in Annex I ie country X wants to retain them
 - Usually include a reference to the relevant legislation
- If you don’t list them in Annex I, you are obliged to liberalise them.
- In a Federal system, it is typical to list all existing measures at State and local level.
- In general, no new measures which are inconsistent with the text of the agreement can be introduced ie there is to be a complete services **“Standstill”**
- A simple conversion of a ”positive” GATS-style list to a “negative” FTA list would typically result in a long list (in effect this can become a useful “domestic reform agenda”)

Non-Conforming Measures Annex II

- A list of restrictive measures with respect to which country X wishes to retain flexibility and “policy space” ie retain the right to *increase* the level of protection in the future, at its discretion
- These are the most domestically sensitive policy areas
- There will always be negotiating pressure to keep this list short.

- NAFTA provided the first “negative” list “template”
- It has been increasingly widely adopted including by China (in China-Australia FTA) and by Vietnam (in CPTPP) and is now standard for OECD countries including most recently the EU.
- Various “hybrid” and transitional approaches are also in use (RCEP, ATISA)

Scheduling is part of the overall FTA “architecture”

- How services commitments are scheduled (or non-conforming measures are listed) is only one aspect of the “structure” and “architecture” of any trade agreement. The approach to scheduling/listing needs to be understood in relation to the content (legal text) of the services trade agreement itself, which sets out the principles to which the parties are agreeing.
- The overall “structure” and “architecture” of an RTA includes the number and shape of the individual chapters, how they are put together and how they interact. A negative list agreement might contain some additional principles. For example
- Recent hybrid approaches (RCEP) have also found innovative ways of incorporating ratchet clauses for countries using positive lists.
 - Separation of Cross-border Trade in Services chapter from Chapters on Investment and People Movement?
 - Separate Chapter or Annex on certain sub-sectors eg Financial Services
 - Inclusion in CBT chapter of **Ratchet Mechanism** and MFN Forward clause

Sample Table of Contents

Preamble

Chapter 1. Establishment of Free Trade Area, Objectives and General Definitions

Chapter 2. Trade in Goods

Chapter 3. Rules of Origin

[Annex on Operational Certification Procedures](#)

[Appendix on Minimum Data Requirements – Application for a Certificate of Origin](#)

[Appendix on Minimum Data Requirements – Certificate of Origin](#)

Chapter 4. Customs Procedures

Chapter 5. Sanitary and Phytosanitary Measures

Chapter 6. Standards, Technical Regulations and Conformity Assessment Procedures

Chapter 7. Safeguard Measures

Chapter 8. Trade in Services

[Annex on Financial Services](#)

[Annex on Telecommunications](#)

[Appendix on Transitional Arrangements](#)

Chapter 9. Movement of Natural Persons

Chapter 10. Electronic Commerce

Chapter 11. Investment

[Annex on Expropriation and Compensation](#)

Chapter 12. Economic Co-operation

Chapter 13. Intellectual Property

Chapter 14. Competition

Chapter 15. General Provisions and Exceptions

Chapter 16. Institutional Provisions

Chapter 17. Consultations and Dispute Settlement

[Annex on Rules of Procedure for Arbitral Tribunal Proceedings](#)

[Annex on Optional Procedures for Composing Arbitral Tribunals](#)

Chapter 18. Final Provisions

Annexes

[Annex 1. Schedules of Tariff Commitments](#)

[Annex 2. Product Specific Rules of Origin](#)

[Annex 3. Schedules of Specific Services Commitments](#)

[Annex 4. Schedules of Movement of Natural Persons Commitments](#)

Australia-ASEAN-NZ FTA

Extract from another sample

10. Investment

11. Cross-Border Trade In Services

- Side Letter on State Measures
- Side Letter on Peruvian Measures

12. Financial Services

- Understandings Regarding Financial Services and Services

23. Final Provisions

Annex I: Non-Conforming Measures for Services and Investment

- Formatting Note
- U.S. Annex I
- Peru Annex I

Annex II: Non-Conforming Measures for Services and Investment

- Formatting Note
- U.S. Annex II
- Peru Annex II

Annex III: Non-Conforming Measures for Financial Services

- US Annex III - Including Formatting Note
- Peru Annex III - Including Formatting Note

This is US-Peru FTA. CPTPP also has Annex I, II and III for Financial Services

Example: Annex III

- Section A (Existing Non-Conforming Measures)

Sector: Financial Services

Sub-Sector: Banking and Other Financial Services (Excluding Insurance)

Obligations Concerned: Senior Management and Boards of Directors (Article 13.8)

Level of Government: Central

Measures: 12 U.S.C. 72

Description: All directors of a national bank must be U.S. citizens, except that the Comptroller of the Currency may waive the citizenship requirement for not more than a minority of the total number of directors.

Example: Annex III

- Section B (Future “Policy Space”)

Sector: Financial Services

Sub-Sector: Insurance

Obligations Concerned: Market Access for Financial Institutions (Article 13.4)

Level of Government: All

Measures:

Description: The United States reserves the right to adopt or maintain any measure that is not inconsistent with the United States’ obligations under Article XVI of the GATS.

What might need to be done to prepare, domestically and regionally?