

ANNEX O

Reservations by Switzerland (Chapter IX – Investment and Chapter X - Trade in services)

In the reservations section, the term “unbound” shall mean that Switzerland does not commit itself with respect to the specified item.

Sector or subsector	Reservations	Chapter to which reservation applies
I. HORIZONTAL RESERVATIONS		
<p>The level of commitments in a particular sector shall not be construed to supersede the level of commitments taken with respect to any other sector to which such activity 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>Unbound for privatisation as regards Articles 24 and 30 of the Convention.</p> <p>Unbound for measures taken by cantonal and communal authorities including by non-governmental bodies in the exercise of powers delegated by such authorities.</p>		
All sectors	<p>The majority of the board of directors of a "joint stock company" (société anonyme/Aktiengesellschaft or société en commandite par actions/ Kommanditaktiengesellschaft) must be Swiss citizens with domicile in Switzerland (except for holding companies). At least one manager of a "corporation with limited liability" (société à responsabilité limitée/Gesellschaft mit beschränkter Haftung) must have his domicile in Switzerland. The administrators of a "co-operative society" (société coopérative/Genossenschaft) must be composed of a majority of Swiss citizens with domicile in Switzerland. Joint stock companies are not prohibited to foresee in their articles of incorporation that shareholders can be denied registration in the shareholder register, inter alia in case federal law requires a certain composition of shareholders. The establishment of a branch requires a representative (natural person) with domicile in Switzerland who is duly authorized by the company to fully represent it. The establishment of a commercial</p>	Investment

Sector or subsector	Reservations	Chapter to which reservation applies
	<p>presence by natural persons or in the form of an enterprise without juridical personality according to Swiss law (i.e. in a form other than "joint stock company", "cooperation with limited liability" or "co-operative society") is subject to the requirement of a permanent residency permit of the associate(s) by cantonal law.</p> <p>The acquisition of real estate by foreigners who are not permanently established in Switzerland and by enterprises with headquarters abroad and/or under foreign control is subject to authorization. For the purpose of personal housing needs (except the acquisition of holiday residences), professional use and business activities, authorization is granted upon verification of the purpose. Prohibited are purely financial investments, real estate business operations, acquisition, on a professional basis, of holiday apartments and facilities other than hotels (e.g. apartment houses, camps, sport areas) and acquisition of agricultural real estate.</p> <p>Unbound for subsidies, tax incentives and tax credits.</p>	<p>Investment</p> <p>Trade in services and Investment</p>
II. SECTOR-SPECIFIC RESERVATIONS		
<p>1. BUSINESS SERVICES</p> <p>a) Legal services, except consultancy on home country law and international law</p> <p>b) Accounting, auditing and book-keeping services</p> <p>– Auditing services, excluding auditing of banks (part of CPC 86211)</p>	<p>Unbound</p> <p>At least one person supplying auditing services to a joint stock company (société anonyme/Aktiengesellschaft) or a société en commandite par actions/Kommanditaktiengesellschaft must have a</p>	<p>Trade in services and Investment</p> <p>Trade in services</p>

Sector or subsector	Reservations	Chapter to which reservation applies
<p>(part of CPC 86211)</p> <p>– Auditing services related to banks</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>commercial presence in Switzerland.</p> <p>Unbound</p> <p>Swiss nationality necessary for survey activities for official public purposes (however, foreign surveyors can work under the responsibility of a licensed Swiss surveyor).</p> <p>Unbound</p> <p>Unbound</p> <p>Unbound. None 5 years after the entry into force of the Agreement amending the Convention establishing the European Free Trade Association of 21 June 2001.</p>	<p>Trade in services and Investment</p> <p>Trade in services and Investment</p> <p>Investment</p> <p>Investment</p> <p>Trade in services and Investment</p>
<p>D. Real Estate Services</p>	<p>Unbound</p>	<p>Trade in services and Investment</p>
<p>E. Rental/Leasing without Operators</p> <p>a) Relating to ships</p> <p>- For maritime transport services (part of CPC 83103)</p>	<p>Unbound</p> <p>In order to sail under Swiss flag, vessels must be 100 per cent owned and controlled by Swiss nationals, 3/4 of which having residency in Switzerland.</p> <p>Board of directors and management of companies owning ships sailing under Swiss flag must be composed of Swiss nationals, the majority of which having</p>	<p>Trade in services</p> <p>Investment</p> <p>Investment</p>

Sector or subsector	Reservations	Chapter to which reservation applies
<p>- For internal waterways transport on the Rhine (part of CPC 83103)</p>	<p>residency in Switzerland.</p> <p>Unbound</p> <p>In order to sail under Swiss flag, vessels must be owned by a company which is substantially influenced (66 per cent of capital and vote) by persons domiciled in Switzerland or in a State according to the Mannheim Convention and the protocols related to it.</p> <p>Traffic rights including cabotage are limited on the basis of the Mannheim Convention and the protocols related to it; owner of vessels must dispose of an appropriate managing agency in Switzerland.</p>	<p>Trade in services</p> <p>Investment</p> <p>Investment</p>
<p>F. Other Business Services</p> <p>j) Services incidental to energy distribution</p> <p>k) Placement and supply services of personnel</p> <p>l) Investigation and security</p>	<p>Unbound</p> <p>Unbound</p> <p>Unbound</p>	<p>Trade in services and Investment</p> <p>Trade in services and Investment</p> <p>Trade in services and Investment</p>
<p>2. COMMUNICATION SERVICES</p> <p>A. Postal services</p> <p>B. Courier Services</p>	<p>Unbound</p> <p>Unbound</p>	<p>Trade in services and Investment</p> <p>Trade in services and Investment</p>
<p>D. Audio-visual services</p>	<p>Unbound</p>	<p>Trade in services and Investment</p>

Sector or subsector	Reservations	Chapter to which reservation applies
Services (CPC 9402)		
<p>7. FINANCIAL SERVICES</p> <p>Commitments on banking, securities and insurance services in accordance with the "GATS Understanding on Commitments in Financial Services" of the WTO (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>Transactions as indicated in paragraph B.3 of the "Understanding": the underwriting of aircraft liability insurance requires a commercial presence in Switzerland.</p> <p>Acquisition of real estate by foreigners is limited as indicated in Part I; however, foreign or foreign-controlled insurance companies are granted authorisation to invest in real estate, provided the total value of the buyer's property does not exceed the technical reserves required for the company's activities in Switzerland, as well as to acquire property that serves as a security for mortgage loans in case of bankruptcy or liquidation.</p> <p>Transactions as indicated in paragraph B.4 of the "Understanding": the underwriting of aircraft liability insurance requires a commercial presence in Switzerland.</p> <p>Representative offices cannot conduct business or act as an agent; for insurance companies incorporated in Switzerland, the legal form of a joint-stock company (Aktiengesellschaft, société anonyme) or a mutual association (Genossenschaft, société cooperative) is required ; for branches of foreign insurance companies, the legal form of the insurance company in the head office State must be comparable to a Swiss joint-stock company or to a Swiss mutual association; participation in the basic health insurance scheme requires health insurance suppliers to be organized in one of the following legal entities: association (Verein, association), mutual association, foundation (Stiftung, fondation) or joint-stock company; participation in the statutory pension funds scheme (Berufsvorsorge / prévoyance</p>	<p>Trade in services</p> <p>Trade in services and Investment</p> <p>Trade in services</p> <p>Investment</p>

Sector or subsector	Reservations	Chapter to which reservation applies
Banking and Other Financial Services (excluding insurance)	professionnelle) requires pension funds to be organized in the form of a mutual association or a foundation.	
	A minimum of three years of experience in the direct insurance business in the head office State is required.	Investment
	Monopoly rights as indicated in paragraph B.1 of the "Understanding": two mortgage bonds issuance institutes have been granted an exclusive right for the issuance of specific mortgage bonds (Pfandbrief, lettre de gage); with regard to the first institute only Swiss cantonal banks are accepted as members; in the case of the second institute banks with head office in Switzerland whose national mortgage loan business amounts to at least 60 per cent of the balance sheet can be members; the issue of other mortgage-backed bonds is not affected by this regulation.	
	¹ Foreign investment funds can only be marketed or distributed through a licensed representative agent resident in Switzerland; Swiss franc denominated issues can be lead-managed only by a bank or a securities dealer having a commercial presence (except representative office) in Switzerland.	Trade in services
	Acquisition of real estate by foreigners is limited as indicated in Part I; however, foreign or foreign-controlled banks are granted authorisation to acquire property that serves as a security for mortgage loans in case of bankruptcy or liquidation; the issue of foreign collective investment funds is subject to stamp duty.	Trade in services and Investment
	Swiss franc denominated issues can be lead-managed only by a bank or a securities dealer having a commercial presence (except representative office) in Switzerland.	Trade in services
Commercial presence of foreign financial service suppliers is subject to specific requirements relating to the name of firm and the regulations on financial institutions in the State of origin; commercial presence may be denied to financial service suppliers whose	Investment	

¹ Not only transactions indicated in paragraph B.3 of the "Understanding" but the whole range of banking and other financial services transactions are covered (excluding insurance).

Sector or subsector	Reservations	Chapter to which reservation applies
	ultimate shareholders and/or beneficial owners are persons of a non-GATS Member; representative offices can neither conclude or deal business nor act as an agent.	
8. HEALTH RELATED AND SOCIAL SERVICES	Unbound	Trade in services and Investment
9. TOURISM AND TRAVEL RELATED SERVICES A. Hotels and Restaurants (CPC 641 - 643) - Catering	Federal law enables cantons to grant licence for restaurants based on economic needs (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. Unbound	Investment Trade in Services
10. RECREATIONAL, CULTURAL AND SPORTING SERVICES (other than audio-visual services) A. Entertainment services C. Libraries, archives, museums and other cultural services	Unbound Unbound	Trade in services and Investment Trade in services and Investment
11. TRANSPORT SERVICES		
A. Maritime Transport Services	Unbound	Trade in services and Investment

Sector or subsector	Reservations	Chapter to which reservation applies
<p>B. Internal Waterways Transport</p> <p>Internal Waterways Transport on the Rhine:</p> <ul style="list-style-type: none"> - Passenger and freight transportation (part of CPC 7221 and part of 7222) - Rental of vessels with crew (part of CPC 7223) <p>D. Space Transport (CPC 733)</p> <p>G. Pipeline Transport</p>	<p>Unbound</p> <p>In order to sail under Swiss flag, vessels must be owned by a company which is substantially influenced (66 per cent of capital and vote) by persons domiciled in Switzerland or in a State according to the Mannheim Convention and the protocols related to it.</p> <p>Traffic rights including cabotage are limited on the basis of the Mannheim Convention and the protocols related to it; owner of vessels must dispose of an appropriate managing agency in Switzerland.</p> <p>In order to sail under Swiss flag, vessels must be owned by a company which is substantially influenced (66 per cent of capital and vote) by persons domiciled in Switzerland or in a State according to the Mannheim Convention and the protocols related to it.</p> <p>Traffic rights including cabotage are limited on the basis of the Mannheim Convention and the protocols related to it; owner of vessels must dispose of an appropriate managing agency in Switzerland.</p> <p>Unbound</p> <p>Unbound</p>	<p>Trade in services</p> <p>Investment</p> <p>Investment</p> <p>Investment</p> <p>Investment</p> <p>Investment</p> <p>Trade in services and Investment</p>
<p>12.ENERGY PRODUCTION AND DISTRIBUTION;</p> <p>INSTALLATION OF EQUIPMENT IN THE ENERGY SECTOR</p>	<p>Unbound</p>	<p>Trade in services and Investment</p>