

WORLD TRADE ORGANIZATION

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Trade in Services

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NICARAGUA

Schedule of Specific Commitments

Supplement 1

(This is authentic in Spanish only)

This text replaces the financial services section on pages 9 and 10 of document GATS/SC/63.

NICARAGUA

SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons				
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments	
7. FINANCIAL SERVICES A. <u>Insurance and Insurance-Related Services</u> Life insurance (excluding pension funds) (CPC 8121) Non-life insurance (CPC 8129) Reinsurance and retrocession (CPC 81299*)	(1) Unbound (2) Unbound (3) Insurance and reinsurance activities can only be exercised by legal persons established and domiciled in the country as public limited companies, subject to the legal regime applicable to such companies and to the General Law on Insurance Institutions, and having obtained the required authorization from the Governing Council of the Office of the Supervisor of Banks. They are also subject to the Law Creating the Office of the Supervisor of Banks and to the Resolution authorizing their establishment and operation.	(1) Unbound (2) Unbound (3) None		

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Services auxiliary to insurance (including brokerage and agency insurance services) (CPC 81401)	<p>Foreign-owned companies are subject to the same obligations as domestic companies, and may not resort to diplomatic channels in any matter relating to their operations in the country.</p> <p>Insurance companies may engage, in Nicaragua, only in insurance and reinsurance activities specified in the Resolution authorizing their establishment and operation, and in the investment of their capital and reserves for purposes permitted under the Law.</p> <p>Prior authorization from the Office of the Supervisor of Banks is required for the initiation of operations by insurance entities or for entering a new branch of insurance.</p> <p>Insurance institutions must invest their capital, capital reserves and other reserves in assets laid down by the Law.</p> <p>The Governing Council of the Office of the Supervisor of Banks is responsible for determining the percentages of reserves that may be invested abroad.</p>			

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	<p>Insurance institutions established in the country, whether domestic or foreign, must have minimum capital holdings in the following amounts:</p> <p>(1) For causality insurance companies, US\$1,200,000;</p> <p>(2) for life insurance companies, US\$1,200,000;</p> <p>(3) for institutions operating in both branches, US\$2,000,000.</p> <p>The Governing Council has the legal authority to modify the minimum amounts required for insurance companies to operate, and the amounts may be expressed in national currency.</p>			

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	<p>A natural or legal person may only issue insurance policies pending an authorization or licence to do so and if the transaction is covered by a security or a guarantee in an amount set by the Office of the Supervisor of Banks.</p> <p>Insurance brokers are enterprises established in Nicaragua and engaging either individually or as commercial companies, in their own name and for their own account, in negotiating and obtaining insurances in Nicaragua in the name of insureds other than themselves, issued by any of the institutions referred to in the General Law on Insurance Institutions and its Revision. They are subject to the provisions of the Commercial Code of Nicaragua in all matters that are applicable to them and not covered by the law.</p>			
	(4) Unbound, except as indicated in the horizontal commitments.	(4) Unbound, except as indicated in the horizontal commitments.		

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<p>B. Banking and Other Financial Services (excluding insurance)</p> <p>Acceptance of deposits and other repayable funds from the public (CPC 81115)</p> <p>Other bank deposit services (CPC 81116)</p> <p>Other deposit services (CPC 81119)</p> <p>Financial leasing with option to purchase (CPC 8112)</p> <p>Lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transactions (CPC 8113)</p> <p>All payment and money transmission services (CPC 8139**)</p>	<p>(1) Unbound</p> <p>(2) Unbound</p> <p>(3) Any private bank established in Nicaragua must be set up and operated as a public limited company in conformity with the General Law on Banks and Other Financial Institutions, and with the Law creating the Office of the Supervisor of Banks, the Commercial Code and the other laws applicable to such companies to the extent that they have not been modified by the General Law on Banks and Other Financial Institutions.</p> <p>Banks that are legally constituted abroad may only operate in the country by setting up a branch office.</p>	<p>(1) Unbound</p> <p>(2) Unbound</p> <p>(3) None</p>		

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Guarantees and commitments of a financial nature (CPC 81199**) Foreign exchange (CPC 81333)	<p>The minimum share capital for a bank is US\$2,000,000 or the equivalent thereof in national currency, wherever the bank is established within the country. This amount may be modified by the Governing Council of the Office of the Supervisor of Banks.</p> <p>Branches of foreign banks must appoint a proxy, who submits the application to operate in Nicaragua to the Office of the Supervisor of Banks together with the authentic documentation proving that the bank is authorized to operate in its country of origin and that the laws of that country allow it to open branches in Nicaragua.</p> <p>Branches of foreign banks are considered to be domiciled in Nicaragua for all legal purposes and are subject to the laws of the country, without recourse to diplomatic channels in any matter relating to their operations in the country.</p>			

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	Limitations on market access	Limitations on national treatment	Additional commitments	
	<p>Branches of foreign banks may not announce or indicate the amount of capital and reserves held by the parent bank without announcing or indicating, at the same time, the assigned capital and reserves of the branch in Nicaragua.</p> <p>The capital of branches of foreign banks authorized to operate in the country may be registered in accordance with the Law on Foreign Capital Investment of Nicaragua.</p>			
	(4) Unbound, except as indicated in the horizontal commitments.	(4) Unbound, except as indicated in the horizontal commitments.		