

## ANNEX M

### Reservations by Liechtenstein (Chapter IX – Investment and Chapter X – Trade in services)

The term “unbound” shall mean that Liechtenstein does not commit itself with respect to the specified item.

Sector or subsector	Reservations	Chapter to which reservations apply
<b>I. HORIZONTAL RESERVATIONS</b>		
ALL SECTORS		
<p>The level of commitments in a particular services sector shall not be construed to supersede the level of commitments taken with respect to any other services sector to which such service is an input or to which it is otherwise related. CPC numbers indicated in brackets are references to the UN Provisional Central Product Classification (Statistical Papers Series M No. 77, Provisional Central Product Classification, Department of International Economics and Social Affairs, Statistical Office of the United Nations, New York, 1991).</p> <p>Notwithstanding paragraph 4 of Articles 23 and 29, Liechtenstein may incorporate new limitations in sectors that are subject to an “unbound”-reservation to the extent that such limitations do not affect the overall balance of rights and obligations under the present Convention. Liechtenstein shall inform the Council in advance of its intent to introduce such new limitations by written notification. On receiving such written notification, any other Member State may request consultations. Liechtenstein and that Member State shall enter into such consultations. This provision shall be reviewed within two years after the entry into force of the Agreement amending the Convention establishing the European Free Trade Association, with a view to its elimination.</p>		
	Unbound for subsidies, tax incentives and tax credits.	Trade in services and Investment
	Treatment accorded to subsidiaries of third country companies formed in accordance with the law of an EEA Member State and having registered office, central administration or principal place of business within an EEA Member State is not extended to branches or agencies established in an EEA Member State by a third-country company.	Trade in services and Investment

Sector or subsector	Reservations	Chapter to which reservations apply
	<p>Treatment less favourable may be accorded to subsidiaries of third countries having only their registered office in the territory of an EEA Member State unless they show that they possess an effective and continuous link with the economy of one of the EEA Member States.</p> <p>The establishment of a commercial presence by a legal entity (including branches) is subject to the requirement that no objection for reasons of national economy (balanced proportion of national and foreign capital; balanced ratio of foreigners in comparison with the number of resident population; balanced ratio of total number of jobs in the economy in comparison with the number of the resident population; balanced geographic situation; balanced development of the national economy, between and within the sectors) exists.</p> <p>At least one member of the administration of a legal entity authorized to manage and represent it must be a Liechtenstein citizen domiciled in Liechtenstein and in possession of the professional licence to act as a lawyer, legal agent, trustee or auditor, or a government-recognized business qualification. From these obligations are excepted legal entities which on the basis of the law concerning trade have a qualified manager.</p> <p>The law concerning trade stipulates: The establishment of a commercial presence by an individual is subject to the requirement of prior residence during a certain period of time and of permanent domicile in Liechtenstein. He/she must possess sector specific government-recognized professional qualifications. The establishment of a commercial presence by a legal entity (including branches) is subject to the following requirements: At least one of the managers has to fulfil the requirements of prior residence during a certain period of time and of permanent domicile in Liechtenstein. He/She must possess sector specific government-recognized professional qualifications. The majority of the administrators (authorized to manage and represent the juridical person) must be resident in</p>	<p>Trade in services and Investment</p> <p>Investment</p>

Sector or subsector	Reservations	Chapter to which reservations apply
	<p>Liechtenstein and have either to be Liechtenstein citizens or have prior residence during a certain period of time in Liechtenstein. The general and the limited partnership have to fulfil the same conditions as corporations with limited liability (juridical person). In addition the majority of the associates have to be Liechtenstein citizens or to have prior residence during a certain period of time in Liechtenstein. The Liechtenstein company law does not prohibit joint stock companies from stipulating in their articles of incorporation the preclusion or limitation of the transfer of registered shares.</p> <p>All acquisitions of real estate are subject to authorization. Such authorization is granted only if an actual and proven requirement for living or business purposes is given and a certain period of residence has been completed. Non-residents are excluded from the acquisition of real estate.</p>	Investment
<b>II. SECTOR-SPECIFIC RESERVATIONS</b>		
<p>1. BUSINESS SERVICES</p> <p>a) Legal services</p> <p>b) Accounting, auditing and book-keeping services</p> <p>- Accounting and auditing services, excluding auditing of banks (Part of 8621)</p>	<p>Unbound except for consultancy on home country law (not Liechtenstein law) and international law.</p> <p>Unbound</p> <p>Unbound. Foreign equity ceiling of 49 per cent. Foreign voting rights may not exceed 49 per cent. At least one member of the administration body authorized to manage and represent must be a Liechtenstein citizen domiciled in Liechtenstein, be in possession of the professional licence to act as an auditor and must work full-time for the juridical person. The majority of the members of the administrative body must be in</p>	<p>Trade in services</p> <p>Investment</p> <p>Trade in services and Investment</p>

Sector or subsector	Reservations	Chapter to which reservations apply
<p>- Auditing services related to banks</p> <p>c) Taxation services (CPC 863)</p> <p>e) Engineering services (CPC 8672)</p> <p>h) Medical and dental services (CPC 9312)</p> <p>i) Veterinary surgeons (CPC 932)</p> <p>j) Services provided by midwives, nurses, physiotherapists and para-medical personnel</p> <p>k) Other</p>	<p>possession of the professional licence to act as an auditor.</p> <p>Unbound</p> <p>Unbound. Foreign equity ceiling of 49 per cent. Foreign voting rights may not exceed 49 per cent. At least one member of the administration body authorized to manage and represent must be a Liechtenstein citizen domiciled in Liechtenstein, be in possession of the professional licence to act as an auditor or trustee and must work full-time for the juridical person.</p> <p>Liechtenstein nationality necessary for survey activities for official public purposes (however, foreign surveyors can work under the responsibility of a licensed Liechtenstein surveyor).</p> <p>Unbound</p> <p>Unbound</p> <p>Unbound</p> <p>Unbound</p>	<p>Trade in services and Investment</p> <p>Investment</p> <p>Trade in services and Investment</p> <p>Trade in services and Investment</p> <p>Trade in services and Investment</p> <p>Trade in services and Investment</p> <p>Trade in services and Investment</p>
<p><i>C. Research and Development Services</i></p>	<p>Unbound for projects financed in whole or in part by public funds.</p>	<p>Trade in services and Investment</p>

Sector or subsector	Reservations	Chapter to which reservations apply
<i>D. Real Estate Services</i>	Unbound	Trade in services and Investment
<i>E. Rental/Leasing without Operators</i>		
a) Relating to ships	Unbound	Trade in services and Investment
e) Other	Unbound	Trade in services and Investment
<i>F. Other Business Services</i>		
a) Advertising services	Unbound for outdoor advertising, advertising for goods subject to import authorization and pharmaceutical products, alcohol, tobacco, toxics, explosives, weapons and ammunition.	Trade in services and Investment
j) Services incidental to energy distribution	Unbound	Trade in services and Investment
k) Placement and supply services of personnel	Unbound	Trade in services and Investment
l) Investigation and security	Unbound	Trade in services and Investment
o) Building cleaning	Unbound for other cleaning services (CPC 87409).	Trade in services and Investment

Sector or subsector	Reservations	Chapter to which reservations apply
2. COMMUNICATION SERVICES <i>A. Postal services</i>	Unbound	Trade in services and Investment
<i>B. Courier Services</i>	Unbound	Trade in services and Investment
<i>C. Telecommunication services</i>	<p>General condition applicable to all telecommunication sectors: national monopoly on network infrastructure, services have to be provided over the public network or over leased lines; wireless networks subject to licensing, pricing of leased lines not volume-sensitive, connection with the public network possible.</p> <p>Unbound except for electronic mail, voice mail, on-line information and date base retrieval, electronic data interchange (EDI), enhanced/value-added facsimile services, code and protocol conversion, on-line information and/or date processing, videotext, enhanced/value added services based on licensed wireless networks including enhanced/value-added paging services, except for voice transmission.</p>	Trade in services and Investment
<i>D. Audio-visual services</i>	Unbound	Trade in services and Investment
3. CONSTRUCTION AND RELATED ENGINEERING SERVICES	Unbound	Trade in services and Investment
4. DISTRIBUTION SERVICES  - services related to goods subject to import authorisation, to	Unbound	Trade in services and Investment

Sector or subsector	Reservations	Chapter to which reservations apply
<p>pharmaceutical products, toxic, explosives, weapons and ammunition, and precious metals</p> <p>- retailing services through mobile sales unit</p> <p><i>B. Wholesale trade services</i></p> <p><i>C. Retailing services</i></p>	<p>Unbound</p> <p>Restrictions on sales area.</p> <p>Restrictions on sales area.</p>	<p>Trade in services and Investment</p> <p>Investment</p> <p>Investment</p>
<p>5. EDUCATIONAL SERVICES</p> <p>- Compulsory education services (primary &amp; secondary I)</p> <p>- Non-compulsory secondary education services (secondary II), Higher education services, Adult education services, other education services</p>	<p>Unbound</p> <p>Foreigners may establish commercial presence only when organized as juridical person according to Liechtenstein law.</p>	<p>Trade in services and Investment</p> <p>Investment</p>

Sector or subsector	Reservations	Chapter to which reservations apply
6. ENVIRONMENTAL SERVICES <sup>1</sup>		
<i>B. Refuse Disposal Services</i> (CPC 9402)	Unbound for garbage dump.	Investment
<p>7. FINANCIAL SERVICES</p> <p>Commitments on banking, securities and insurance services in accordance with the "GATS Understanding on Commitments in Financial Services" (hereafter "Understanding") and subject to limitations and conditions as contained in Part I (horizontal commitments) and as listed below. It is understood that paragraph B.4 of the Understanding does not impose any obligation to allow non-resident financial services suppliers to solicit business.</p>		
Insurance and Insurance-Related Services	<p>Establishment of a commercial presence is required for the provision of insurance services in Liechtenstein. Residents may not purchase insurance services in the territory of another Member State.</p> <p>Permit for establishment of insurance companies from countries other than Liechtenstein is granted only to companies which are supervised by the Swiss insurance supervision authority;</p> <p>To be recognized for participation in the basic health insurance scheme, health insurance suppliers must be organized in the form of mutual associations (Genossenschaft, Verein: Versicherungsverein auf Gegenseitigkeit or Hilfskasse) or foundations (Stiftung);</p> <p>Duty of security for insurance services;</p> <p>Economic need test for accident insurance services;</p> <p>Commercial presence does not cover the setting up of representative offices;</p> <p>Domestic legal entities and the branch or agency establishment of foreign legal entities whose managing or representing bodies, such as the board of directors and the administration, are comprised in the main of</p>	<p>Trade in services</p> <p>Investment</p>

<sup>1</sup> Nothing in this commitment should be construed to include public work function whether owned and operated by municipalities or the Liechtenstein government or contracted out by them.

Sector or subsector	Reservations	Chapter to which reservations apply
Banking and Other Financial Services (excluding insurance)	<p>foreigners or foreign firms, shall appoint in Liechtenstein a Liechtenstein citizen who is permanently resident here either to represent the legal entity towards the authorities as a legal representative or, empowered as an authorized signatory (procurist), to exercise the representation, without the cooperation of others. Before setting up a commercial presence to provide specific classes of insurance services, a foreign insurer must have been authorised to operate in the same classes of insurance in its country of origin for at least three years.</p> <p><sup>2</sup>Participation in settlement and clearing networks is subject to a commercial presence in Liechtenstein. Subvention for house building is only granted to Liechtenstein citizen, which have to take out the loan for the house building at a domestic bank. According to the practice in Liechtenstein, mutual funds (collective investments) have to be marketed through banks having a commercial presence in Liechtenstein. Swiss franc denominated issues can be lead-managed only by a bank having a commercial presence (registered office or branch office) in Liechtenstein.</p> <p>Licences granted to banks and financial companies according to the Liechtenstein Banking and Financial Companies Act have to be approved by the Liechtenstein parliament. One member of the board of directors and the administrators must have domicile in Liechtenstein. They must be duly authorized to fully represent their company. Banks and financial companies must be organized in the form of a limited company. Financial institutions other than banks and financial companies according to the Liechtenstein Banking and Companies Act are subject to the following licensing</p>	<p>Trade in services</p> <p>Investment</p>

<sup>2</sup> Covered are not only transactions indicated in paragraph B.3 of the 'Understanding' but the whole range of banking and other financial services transactions (excluding insurance).

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	<p>requirements: foreign equity ceiling of 49 per cent; foreign voting rights may not exceed 49 per cent; at least one member of the administrative body authorized to manage and represent must be a Liechtenstein citizen domiciled in Liechtenstein, be in possession of the professional licence to act as an auditor or trustee and must work full-time for the juridical person.</p> <p>Commercial presence of foreign financial institutions is subject to licensing requirements relating to the name of firm, duties toward the Swiss national bank and regulations on financial institutions in the country of origin.</p>	
8. HEALTH RELATED AND SOCIAL SERVICES	Unbound	Trade in services and Investment
<p>9. TOURISM AND TRAVEL RELATED SERVICES</p> <p><i>A. Hotels and Restaurants (includes catering) (CPC 641 - 643)</i></p> <p>- catering</p>	<p>Licence only granted if need for restaurants exists (assessment of economic needs is based on criteria such as population, degree of built-up area, type of neighbourhood, touristical interests, number of existing restaurants). Passing an examination may be required.</p> <p>Unbound</p>	<p>Investment</p> <p>Trade in services</p>

Sector or subsector	Reservations	Chapter to which reservations apply
10. RECREATIONAL, CULTURAL AND SPORTING SERVICES (other than audio-visual services)  <i>A. Entertainment services</i>	Unbound	Trade in services and Investment
<i>C. Libraries, archives, museums and other cultural services</i>	Unbound	Trade in services and Investment
11. TRANSPORT SERVICES  <i>D. Space Transport (CPC 733)</i>	Unbound	Trade in services and Investment
<i>G. Pipeline Transport</i>	Unbound	Trade in services and Investment
12. ENERGY PRODUCTION AND DISTRIBUTION; INSTALLATION OF EQUIPMENT IN THE ENERGY SECTOR	Unbound	Trade in services and Investment