

WORLD TRADE ORGANIZATION

RESTRICTED

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Committee on Trade in Financial Services

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COMMUNICATION FROM NORWAY

Initial Offer on Financial Services

Addendum

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

NORWAY
DRAFT SCHEDULE OF SPECIFIC COMMITMENTS - INITIAL 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
I. SECTOR-SPECIFIC COMMITMENTS			
7. Financial Services			
i.	Norway undertakes commitments on financial services in accordance with the "Understanding on Commitments in Financial Services" (the Understanding).		
ii.	<u>The market access commitments in respect of modes (1) and (2) apply only to the transactions indicated in paragraphs B.3 and B.4 of the market access section of the Understanding respectively.</u>		
iii.	<u>The restrictions and limitations listed in the schedule under mode (1) apply to regulatory measures directed towards non-resident financial service suppliers established outside the European Economic Area. The limitations listed in the schedule under mode (2) apply to regulatory measures directed towards financial service consumers residing in Norway.</u>		
iv.	<u>Norway's commitments are subject to any right of a Member to withdraw or modify its commitments during a grace period which may be decided upon in connection with this round of negotiations.</u>		
v.	<u>In addition, the following restrictions and limitations apply:</u>		

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
A. <i>Insurance and insurance related services</i>	<p>(1) Non-resident insurance companies must supply the services listed in paragraph B.3 (a) of the Understanding through an insurance broker authorized in Norway.</p> <p>Intermediation through an authorized broker of non-life insurance to an insurer established in a state which is not a contracting party to the Agreement on the European Economic Area and not authorized to operate in Norway as a company or a branch, is limited to marine and transport insurance, insurance related to offshore exploration activities or insurance contracts regarding domestic companies with an activity of at least 10 man-years or annual sales of at least Norwegian kroner 50 million.</p> <p>Active supply in Norway of other insurance services requires a commercial presence in a state which is a contracting party to the Agreement on the European Economic Area.</p> <p>(2) None.</p>	<p>(1) None.</p> <p>(2) None.</p>	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>(3) No single or coordinated group of investors may acquire or hold more than 10 per cent of the share capital in a Norwegian insurance company. The Ministry of Finance and Customs may in special circumstances make exemptions from these limitations on single investor ownership in an insurance company.</p> <p><u>Notwithstanding the foregoing, foreign insurance companies may establish partly or wholly owned subsidiaries in Norway. The other owners of such partly owned subsidiaries must be foreign insurance companies or Norwegian financial institutions.</u></p> <p>For subsidiaries or branches of financial institutions not established in a state which is a contracting party to the Agreement on incorporated within the European Economic Area, a separation requirements applies between life insurance, non-life insurance and credit risk insurance.</p> <p><u>Insurance companies incorporated in Norway must be organized as joint stock companies or mutual insurance companies. Insurance brokerage firms incorporated in Norway must be organized as joint stock companies.</u></p>	<p>(3) In Norwegian insurance companies, including subsidiaries of foreign insurance companies, the manager, at least half the members of the board of directors and half the members of the corporate assembly and half the members of the committee of representatives must be permanent residents of Norway and have resided there for the last two years. This requirement does not apply to citizens of a state <u>within which is a contracting party to the Agreement on</u> the European Economic Area when residing in such state. The Ministry of Industry and Trade may grant exemptions from these rules. <u>Until changes in Norwegian corporate legislation come into force (approved by Parliament 27 May 1997), the following limitations continue to apply: The residence requirement apply also to the committee of representatives. The members concerned must have resided in Norway for the last two years.</u></p> <p>In order to establish a Norwegian subsidiary partly owned by a foreign insurance company, the other owners must be foreign insurance companies or Norwegian financial institutions.</p> <p><u>Foreign financial institutions other than insurance companies, cannot own shares in a Norwegian insurance company which is a partly owned subsidiary of a foreign insurance company.</u></p>	

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<p>B. <i>Banking and other financial services (excluding insurance)</i></p>	<p>Insurance broker activity must be organized as a joint stock company. (remark: this requirement is under revision.)</p> <p>Foreigners other than foreign financial institutions may not supply insurance services in Norway through a subsidiary or a branch.</p> <p>(4) Unbound except as indicated in the horizontal section.</p> <p>(1) <u>None.</u></p> <p>Active supply in Norway of services related to banking, financing, securities brokerage (buying and selling of securities on behalf of customers, marketing or underwriting of securities) and units of collective investment funds requires a commercial presence in a state which is a contracting party to the Agreement on the European Economic Area.</p> <p>Financial service suppliers not established in a state which is a contracting party to the Agreement on the European Economic Area may not lead manage public offerings denominated in Norwegian kroner on the Norwegian capital market.</p> <p>The access to depository and custodial services related to registration of securities in the Norwegian Registry of Securities, is only available to authorized institutions established in Norway.</p>	<p>(4) Unbound except as indicated in the horizontal section.</p> <p>(1) None.</p>	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>(2) <u>None.</u></p> <p>Registration of securities, as stated in the act relating to the Registry of Securities regulating the book-entry registration system for paperless securities, is subject to a monopoly.</p> <p>(3) No single or coordinated group of investors may acquire or hold more than 10 per cent of the share capital of commercial banks or financing undertakings, or more than 10 per cent of the equity certificates of savings banks. The Ministry of Finance and Customs may in special circumstances make exemptions from these limitations on single investor ownership in such institutions.</p> <p><u>Notwithstanding the foregoing, foreign banks and financing undertakings may establish partly or wholly owned subsidiaries in Norway. The other owners of such partly owned subsidiaries must be banks or financial institutions respectively.</u></p> <p><u>In order for one or more foreign banks to be permitted to establish a new Norwegian commercial bank, one single foreign bank must own more than 50 per cent of the share capital in the new bank.</u></p>	<p>(2) <u>None.</u></p> <p>(3) In Norwegian commercial banks, financing undertakings, securities firms and management companies for collective investment funds, <u>including subsidiaries of such foreign institutions</u>, the manager, at least half the members of the board of directors and half the members of the corporate assembly and half the members of the committee of representatives must be permanent residents of Norway and have resided there for the last two years. This requirement does not apply to citizens of a state <u>within which is a contracting party to the Agreement on the European Economic Area</u> when residing in such state. <u>The Ministry of Industry and Trade may grant exemptions from these rules. Until changes in Norwegian corporate legislation come into force (approved by Parliament 27 May 1997), the following limitations continue to apply: The residence requirement apply also to the committee of representatives. The members concerned must have resided in Norway for the last two years.</u></p>	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>Registration of securities, as stated in the act relating to the Norwegian Securities Registry regulating the book-entry registration system for paperless securities, is subject to a monopoly.</p> <p>Commercial banks, securities firms and management companies for collective investment funds incorporated in Norway must be organized as joint stock companies.</p> <p>Establishment in Norway of branches of banks, financing undertakings, securities brokerage firms and management companies for collective investment funds established in a state which is not a contracting party to the Agreement on the European Economic Area, is not permitted. (remark: this provision is proposed to be abolished, subject to parliamentary approval.</p> <p>(4) Unbound except as indicated in the horizontal section</p>	<p>In savings banks and financing undertakings which are not organized as joint stock companies, the members of decision-making bodies must be citizens of states which are contracting parties to the Agreement on within the European Economic Area and permanently residing in such states. <u>The Ministry of Finance and Customs may grant exemptions from these rules</u></p> <p><u>Branches in Norway of banks, securities firms and management companies for collective investment funds not incorporated within the European Economic Area cannot be account-operators in the Norwegian Securities Registry.</u></p> <p>(4) Unbound except as indicated in the horizontal section</p>	