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Inventory of barriers to trade in
services

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.b2256010 (E)

Inventory of Barriers to Trade In Services

Country: ALGERIA

Reference Number: ALG- 1

Suppliers Affected: ALL

Source: memos EPT-0705, EPT-0002, EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 16/01/89

Barrier Type:

- EC EXCHANGE CONTROLS
- EI ESTABLISHMENT (INVESTMENT)
- GP GOVERNMENT PROCUREMENT

Sector: CONSULTING SERVICES DIVISION

- 7752 - OFFICES OF ENGINEERS
- 777 - MANAGEMENT CONSULTING SERVICES

43.253.479

Detailed Description:

Algeria now contracts out work on particularly high priority projects. It is difficult to get steady payments in hard currency.

NON - CIRCULATING
CONSULTER SUR PLACE

Dept. of External Affairs
Min. des Affaires extérieures

1989

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Inventory of Barriers to Trade In Services

Country: ALGERIA

Reference Number: ALG- 2

Suppliers Affected: CANADA

Source: memo EPT-0003

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: InActive

Created: 04/01/89

Last Updated: 18/01/89

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector: CONSULTING SERVICES DIVISION

777 - MANAGEMENT CONSULTING SERVICES

Detailed Description:

Algeria has no tax treaty with Canada.

Comments:

Although that country has said it will not exercise its right to tax incomes of individual consultants, there is a potential problem of retroactive tax bills.

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Inventory of Barriers to Trade In Services

Country: ALGERIA

Reference Number: ALG- 3

Suppliers Affected: ALL

Source: memo EPT-0008

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 09/01/89

Last Updated: 09/01/89

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

Sector: MARITIME TRANSPORTATION DIVISION

454 - WATER TRANSPORT INDUSTRIES

Detailed Description:

Algeria insists on local carriers.

Comments:

It is said that because Canada has no requirement for the use of Canadian flag ships, Canadian shipping companies have nothing with which to bargain and thereby lose business that is split between two countries with more protectionist policies.

Inventory of Barriers to Trade In Services

Country: ALGERIA

Reference Number: ALG- 4

Suppliers Affected: ALL

Source: memo EPT-0018

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 13/01/89

Last Updated: 13/01/89

Barrier Type:

GM GOVERNMENT MONOPOLY

Sector:

541 WHOLESALE TRADE DIVISION
- ELECTRICAL AND ELECTRONIC HOUSEHOLD APPLIANCES
AND PARTS, WHOLESALE

Detailed Description:

SONACAT is a government monopoly marketing household appliances.

Inventory of Barriers to Trade In Services

Country: ALGERIA

Reference Number: ALG- 5

Suppliers Affected: ALL

Source: memo EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 17/01/89

Last Updated: 17/01/89

Barrier Type:

GM GOVERNMENT MONOPOLY

Sector: DISTRIBUTION SERVICES DIVISION

500 - WHOLESALE TRADE, GENERAL

600 - RETAIL TRADE, GENERAL

Detailed Description:

Algeria has a state monopoly on footwear.

Inventory of Barriers to Trade In Services

Country: ARGENTINA

Reference Number: ARG- 1

Suppliers Affected: ALL

Source: memo EPT-0459

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 15/12/88

Last Updated: 19/12/88

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

Sector: COMPUTER AND OTHER BUSINESS SERVICES DIVISION
772 - COMPUTER AND RELATED SERVICES

Detailed Description:

Argentina prohibits firms from dialing into foreign data bases.

Inventory of Barriers to Trade In Services

Country: ARGENTINA

Reference Number: ARG- 2

Suppliers Affected: ALL

Source: memo EPT-0011

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 11/01/89

Last Updated: 18/01/89

Barrier Type:

OLR OPERATING LIMITS OR REQUIREMENTS
TOC TAXES AND OTHER CHARGES

Sector: TRANSPORTATION SERVICES: DIVISION
4592 - FREIGHT FORWARDING

Detailed Description:

Argentina and many other countries require all customs documents to be legalized and that they contain no erasures, corrections or typos. The legalization requirement means that freight forwarders or exporters must go through consulates and pay fees, with the consulates being open for business only a few hours/day.

Inventory of Barriers to Trade In Services

Country: ARGENTINA

Reference Number: ARG- 3

Suppliers Affected: ALL

Source: memo EPT-0011

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 13/01/89

Last Updated: 13/01/89

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

Sector: AIR TRANSPORTATION DIVISION

451 - AIR TRANSPORT INDUSTRIES

MARITIME TRANSPORTATION DIVISION

454 - WATER TRANSPORT INDUSTRIES

Detailed Description:

Products benefitting from government credit programs
must be carried by local air and marine carriers.

Comments:

Cross reference: old ARG-13

Inventory of Barriers to Trade In Services

Country: ARUBA

Reference Number: ARU- 1

Suppliers Affected: ALL

Source: memos EPT-0694, EPT-0019

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 21/12/88

Last Updated: 12/01/89

Barrier Type:

EC EXCHANGE CONTROLS

Sector: FINANCE AND INSURANCE DIVISION

731 - LIFE INSURANCE CARRIERS

Detailed Description:

There are exchange controls and requirements to invest locally.

Inventory of Barriers to Trade In Services

Country: AUSTRALIA

Reference Number: AST- 1

Suppliers Affected: ALL

Source: memo EPT-0306

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 15/12/88

Last Updated: 18/01/89

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector:

772 COMPUTER AND OTHER BUSINESS SERVICES DIVISION
- COMPUTER AND RELATED SERVICES

Detailed Description:

Australia has a high import duty on computer programs as well as significant customs delays. There is taxation of licence fees and royalties to foreign suppliers of software.

Australian income tax legislation contains an extended definition of the term royalty or royalties. The term embraces a wide variety of payments by a resident to a non-resident, or by a non-resident to another non-resident, if the payment is an expense of a business conducted by the non-resident through a permanent establishment in Australia.

In general, the definition also includes inter-company charges by way of management fees, service fees, technical assistance fees and development expenses charged to an Australian company by its overseas affiliates.

Such payments are deemed to have an Australian source and would create an income tax liability to the recipient company if there is a profit element in the charge or if the Commissioner of Taxation cannot be persuaded that the charges are made only to recover a

Inventory of Barriers to Trade In Services

Country: AUSTRALIA

Reference Number: AST- 1

Detailed Description: (Continued)

fair share of costs. However, there is no restriction within the tax law itself regarding the deductibility of such charges, except for the general power vested in the Commissioner in relation to non-arms's length dealings with non-residents.

To assist in collecting income tax from the non-resident recipient, the paying company is required to advise the Commissioner before remitting the amount of the royalty. The Commissioner then advises the amount of tax to be withheld from the payment to the non-resident. The paying company must remit the tax withheld to the Taxation Office once a notice of assessment has been issued to the non-resident.

Comments:

Cross reference: old AST-12

Inventory of Barriers to Trade In Services

Country: AUSTRALIA

Reference Number: AST- 2

Suppliers Affected: ALL

Source: memo EPT-0309

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 15/12/88

Last Updated: 19/12/88

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector:

772 COMPUTER AND OTHER BUSINESS SERVICES DIVISION
- COMPUTER AND RELATED SERVICES

Detailed Description:

Tax policy encourages firms to do research and
development locally.

Comments:

Cross reference: old AST-12

Inventory of Barriers to Trade In Services

Country: AUSTRALIA

Reference Number: AST- 3

Suppliers Affected: ALL

Source: memo EPT-0370

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 16/12/88

Last Updated: 19/12/88

Barrier Type:

GM GOVERNMENT MONOPOLY

Sector: COMPUTER AND OTHER BUSINESS SERVICES DIVISION
772 - COMPUTER AND RELATED SERVICES

Detailed Description:

Telecom Australia rules preclude computer timesharing and arbitrarily restrict the type and make of equipment that may be attached to its lines.

Comments:

Cross reference old AST-4

Inventory of Barriers to Trade In Services

Country: AUSTRALIA

Reference Number: AST- 4

Suppliers Affected: ALL

Source: memo EPT-0661

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 16/12/88

Last Updated: 19/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

702 FINANCE AND INSURANCE DIVISION
- CHARTERED BANKS AND OTHER BANKING-TYPE
INTERMEDIARIES

Detailed Description:

In 1984, the government selected 16 foreign banks to establish banking operations in Australia. The government does not envisage similar further invitations to foreign interests.

Comments:

Cross reference old AST-10

Inventory of Barriers to Trade In Services

Country: AUSTRALIA

Reference Number: AST- 5

Suppliers Affected: ALL

Source: memo EPT-0661

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 16/12/88

Last Updated: 18/01/89

Barrier Type:

BMP BARRIERS TO MOVEMENT OF PERSONNEL

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

There are immigration/visa difficulties for the entry of key management and technical personnel. A joint venture agreement in the service sector will often require the transfer of skills to Australian employees. Even when skill transfer would require only a short training period, Australian regulations involve a long process, including advertising three times, before personnel may enter, with the result that an outside firm is often unable to have staff in Australia to obtain the business.

Note: the following changes to the temporary entry policy took effect on May 26, 1987:

- Companies will be able to make arrangements with the Department of Immigration for streamlined health and character checks, which are the main impediments to a speedy entry.

- Staff of foreign companies will not be subject to the present Australian labour market test if their posting is for 12 months or less. (Previously, postings of more than four months required testing against the local labour market to ensure that the

Inventory of Barriers to Trade In Services

Country: AUSTRALIA

Reference Number: AST- 5

Detailed Description: (Continued)

jobs could not be done by Australian residents.)

- Parent companies overseas will be able to lodge simultaneously sponsorship proposals and visa applications, and to do so directly at an overseas post, where the proposed stay is up to 12 months. (Previously, sponsorship proposals had to be lodged in Australia by a local branch of the company.)

Comments:

Cross reference: old AST-3

Inventory of Barriers to Trade In Services

Country: AUSTRALIA

Reference Number: AST- 6

Suppliers Affected: ALL EXCEPT NZ

Source: memo EPT-0706

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 18/01/89

Barrier Type:

GP GOVERNMENT PROCUREMENT

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

There is a local procurement preference, state and federal, of 20% vis-a-vis foreign suppliers.

Specifically, if the contract value is below \$20,000, the "local" content is determined by the country-of-origin stamp on the item. If the contract value is above \$20,000, preference is applied only on the value of "local" content, not the whole price. The value of "local" content is part of the information required in the tender document. The maximum that application of the general preference policy can add to the cost of the tender is \$200,000.

Another element of the preference policy permits a discretionary additional preference. Where a purchasing authority considers that a suitable higher Australian-New Zealand content offer (that is, one with at least 10 percentage points higher "local content" than the one otherwise preferred) valued at \$100,000 or below could warrant additional assistance; or where the authority proposes to reject a higher Australian-New Zealand content offer valued at greater than \$100,000; or where the bid would be accepted under the general preference, but the

Inventory of Barriers to Trade In Services

Country: AUSTRALIA

Reference Number: AST- 6

Detailed Description: (Continued)

additional cost would be greater than \$200,000, the decision must be referred to the Minister for Local Government and Administrative Services. The Minister can, after consulting the Advising Departments on Preference in Government Purchasing (these are the Departments of Local Government and Administrative Services; Treasury; Finance; Science; Industry, Technology and Commerce; Employment and Industrial Relations; Trade; and Defence), decide to allow an additional preference margin to be applied. This margin is generally 10 percentage points.

Legislative or Policy Instrument:

Australia-New Zealand Preferences Policy

Comments:

Cross reference: old AST-5.
While a Canadian firm mentioned that an Australian private sector firm has chosen an Australian competitor at over twice the price, this barrier may have had an effect.

Inventory of Barriers to Trade In Services

Country: AUSTRALIA

Reference Number: AST- 7

Suppliers Affected: ALL

Source: memo EPT-0018

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 13/01/89

Last Updated: 18/01/89

Barrier Type:

TB TECHNICAL BARRIERS

Sector:

ALL DIVISIONS
1 - ALL SECTORS
WHOLESALE TRADE DIVISION
541 - ELECTRICAL AND ELECTRONIC HOUSEHOLD APPLIANCES
AND PARTS, WHOLESALE

Detailed Description:

Technical standards constitute a barrier to the
export of goods to Australia.

Inventory of Barriers to Trade In Services

Country: AUSTRALIA

Reference Number: AST- 8

Suppliers Affected: ALL EXCEPT NZ

Source: memo EPT-0024

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 17/01/89

Last Updated: 17/01/89

Barrier Type:

GP GOVERNMENT PROCUREMENT

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

Australia often demands offsets in the form of technology transfers, often at a similar level of technology as the purchase.

Offsets are required for offshore purchases of services to government agencies where import content is over 30% and contract-value is over \$A 2.5 million.

The Australian Government applies this policy to major overseas defence purchases as well as purchases such as communications and electronic equipment, civil aircraft, motor vehicles and computers by non-exempt federal Departments and Authorities and several companies in which the federal Government has a direct interest or which benefit from an Australian Government bestowed protective advantage.

Purchases Subject to Offsets:

Offsets are required as a result of all purchases, leases or hire arrangements in respect of overseas-sourced goods or services by Departments, Authorities and relevant companies which are subject to the Offsets policy in respect of:

Inventory of Barriers to Trade In Services

Country: AUSTRALIA

Reference Number: AST- 8

Detailed Description: (Continued)

(a) single orders placed overseas, as either prime or sub-contracts; or

(b) cumulative orders for functionally similar items placed overseas by all organizations subject to the policy, in a single financial year; and

where,

(c) the duty-free price of the purchase exceeds \$2.5m and the imported content exceeds 30% of this price; or

(d) the Department of Defence seeks offsets for strategic or defence purchases.

Purchases not Subject to Offsets

Offsets are not required where:

(a) the purchase does not fall within the categories detailed in para 5.2;

(b) the purchases are made by the following authorities which the Government has exempted from the policy on the basis that the major trading activities are undertaken in competitive markets.

- (i) Australian National Line
- (ii) Commonwealth Banking Corporation
- (iii) Snowy Mountains Engineering Corporation
- (iv) Medibank Private
- (v) Housing Loan Insurance Corporation
- (vi) Commonwealth Serum Laboratories
- (vii) Australian Industry Development Corporation
- (viii) Export Finance and Insurance Corporation
- (ix) Australian National Railways; or

(c) goods are sold or leased to the Australian Government in second-hand or used condition, even though restored to as-new condition; or

(d) the relevant Minister determines that an exemption from the policy will be made and such exemption is notified in Request for Tender documents; or

Inventory of Barriers to Trade In Services

Country: AUSTRALIA

Reference Number: AST- 8

Detailed Description: (Continued)

(e) the purchase is made by State Governments using funds allocated by the Australian Government; or

(f) the purchase is made by an educational institution.

Legislative or Policy Instrument:

Offsets Policy of March 1, 1987

Comments:

Cross reference: old AST-1

Inventory of Barriers to Trade In Services

Country: AUSTRALIA

Reference Number: AST- 9

Suppliers Affected: ALL

Source: memo EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 17/01/89

Last Updated: 18/01/89

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

A Canadian firm was blocked by the Foreign Investment Review Board when it tried to buy a distribution firm.

An "economic benefit" test applies for all foreign investment proposals.

Foreign Investment Review Board (FIRB) guidelines:

The following types of proposals by foreign interests to invest in Australia are subject to examination:

- acquisition of existing Australian businesses (or substantial partial interests therein), as provided in the Foreign Takeovers Act of 1975 (FTA). Changes announced on April 30, 1987 propose that the FTA be amended to exempt from its provisions (including notification) proposals in respect of businesses with total assets of less than \$5 million (less than \$3 million for rural properties);

- proposals for the establishment of new businesses involving total investment of \$10 million or more;

- proposals for investment in civil aviation and the

Inventory of Barriers to Trade In Services

Country: AUSTRALIA

Reference Number: AST- 9

Detailed Description: (Continued)

media irrespective of size;

- direct investments by foreign governments or their agencies; and

- proposals to acquire real estate.

In these sectors, the government approves proposals to acquire existing businesses or to establish new businesses over \$10 million, unless the proposal is contrary to the national interest: manufacturing, services, resource processing, non-bank financial institutions, insurance and tourism (hotels and resorts), rural properties and sharebroking.

Legislative or Policy Instrument:

Foreign Takeovers Act, 1975.

Comments:

Cross reference: old AST-16

Inventory of Barriers to Trade In Services

Country: BAHAMAS

Reference Number: BAH- 1

Suppliers Affected: ALL

Source: memos EPT-0661, EPT-0667, EPT-0019

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 16/12/88

Last Updated: 18/01/89

Barrier Type:

BMP BARRIERS TO MOVEMENT OF PERSONNEL

Sector: ALL DIVISIONS
1 - ALL SECTORS

Detailed Description:

There are barriers to movement of banking and other personnel.

Inventory of Barriers to Trade In Services

Country: BAHAMAS

Reference Number: BAH- 2

Suppliers Affected: ALL

Source: memo EPT-0694

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 21/12/88

Last Updated: 21/12/88

Barrier Type:

EC EXCHANGE CONTROLS

OLR OPERATING LIMITS OR REQUIREMENTS

Sector: FINANCE AND INSURANCE DIVISION
731 - LIFE INSURANCE CARRIERS

Detailed Description:

35% of funds must be invested locally.

Inventory of Barriers to Trade In Services

Country: BAHAMAS

Reference Number: BAH- 3

Suppliers Affected: ALL

Source: memo EPT-0022

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 17/01/89

Last Updated: 17/01/89

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

The Bahamas often requires majority equity participation by locals.

Inventory of Barriers to Trade In Services

Country: BARBADOS

Reference Number: BDB- 1

Suppliers Affected: ALL

Source: memo EPT-0672

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 16/12/88

Last Updated: 19/12/88

Barrier Type:

OLR OPERATING LIMITS OR REQUIREMENTS

Sector:

FINANCE AND INSURANCE DIVISION

741 - SECURITY BROKERS AND DEALERS

Detailed Description:

A Canadian investment dealer established in Barbados may not deal with Barbadians.

Inventory of Barriers to Trade In Services

Country: BARBADOS

Reference Number: BDB- 2

Suppliers Affected: ALL

Source: memos EPT-0694, EPT-0019, EPT-0022

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 21/12/88

Last Updated: 17/01/89

Barrier Type:

EC EXCHANGE CONTROLS

Sector: FINANCE AND INSURANCE DIVISION

731 - LIFE INSURANCE CARRIERS

Detailed Description:

Currency controls make it difficult to get funds out of Barbados.

Barbados will not allow franchise fees.

Inventory of Barriers to Trade In Services

Country: BENIN

Reference Number: BEN- 1

Suppliers Affected: ALL

Source: memo EPT-0003

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 04/01/89

Last Updated: 04/01/89

Barrier Type:

BMP BARRIERS TO MOVEMENT OF PERSONNEL

Sector:

CONSULTING SERVICES DIVISION

777 - MANAGEMENT CONSULTING SERVICES

Detailed Description:

Spouses of foreign consultants find it difficult to obtain work permits.

Inventory of Barriers to Trade In Services

Country: BELGIUM

Reference Number: BLG- 1

Suppliers Affected: ALL

Source: memo EPT-0004

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 04/01/89

Last Updated: 04/01/89

Barrier Type:

OLR OPERATING LIMITS OR REQUIREMENTS

Sector: COMPUTER AND OTHER BUSINESS SERVICES DIVISION

773 - ACCOUNTING AND BOOKKEEPING SERVICES

CONSULTING SERVICES DIVISION

777 - MANAGEMENT CONSULTING SERVICES

Detailed Description:

Belgium requires management consulting businesses to be strictly separate from auditing firms, with separate corporations and locales.

Inventory of Barriers to Trade In Services

Country: BELGIUM

Reference Number: BLG- 2

Suppliers Affected: ALL

Source: memo EPT-0004

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 06/01/89

Last Updated: 09/01/89

Barrier Type:

GP GOVERNMENT PROCUREMENT

Sector:

777 CONSULTING SERVICES DIVISION
- MANAGEMENT CONSULTING SERVICES

Detailed Description:

The Belgian government tries to protect the country's management consulting firms, many of which are partly government owned, by giving them work.

Inventory of Barriers to Trade In Services

Country: BANGLADESH

Reference Number: BND- 1

Suppliers Affected: ALL

Source: memo EPT-0708

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 03/01/89

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector: CONSULTING SERVICES DIVISION

7759 - OTHER SCIENTIFIC AND TECHNICAL SERVICES

Detailed Description:

A foreign high tech service firm wanting to establish in Bangladesh would be refused or would have to go through a local partner.

Inventory of Barriers to Trade In Services

Country: BANGLADESH

Reference Number: BND- 2

Suppliers Affected: ALL

Source: memo EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 16/01/89

Last Updated: 16/01/89

Barrier Type:

BMP BARRIERS TO MOVEMENT OF PERSONNEL

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

It is difficult to obtain work permits.

Inventory of Barriers to Trade In Services

Country: BRUNEI

Reference Number: BRU- 1

Suppliers Affected: ALL

Source: memo EPT-0003

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 04/01/89

Last Updated: 04/01/89

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

Sector: CONSULTING SERVICES DIVISION

777 - MANAGEMENT CONSULTING SERVICES

Detailed Description:

Brunei often requires hiring young nationals as their first jobs.

Comments:

Sometimes local partners lack capabilities and the foreign consultant must do all the work.

Inventory of Barriers to Trade In Services

Country: BRAZIL

Reference Number: BZL- 1

Suppliers Affected: ALL

Source: memos EPT-0370, EPT-0459, EPT-0024

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 16/12/88 Last Updated: 17/01/89

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

Sector: COMPUTER AND OTHER BUSINESS SERVICES DIVISION
772 - COMPUTER AND RELATED SERVICES

Detailed Description:

Because Brazil does not allow the installation of leased telecommunications lines, computing services cannot be supplied from outside Brazil. Firms in Brazil cannot dial into data bases abroad.

Legislative or Policy Instrument:

Law of Informatics of 1984 (No. 7.232)

Comments:

Cross reference: old BZL-2, old BZL-17

Inventory of Barriers to Trade In Services

Country: BRAZIL

Reference Number: BZL- 2

Suppliers Affected: ALL

Source: memos EPT-0306, EPT-0024

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 16/12/88

Last Updated: 17/01/89

Barrier Type:

TB TECHNICAL BARRIERS

Sector: COMPUTER AND OTHER BUSINESS SERVICES DIVISION
772 - COMPUTER AND RELATED SERVICES

Detailed Description:

Much of the software sold in Brazil must be made to operate on Brazilian hardware. As well, there is often a different modem signalling system into which it is impossible for outside firms to dial.

Legislative or Policy Instrument:

Law of Informatics, 1984 (No. 7.232)

Comments:

Cross reference: old BZL-2, old BZL-17

Inventory of Barriers to Trade In Services

Country: BRAZIL

Reference Number: BZL- 3

Suppliers Affected: ALL

Source: memos EPT-0306, EPT-0010, EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 16/12/88

Last Updated: 16/01/89

Barrier Type:

EC EXCHANGE CONTROLS

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

Foreign remittances are controlled and taxed. Special permission is needed to take funds out of Brazil. It is not usually permitted to transfer funds out of the country in excess of about 12% per year of initial capital transferred to Brazil, which in some sectors is usually much less than fees earned.

Royalty payments to foreigners are restricted to 1% of sales and trademark royalties are permitted for only 10 years.

Sometimes remittances above 12% are specially taxed.

However, a Technology Transfer Agreement signed by Brazil is expected to liberalize funds transfer.

Inventory of Barriers to Trade In Services

Country: BRAZIL

Reference Number: BZL- 3

Legislative or Policy Instrument:

Concine 98. The National Monetary Council establishes the policies and the Central Bank of Brazil implements them.

Comments:

Cross reference: old BZL-8, old BZL-12, old BZL-32

Inventory of Barriers to Trade In Services

Country: BRAZIL

Reference Number: BZL- 4

Suppliers Affected: ALL

Source: memos EPT-0667, EPT-0024

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 16/12/88

Last Updated: 17/01/89

Barrier Type:

BMP BARRIERS TO MOVEMENT OF PERSONNEL

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

Barriers to movement of personnel affect trade in banking and other services.

Comments:

Travelling business people sometimes describe themselves as tourists.

Inventory of Barriers to Trade In Services

Country: BRAZIL

Reference Number: BZL- 5

Suppliers Affected: ALL

Source: memo EPT-0708

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 03/01/89

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector: ALL DIVISIONS
1 - ALL SECTORS

Detailed Description:

Brazil is not party to an international carnet which can be used to make temporary importations of equipment such as computers for display purposes.

Inventory of Barriers to Trade In Services

Country: BRAZIL

Reference Number: BZL- 6

Suppliers Affected: ALL

Source: memos EPT-0008, EPT-0018, EPT-0024

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 09/01/89

Last Updated: 17/01/89

Barrier Type:

GSE GOVERNMENT SUBSIDIES/EXPORT

Sector:

ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

Low cost government concessional financing subsidizes Brazilian manufacturers and thereby affects exports of services as well.

Brazil is not party to an international consensus on concessional financing.

Inventory of Barriers to Trade In Services

Country: BRAZIL

Reference Number: BZL- 7

Suppliers Affected: ALL

Source: memo EPT-0010

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 10/01/89

Last Updated: 10/01/89

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector: TRANSPORTATION SERVICES: DIVISION
4592 - FREIGHT FORWARDING

Comments:

It is necessary to bribe Customs officials to get goods moving. The accounting procedure is to list such payments as "freight" or "customs clearance" fees.

Inventory of Barriers to Trade In Services

Country: BRAZIL

Reference Number: BZL- 8

Suppliers Affected: ALL

Source: memo EPT-0009

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 10/01/89

Last Updated: 10/01/89

Barrier Type:

QIR QUANTITATIVE IMPORT RESTRICTIONS

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

Brazil has an import licensing system to protect its reserves of hard currency.

Inventory of Barriers to Trade In Services

Country: BRAZIL

Reference Number: BZL- 9

Suppliers Affected: ALL

Source: memo EPT-0011

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 11/01/89

Last Updated: 18/01/89

Barrier Type:

EC EXCHANGE CONTROLS

Sector: TRANSPORTATION SERVICES: DIVISION
4592 - FREIGHT FORWARDING

Detailed Description:

Foreign freight forwarders must keep bank accounts in Brazil, in Brazilian currency.

Inventory of Barriers to Trade In Services

Country: BRAZIL

Reference Number: BZL- 10

Suppliers Affected: ALL

Source: memo EPT-0011

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 11/01/89

Last Updated: 11/01/89

Barrier Type:

GP GOVERNMENT PROCUREMENT
LSR LOCAL SUPPLY REQUIREMENT

Sector: MARITIME TRANSPORTATION DIVISION
454 - WATER TRANSPORT INDUSTRIES

Detailed Description:

All imported products must be shipped in Brazilian flag vessels. When bilateral maritime agreements exist, half of the cargo is allocated to Brazilian flag vessels and half to the other country's flag vessels.

Third country flag vessels are essentially excluded from southbound trade; northbound trade is split 40/40/20.

Cabotage is reserved for Brazilian flag vessels.

Government cargoes are reserved for Brazilian carriers.

Inventory of Barriers to Trade In Services

Country: BRAZIL

Reference Number: BZL- 10

Legislative or Policy Instrument:

Law of Navigation.

Comments:

Cross reference: old barriers BZL-5, BZL-26, BZL-27

Inventory of Barriers to Trade In Services

Country: BRAZIL

Reference Number: BZL- 11

Suppliers Affected: ALL

Source: memo EPT-0024

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 17/01/89

Last Updated: 17/01/89

Barrier Type:

GP GOVERNMENT PROCUREMENT

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

Brazil demands offsets, because of balance of payments problems.

Inventory of Barriers to Trade In Services

Country: BRAZIL

Reference Number: BZL- 12

Suppliers Affected: ALL

Source: memo EPT-0022

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 17/01/89

Last Updated: 17/01/89

Barrier Type:

PR PRICE REGULATION

Sector: ACCOMMODATION, FOOD AND BEVERAGE SERVICES DIVISION
921 - FOOD SERVICES

Comments:

The Sao Paulo state government forced a U.S.-based restaurant franchise to rescind a price increase and rollback its prices to 5% less than the previous rates. The U.S. firm subsequently sold out to a local.

Inventory of Barriers to Trade In Services

Country: CHINA

Reference Number: CHI- 1

Suppliers Affected: ALL

Source: Attachment to memo EPT-0642

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 19/12/88

Last Updated: 19/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

OLR OPERATING LIMITS OR REQUIREMENTS

Detailed Description:

Foreign banks are limited to representative offices or joint ventures and are restricted from access to the local currency market.

Inventory of Barriers to Trade In Services

Country: CHINA

Reference Number: CHI- 2

Suppliers Affected: ALL

Source: memo EPT-0024

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 17/01/89

Last Updated: 17/01/89

Barrier Type:

GP GOVERNMENT PROCUREMENT

Sector: ALL DIVISIONS
1 - ALL SECTORS

Detailed Description:

China often demands offsets on government procurement contracts.

Inventory of Barriers to Trade In Services

Country: CHILE

Reference Number: CHL- 1

Suppliers Affected: ALL

Source: memo EPT-0011

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 13/01/89

Last Updated: 13/01/89

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

Sector:

AIR TRANSPORTATION DIVISION
451 - AIR TRANSPORT INDUSTRIES
MARITIME TRANSPORTATION DIVISION
454 - WATER TRANSPORT INDUSTRIES

Detailed Description:

Chile stipulates the use of Chilean carriers.

Inventory of Barriers to Trade In Services

Country: COLOMBIA

Reference Number: COL- 1

Suppliers Affected: ALL

Source: memos EPT-0309, EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 19/12/88

Last Updated: 16/01/89

Barrier Type:

EC EXCHANGE CONTROLS

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

There are long delays in getting money out of the country.

Inventory of Barriers to Trade In Services

Country: COLOMBIA

Reference Number: COL- 2

Suppliers Affected: ALL, NON-ANDEAN

Source: memos EPT-0008, EPT-0009, EPT-0011

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 09/01/89

Last Updated: 11/01/89

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

Sector: MARITIME TRANSPORTATION DIVISION

454 - WATER TRANSPORT INDUSTRIES

Detailed Description:

50% of goods entering must be shipped on Colombian owned vessels. (Associated status is considered a national line.)

Discriminatory bilateral agreements in the region (and with specific lines) limit access to the shipping sector; there is a 50% maximum on cargo carried by foreign carriers on established routes.

Comments:

It is said that because Canada has no requirement for the use of Canadian flag ships, Canadian shipping companies have nothing with which to bargain and thereby lose business that is split between two countries with more protectionist policies.

Cross reference: old barriers COL-5, COL-11

Inventory of Barriers to Trade In Services

Country: COLOMBIA

Reference Number: COL- 3

Suppliers Affected: ALL

Source: memo EPT-0009

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 10/01/89

Last Updated: 10/01/89

Barrier Type:

QIR QUANTITATIVE IMPORT RESTRICTIONS

Sector:

1 ALL DIVISIONS
- ALL SECTORS

Detailed Description:

Colombia has an import licensing system to protect its reserves of hard currencies.

Inventory of Barriers to Trade In Services

Country: COTE D'IVOIRE

Reference Number: COT- 1

Suppliers Affected: CANADA

Source: memos EPT-0002, EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 04/01/89

Last Updated: 18/01/89

Barrier Type:

EC EXCHANGE CONTROLS

Sector: CONSULTING SERVICES DIVISION

777 - MANAGEMENT CONSULTING SERVICES

Detailed Description:

A Canadian consulting firm was hired by the Department of Science and Technology and the contract approved by the World Bank. However, the Ministere de la Fontion publique has authority for hiring everyone including expatriates and has not yet approved payment which is three years in arrears.

Inventory of Barriers to Trade In Services

Country: CUBA

Reference Number: CUB- 1

Suppliers Affected: CANADA

Source: memos EPT-0694, EPT-0698

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 21/12/88

Last Updated: 22/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector: FINANCE AND INSURANCE DIVISION

731 - LIFE INSURANCE CARRIERS

Detailed Description:

A Canadian life insurance company was expelled from Cuba several years ago.

Inventory of Barriers to Trade In Services

Country: CURACAO

Reference Number: CUR- 1

Suppliers Affected: ALL

Source: memos EPT-0694, EPT-0019

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 21/12/88

Last Updated: 12/01/89

Barrier Type:

EC EXCHANGE CONTROLS

Sector: FINANCE AND INSURANCE DIVISION

731 - LIFE INSURANCE CARRIERS

Detailed Description:

There are exchange controls and requirements to invest locally.

Inventory of Barriers to Trade In Services

Country: CZECHOSLOVAKIA

Reference Number: CZE- 1

Suppliers Affected: ALL

Source: memo EPT-0009

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 10/01/89

Last Updated: 10/01/89

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector: ALL DIVISIONS
1 - ALL SECTORS

Detailed Description:

Communist countries will, in general, not allow foreign firms to establish.

Inventory of Barriers to Trade In Services

Country: EUROPEAN ECONOMIC COMMUNITY Reference Number: EEC- 1

Suppliers Affected: NON-EEC

Source: memo EPT-0306

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 19/12/88

Last Updated: 19/01/89

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

Sector: COMPUTER AND OTHER BUSINESS SERVICES DIVISION
772 - COMPUTER AND RELATED SERVICES

Detailed Description:

EEC countries have encouraged the use of local hardware. Software must be developed for that equipment.

For example, in the U.K. there is an informal national preference by educational institutions to use U.K. equipment, with which international software packages may not be compatible.

Inventory of Barriers to Trade In Services

Country: EUROPEAN ECONOMIC COMMUNITY Reference Number: EEC- 2

Suppliers Affected: NON-EEC

Source: memo EPT-0366

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 19/12/88

Last Updated: 19/01/89

Barrier Type:

GP GOVERNMENT PROCUREMENT

Sector: COMPUTER AND OTHER BUSINESS SERVICES DIVISION

772 - COMPUTER AND RELATED SERVICES

Detailed Description:

Firms must be established in the EEC in order to sell
to the Commission.

Inventory of Barriers to Trade In Services

Country: EUROPEAN ECONOMIC COMMUNITY Reference Number: EEC- 3

Suppliers Affected: ALL

Source: memo EPT-0370

Canadian Source: YES

Canadian Negotiating Priority: HIGH

Status: Active

Created: 19/12/88

Last Updated: 06/01/89

Barrier Type:

GM GOVERNMENT MONOPOLY

Sector: COMPUTER AND OTHER BUSINESS SERVICES DIVISION
772 - COMPUTER AND RELATED SERVICES

Detailed Description:

Government telecommunications systems, especially the PTTs in EEC countries, make it difficult or impossible for foreign firms to provide electronic mail service and some other computer services.

Comments:

Cross reference: old barriers EEC-1, EEC-3, DEN-6, FRA-9, FRA-12, FRA-13, FRA-29, FRG-1, FRG-14, FRG-15, FRG-16, GRE-8, GRE-9, ITL-1, ITL-20, NET-11, NET-19, PRO-3, SPN-8, UKM-3.

Inventory of Barriers to Trade In Services

Country: EUROPEAN ECONOMIC COMMUNITY Reference Number: EEC- 4

Suppliers Affected: NON-EEC

Source: memo EPT-0004

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 06/01/89

Last Updated: 19/01/89

Barrier Type:

PQ PROFESSIONAL QUALIFICATIONS

Sector: COMPUTER AND OTHER BUSINESS SERVICES DIVISION

773 - ACCOUNTING AND BOOKKEEPING SERVICES

776 - OFFICES OF LAWYERS

Detailed Description:

Professional qualifications present barriers in EEC countries. Lawyers not qualified to practise operate as "law consultants". The situation for non-EEC professionals may become easier after 1992.

In Belgium, foreign lawyers require prior approval by the bar (through a work permit authorization procedure) to practise.

To practise law in France, one must be an EEC national or a citizen of a country that has a reciprocal agreement with France. No such agreement exists between Canada and France. The practitioner must be a graduate of a university from a recognized list. The candidate must pass a series of examinations to obtain a "certificat d'aptitude a la profession d'avocat". A "stage" of two years with a member of the profession is also required for full admission to practice.

In France the profession of notary is strictly limited to French citizens.

Inventory of Barriers to Trade In Services

Country: EUROPEAN ECONOMIC COMMUNITY Reference Number: EEC- 4

Detailed Description: (Continued)

In Germany restrictions may be placed on the areas of law in which foreign legal advisers may practise.

Italy requires citizenship in an EEC country for lawyers, architects and accountants to practise. Canadian degrees are not recognized unless qualified by Italian universities and professional tests. A Canadian accountant cannot obtain registration in the Italian professional association.

In the Netherlands, admission to the Dutch bar requires a Master of Law degree from a Dutch university and citizenship in an EEC country.

The U.K. is said to have the highest accounting standards in the world thereby making qualification more difficult for foreign accountants.

Comments:

Cross reference: old barriers BLG-4, FRA-4, FRA-5, FRA-8, FRG-12, ITL-6, NET-13

Inventory of Barriers to Trade In Services

Country: EUROPEAN ECONOMIC COMMUNITY Reference Number: EEC- 5

Suppliers Affected: NON-EEC

Source: memo EPT-0004

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 06/01/89

Last Updated: 19/01/89

Barrier Type:

GP GOVERNMENT PROCUREMENT

Sector:

1 ALL DIVISIONS
- ALL SECTORS

Detailed Description:

In France, the government favours local agencies in awarding government contracts for advertising.

It is the practice in Germany for state-owned (federal, land or municipal) companies to purchase their insurance from local (FRG) companies.

In Greece, local content is a consideration in awarding government contracts.

In Portugal, goods imported by sea by state-owned organizations must be carried by Portuguese flag vessels, unless Portuguese shipping operators subcontract the work to foreign firms.

Comments:

Cross reference: old barriers FRA-20, FRG-9, GRE-4, ITL-22, POR-4. The EEC is expected to demand reciprocity as a means of continuing to protect their marches publiques.

Inventory of Barriers to Trade In Services

Country: EUROPEAN ECONOMIC COMMUNITY Reference Number: EEC- 6

Suppliers Affected: NON-EEC

Source: memo EPT-0004

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 06/01/89

Last Updated: 19/01/89

Barrier Type:

GSD GOVERNMENT SUBSIDIES/DOMESTIC
GSE GOVERNMENT SUBSIDIES/EXPORT

Sector:

482 COMMUNICATIONS AND OTHER UTILITIES DIVISION
 - TELECOMMUNICATION CARRIERS INDUSTRY
 COMPUTER AND OTHER BUSINESS SERVICES DIVISION
772 - COMPUTER AND RELATED SERVICES
 CONSULTING SERVICES DIVISION
7752 - OFFICES OF ENGINEERS

Detailed Description:

The EEC has ESPRIT (Programme strategique europeen de recherche et de developpement dans le domaine des technologies de l'information), with the objective of achieving a technological breakthrough permitting the EEC to take the lead from the U.S. and Japan in five priority sectors of research and development, notably in telecommunications and information processing. This constitutes a subsidy which could give EEC firms an advantage.

Ireland's Industrial Development Authority provides investment incentives to attract export-oriented foreign service firms, such as consulting engineers and software companies.

Inventory of Barriers to Trade In Services

Country: EUROPEAN ECONOMIC COMMUNITY Reference Number: EEC- 6

Comments:

Cross reference: old IRE-4

Inventory of Barriers to Trade In Services

Country: EUROPEAN ECONOMIC COMMUNITY Reference Number: EEC- 7

Suppliers Affected: CANADA

Source: memo EPT-0010

Canadian Source: YES

Canadian Negotiating Priority: LOW

Status: Active

Created: 10/01/89

Last Updated: 10/01/89

Barrier Type:

PQ PROFESSIONAL QUALIFICATIONS

Sector: TRANSPORTATION SERVICES: DIVISION
4592 - FREIGHT FORWARDING

Detailed Description:

European professional qualifications for freight forwarders are different than in Canada.

Inventory of Barriers to Trade In Services

Country: EUROPEAN ECONOMIC COMMUNITY Reference Number: EEC- 8

Suppliers Affected: ALL

Source: memo EPT-0025

Canadian Source: YES

Canadian Negotiating Priority: LOW

Status: Active

Created: 12/01/89

Last Updated: 12/01/89

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector: OTHER SERVICES DIVISION

979 - OTHER PERSONAL AND HOUSEHOLD SERVICES

Detailed Description:

Value Added Tax (VAT) is ruinous to franchised home cleaning businesses which compete with traditional cleaning ladies whose services are untaxed. As well, paperwork on VAT is onerous and expensive.

Inventory of Barriers to Trade In Services

Country: EUROPEAN ECONOMIC COMMUNITY Reference Number: EEC- 9

Suppliers Affected: NON-EEC

Source: memo EPT-0021

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 16/01/89

Last Updated: 16/01/89

Barrier Type:

GP GOVERNMENT PROCUREMENT

Sector: ALL DIVISIONS
1 - ALL SECTORS

Detailed Description:

Government and PTT procurement almost excludes non-EEC firms.

In Italy there is a practical requirement for local partners in order to win contracts in construction and consulting engineering services and to deal with local rules such as building codes and union regulations. As well, there is a government policy not to award contracts to outside consultants unless there is no alternative. The government prefers a joint venture in which the Italian firm is even a minor partner.

Canadian engineering degrees are not recognized unless the engineers are qualified on the basis of examination by Italian universities and professional tests. Without such qualification, Canadian engineers may not sign official project documents or performance activity forms.

In Greece, local content is a consideration in awarding government contracts.

Inventory of Barriers to Trade In Services

Country: EUROPEAN ECONOMIC COMMUNITY Reference Number: EEC- 9

Comments:

The Italian GATT submission states "In tenders where participants are invited or selected on the basis of pre-qualification documents, discrimination takes place beyond the existing laws."

Cross reference: GRE-4, ITL-3, ITL-22

Inventory of Barriers to Trade In Services

Country: EGYPT

Reference Number: EGT- 1

Suppliers Affected: ALL

Source: memo EPT-0009

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 10/01/89

Last Updated: 10/01/89

Barrier Type:

GM GOVERNMENT MONOPOLY
GP GOVERNMENT PROCUREMENT
TOC TAXES AND OTHER CHARGES

Sector: TRANSPORTATION SERVICES: DIVISION
4592 - FREIGHT FORWARDING

Detailed Description:

Martrans is the state freight forwarder. If Martrans is involved in a shipment, there is a 5% additional charge.

Comments:

Sometimes, firms quote two prices, one for Martrans' involvement and a lower price for no Martrans participation.

The only multinational freight forwarder used by the Egyptian government is Shenker.

Inventory of Barriers to Trade In Services

Country: EGYPT

Reference Number: EGT- 2

Suppliers Affected: ALL

Source: memo EPT-0018

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 13/01/89

Last Updated: 13/01/89

Barrier Type:

PR PRICE REGULATION

Sector:

1 ALL DIVISIONS
- ALL SECTORS

Detailed Description:

Egypt has price regulations which stipulate maximums.

Comments:

The result is sometimes shortages and sometimes bogus accounting which might involve an invoice for the "official" price and an additional cash payment which does not show on the invoice.

Inventory of Barriers to Trade In Services

Country: EGYPT

Reference Number: EGT- 3

Suppliers Affected: CANADA

Source: memo EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 17/01/89

Last Updated: 17/01/89

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

1 ALL DIVISIONS
- ALL SECTORS

Detailed Description:

The subsidiary of a Canadian company was nationalized without compensation.

Inventory of Barriers to Trade In Services

Country: FINLAND

Reference Number: FIN- 1

Suppliers Affected: ALL

Source: memo EPT-0700

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 28/12/88

Last Updated: 28/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector: FINANCE AND INSURANCE DIVISION

731 - LIFE INSURANCE CARRIERS

733 - PROPERTY AND CASUALTY INSURERS

Detailed Description:

Foreign firms require permission from the Ministry of Trade and Industry and the Ministry of Social Affairs and Health to establish insurance companies in Finland.

No attempt has been made by a foreign firm to establish an insurance company during the last 50 years. There is some possibility that current restrictions will be eased.

Ownership of shares in Finnish insurance companies by foreigners after 1988 will be restricted to two-fifths of that company's share or guaranteed capital. Foreigners may only hold shares which have been marked as being legally transferable to a foreigner. The voting rights of such shares and guaranteed shares will be limited to one quarter of the number of votes which other shares and guarantee shares entitle. The regulatory authorities have the right not to grant a licence to foreign companies on certain specific grounds.

Inventory of Barriers to Trade In Services

Country: FINLAND

Reference Number: FIN- 1

Comments:

Cross references: old FIN-11, FIN-30

Inventory of Barriers to Trade In Services

Country: FRANCE

Reference Number: FRA- 1

Suppliers Affected: NON-EEC

Source: memo EPT-0672

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 19/12/88

Last Updated: 19/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

741 FINANCE AND INSURANCE DIVISION
- SECURITY BROKERS AND DEALERS

Detailed Description:

Only dealers approved by the Commission des Operations de Bourse may sell stocks and bonds. Regulations, while "non discriminatory", fall more heavily on foreign securities firms operating in France. Some deregulation is anticipated.

Entry to the market by acquisition of a securities firm is subject to close control and may not be possible. Membership on the Paris Stock Exchange is prohibited for non-EEC nationals and there are obstacles to foreign firms' underwriting securities issues. Exchange controls still presented difficulties in 1986.

Comments:

Cross reference: old FRA-3, old FRA-39

Inventory of Barriers to Trade In Services

Country: FRANCE

Reference Number: FRA- 2

Suppliers Affected: ALL

Source: memos EPT-0660, EPT-0003, EPT-0006, EPT-0019, EPT-0024

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 19/12/88

Last Updated: 17/01/89

Barrier Type:

GSE GOVERNMENT SUBSIDIES/EXPORT

Sector:

ALL DIVISIONS
1 - ALL SECTORS
FINANCE AND INSURANCE DIVISION
702 - CHARTERED BANKS AND OTHER BANKING-TYPE
INTERMEDIARIES
CONSULTING SERVICES DIVISION
777 - MANAGEMENT CONSULTING SERVICES

Detailed Description:

French government concessional financing subsidizes exports.

French government development agencies such as SNA, subsidize French management consulting firms, particularly with respect to at least one project in Madagascar.

Inventory of Barriers to Trade In Services

Country: FRANCE

Reference Number: FRA- 3

Suppliers Affected: CANADA

Source: memo EPT-0700

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 28/12/88

Last Updated: 28/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

FINANCE AND INSURANCE DIVISION
733 - PROPERTY AND CASUALTY INSURERS

Detailed Description:

Administrative or regulatory barriers make it extremely difficult for foreigners to establish property and casualty insurance businesses.

The creation of a branch or company in France is required for doing business, even reinsurance, there. The approval of the Direction des Assurances of the Ministère de l'Economie is needed. Included in the dossier to be approved are: a three-year program activity profile, a security deposit and other technical requirements. These are also required of French insurers. Canadian companies are, however, also asked to provide a \$100,000 security deposit which appears to reflect a similar requirement imposed on French companies in Canada.

Inventory of Barriers to Trade In Services

Country: FRANCE

Reference Number: FRA- 3

Comments:

Cross reference: old FRA-32, old FRA-34

Inventory of Barriers to Trade In Services

Country: FRANCE

Reference Number: FRA- 4

Suppliers Affected: ALL

Source: memo EPT-0697

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 03/01/89

Barrier Type:

PR PRICE REGULATION

Sector: FINANCE AND INSURANCE DIVISION

731 - LIFE INSURANCE CARRIERS

Detailed Description:

The government prescribes premium rates at a high level, making it hard for a new firm to attract business with lower rates.

Inventory of Barriers to Trade In Services

Country: FRANCE

Reference Number: FRA- 5

Suppliers Affected: ALL

Source: memo EPT-0705

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 03/01/89

Barrier Type:

PQ PROFESSIONAL QUALIFICATIONS

Sector: CONSULTING SERVICES DIVISION
7752 - OFFICES OF ENGINEERS

Detailed Description:

Locally licensed engineers must sometimes approve what outside engineers have designed, including irrigation ditches.

Inventory of Barriers to Trade In Services

Country: FRANCE

Reference Number: FRA- 6

Suppliers Affected: ALL

Source: memo EPT-0705

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 03/01/89

Barrier Type:

GSE GOVERNMENT SUBSIDIES/EXPORT

Sector: CONSULTING SERVICES DIVISION

7752 - OFFICES OF ENGINEERS

Detailed Description:

Electricité de France, a subsidized, state-controlled firm, competes successfully on the basis of price in export markets.

Inventory of Barriers to Trade In Services

Country: FRANCE

Reference Number: FRA- 7

Suppliers Affected: ALL

Source: memo EPT-0705

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 03/01/89

Barrier Type:

PR PRICE REGULATION

Sector:

OTHER SERVICES DIVISION
999 - OTHER SERVICES, N.E.S.

Detailed Description:

In France, most hazardous waste treatment plants work under regulated prices or are state owned and although the capacity in France is small, prices have been low and the work unprofitable.

Inventory of Barriers to Trade In Services

Country: FRANCE

Reference Number: FRA- 8

Suppliers Affected: ALL

Source: memo EPT-0702

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 03/01/89

Barrier Type:

GSD GOVERNMENT SUBSIDIES/DOMESTIC

GSE GOVERNMENT SUBSIDIES/EXPORT

Sector: AIR TRANSPORTATION DIVISION

452 - SERVICE INDUSTRIES, INCIDENTAL TO AIR TRANSPORT

Detailed Description:

France subsidizes Marcel Dessault, which does aircraft maintenance work.

Inventory of Barriers to Trade In Services

Country: FRANCE

Reference Number: FRA- 9

Suppliers Affected: ALL

Source: memo EPT-0004

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 04/01/89

Last Updated: 04/01/89

Barrier Type:

OLR OPERATING LIMITS OR REQUIREMENTS

Sector: COMPUTER AND OTHER BUSINESS SERVICES DIVISION

773 - ACCOUNTING AND BOOKKEEPING SERVICES

CONSULTING SERVICES DIVISION

777 - MANAGEMENT CONSULTING SERVICES

Detailed Description:

France requires management consulting businesses to be strictly separate from auditing firms, with separate corporations and locales.

Inventory of Barriers to Trade In Services

Country: FRANCE

Reference Number: FRA- 10

Suppliers Affected: ALL

Source: memos EPT-0004, EPT-0018

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 04/01/89

Last Updated: 13/01/89

Barrier Type:

TB TECHNICAL BARRIERS

Sector:

1 ALL DIVISIONS

- ALL SECTORS

WHOLESALE TRADE DIVISION

541 - ELECTRICAL AND ELECTRONIC HOUSEHOLD APPLIANCES
AND PARTS, WHOLESALE

Detailed Description:

Technical standards are used as protection.

The "non-français" office must approve any imports of electrical goods.

Comments:

If the office believes a French firm produces a competitive product, it will put the would-be exporter through many costly hoops doing tests on the goods. It is sometimes necessary to hire French consultants and agents to deal with the non-français laboratory.

Exporters often give up when faced with this barrier.

Inventory of Barriers to Trade In Services

Country: FRANCE

Reference Number: FRA- 11

Suppliers Affected: NON-EEC

Source: memo EPT-0004

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 04/01/89

Last Updated: 04/01/89

Barrier Type:

BMP BARRIERS TO MOVEMENT OF PERSONNEL

Sector:

COMPUTER AND OTHER BUSINESS SERVICES DIVISION
773 - ACCOUNTING AND BOOKKEEPING SERVICES

Detailed Description:

France has refused permission for at least one
Canadian accountant to enter the country.

Inventory of Barriers to Trade In Services

Country: FRANCE

Reference Number: FRA- 12

Suppliers Affected: ALL

Source: memos EPT-0004, EPT-0011

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 06/01/89

Last Updated: 10/01/89

Barrier Type:

GP GOVERNMENT PROCUREMENT

Sector: ALL DIVISIONS

1 - ALL SECTORS

CONSULTING SERVICES DIVISION

777 - MANAGEMENT CONSULTING SERVICES

Detailed Description:

The French government tries to protect the country's management consulting firms, many of which are partly government owned, by giving them work.

L'Aeronautique will not give aviation related contracts to foreign firms if at all avoidable.

Inventory of Barriers to Trade In Services

Country: FRANCE

Reference Number: FRA- 13

Suppliers Affected: ALL

Source: memo EPT-0011

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 11/01/89

Last Updated: 11/01/89

Barrier Type:

GSD GOVERNMENT SUBSIDIES/DOMESTIC
GSE GOVERNMENT SUBSIDIES/EXPORT

Sector:

AIR TRANSPORTATION DIVISION
451 - AIR TRANSPORT INDUSTRIES
SURFACE TRANSPORTATION (ROAD & RAIL) DIVISION
453 - RAILWAY TRANSPORT AND RELATED SERVICE
INDUSTRIES
MARITIME TRANSPORTATION DIVISION
454 - WATER TRANSPORT INDUSTRIES
SURFACE TRANSPORTATION (ROAD & RAIL) DIVISION
456 - TRUCK TRANSPORT INDUSTRIES
TRANSPORTATION SERVICES: DIVISION
4592 - FREIGHT FORWARDING
TRAFFIC SERVICES DIVISION
7794 - CUSTOMS BROKERS

Detailed Description:

France subsidizes Calberson, a majority state-owned firm which is in the freight forwarding, ocean, air and road transport and customs brokerage businesses.

Inventory of Barriers to Trade In Services

Country: FRANCE

Reference Number: FRA- 14

Suppliers Affected: ALL

Source: memo EPT-0011

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 11/01/89

Last Updated: 11/01/89

Barrier Type:

EC EXCHANGE CONTROLS

Sector: TRANSPORTATION SERVICES: DIVISION
4592 - FREIGHT FORWARDING

Detailed Description:

Foreign freight forwarders must keep bank accounts in France, in French francs.

Inventory of Barriers to Trade In Services

Country: FRANCE

Reference Number: FRA- 15

Suppliers Affected: ALL

Source: memo EPT-0011

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 11/01/89

Last Updated: 11/01/89

Barrier Type:

OLR OPERATING LIMITS OR REQUIREMENTS

Sector: TRANSPORTATION SERVICES: DIVISION
4592 - FREIGHT FORWARDING

Detailed Description:

France requires all import documents, including bills of lading and manifests to be in French. Some other non-English speaking countries permit English documents. The requirement for French acts as a barrier to some small exporters.

Comments:

Canada requires such documents to be in English or French.

Inventory of Barriers to Trade In Services

Country: FEDERAL REPUBLIC OF GERMANY Reference Number: FRG- 1

Suppliers Affected: ALL

Source: memo EPT-0459

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 19/12/88

Last Updated: 19/12/88

Barrier Type:

 OLR OPERATING LIMITS OR REQUIREMENTS

Sector: COMPUTER AND OTHER BUSINESS SERVICES DIVISION
 772 - COMPUTER AND RELATED SERVICES

Detailed Description:

For computing services, major impediments are experienced with the difficult, costly and often time consuming requirement of obtaining a technical approval number from Fernmelde Technishes Zentralamt for any computing equipment to be connected to Bundespost telecommunication lines.

Comments:

Cross reference: old FRG-1, old FRG-5

Inventory of Barriers to Trade In Services

Country: FEDERAL REPUBLIC OF GERMANY Reference Number: FRG- 2

Suppliers Affected: ALL

Source: memo EPT-0643

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 19/12/88

Last Updated: 20/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)
OLR OPERATING LIMITS OR REQUIREMENTS
PR PRICE REGULATION

Sector:

702 FINANCE AND INSURANCE DIVISION
 - CHARTERED BANKS AND OTHER BANKING-TYPE
 INTERMEDIARIES

Detailed Description:

There may be a provision to prove the "need" for the establishment of bank branches before authorization is extended. Reciprocity may also be considered in the authorization decision.

Regulations on kinds of loans and returns permitted are severe.

Comments:

Cross reference: old FRG-20

Inventory of Barriers to Trade In Services

Country: FEDERAL REPUBLIC OF GERMANY Reference Number: FRG- 3

Suppliers Affected: ALL

Source: memo EPT-0700

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 28/12/88

Last Updated: 28/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

733 FINANCE AND INSURANCE DIVISION
 - PROPERTY AND CASUALTY INSURERS

Detailed Description:

The complex and lengthy procedures for approval to enter the FRG insurance market are substantial barriers to competition.

Comments:

Cross reference: old FRG-10

Inventory of Barriers to Trade In Services

Country: FEDERAL REPUBLIC OF GERMANY Reference Number: FRG- 4

Suppliers Affected: ALL

Source: memo EPT-0697

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 03/01/89

Barrier Type:

PR PRICE REGULATION

Sector: FINANCE AND INSURANCE DIVISION
731 - LIFE INSURANCE CARRIERS

Detailed Description:

The government prescribes premium rates at a high level, making it hard for a new firm to attract business with lower rates.

Inventory of Barriers to Trade In Services

Country: FEDERAL REPUBLIC OF GERMANY Reference Number: FRG- 5

Suppliers Affected: ALL

Source: memo EPT-0004

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 04/01/89

Last Updated: 04/01/89

Barrier Type:

TB TECHNICAL BARRIERS

Sector:

- 1 ALL DIVISIONS
- ALL SECTORS
- COMMUNICATIONS AND OTHER UTILITIES DIVISION
- 483 - OTHER TELECOMMUNICATION INDUSTRIES
- CONSULTING SERVICES DIVISION
- 7751 - OFFICES OF ARCHITECTS
- 7752 - OFFICES OF ENGINEERS

Detailed Description:

Technical standards are used as protection.

The German industrial standards system (DIN) contains specific provisions regarding technical drawing standards.

It has been alleged that the approval procedures for the connection of telecommunications equipment to the telephone system are complex and demanding. They may inhibit suppliers from introducing new information services into the German market. They may tend to be applied to the detriment of foreign suppliers.

Inventory of Barriers to Trade In Services

Country: FEDERAL REPUBLIC OF GERMANY Reference Number: FRG- 5

Comments:

Cross reference: old barriers FRG-3, FRG-5.

Inventory of Barriers to Trade In Services

Country: FEDERAL REPUBLIC OF GERMANY Reference Number: FRG- 6

Suppliers Affected: ALL

Source: memos EPT-0008, EPT-0019

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 09/01/89

Last Updated: 12/01/89

Barrier Type:

GSE GOVERNMENT SUBSIDIES/EXPORT

Sector: ALL DIVISIONS
1 - ALL SECTORS

Detailed Description:

Low cost government financing subsidizes FRG manufacturers and thereby affects exports of services as well. A large Colombian project and related services were lost to FRG competition because of concessional financing.

Inventory of Barriers to Trade In Services

Country: FEDERAL REPUBLIC OF GERMANY Reference Number: FRG- 7

Suppliers Affected: ALL

Source: memo EPT-0011

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 10/01/89

Last Updated: 10/01/89

Barrier Type:

GP GOVERNMENT PROCUREMENT

Sector:

1 ALL DIVISIONS
- ALL SECTORS

Detailed Description:

The FRG favours its national firms with respect to government procurement.

Comments:

Cross reference: old FRG-9

Inventory of Barriers to Trade In Services

Country: FEDERAL REPUBLIC OF GERMANY Reference Number: FRG- 8

Suppliers Affected: ALL

Source: memo EPT-0011

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 11/01/89

Last Updated: 11/01/89

Barrier Type:

GP GOVERNMENT PROCUREMENT

Sector: TRANSPORTATION SERVICES: DIVISION

4592 - FREIGHT FORWARDING

Detailed Description:

West German freight forwarders are used on all government purchases.

Inventory of Barriers to Trade In Services

Country: FEDERAL REPUBLIC OF GERMANY Reference Number: FRG- 9

Suppliers Affected: ALL

Source: memo EPT-0025

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 12/01/89

Last Updated: 12/01/89

Barrier Type:

BMP BARRIERS TO MOVEMENT OF PERSONNEL
PQ PROFESSIONAL QUALIFICATIONS

Sector:

1 ALL DIVISIONS
 - ALL SECTORS
 OTHER SERVICES DIVISION
979 - OTHER PERSONAL AND HOUSEHOLD SERVICES

Detailed Description:

Barriers to personnel movement present problems.

The FRG has an apprenticeship period of six to twelve months which a Canadian firm hopes does not apply to maid services.

Inventory of Barriers to Trade In Services

Country: GERMAN DEMOCRATIC REPUBLIC Reference Number: GDR- 1

Suppliers Affected: ALL

Source: memo EPT-0018

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 13/01/89

Last Updated: 13/01/89

Barrier Type:

EC EXCHANGE CONTROLS

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

Exchange controls along with the dual exchange rates with the official rate being 1.8 marks/U.S. dollar compared to the black market rate of 12 marks/U.S. dollar often make it difficult to export services or goods.

Inventory of Barriers to Trade In Services

Country: GUYANA

Reference Number: GUY- 1

Suppliers Affected: ALL

Source: memo EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 16/01/89

Last Updated: 16/01/89

Barrier Type:

EC EXCHANGE CONTROLS

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

It is difficult to get funds out of Guyana.

Inventory of Barriers to Trade In Services

Country: HONG KONG

Reference Number: HKG- 1

Suppliers Affected: ALL

Source: memo EPT-0661

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 19/12/88

Last Updated: 19/12/88

Barrier Type:

BMP BARRIERS TO MOVEMENT OF PERSONNEL

Sector:

702 FINANCE AND INSURANCE DIVISION
- CHARTERED BANKS AND OTHER BANKING-TYPE
INTERMEDIARIES

Detailed Description:

There are barriers to the movement of banking
personnel.

Inventory of Barriers to Trade In Services

Country: HONG KONG

Reference Number: HKG- 2

Suppliers Affected: ALL

Source: memo EPT-0370

Canadian Source: YES

Canadian Negotiating Priority: LOW

Status: Active

Created: 19/12/88

Last Updated: 19/12/88

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector: COMPUTER AND OTHER BUSINESS SERVICES DIVISION
772 - COMPUTER AND RELATED SERVICES

Detailed Description:

The telephone utility initially prevented a Canadian firm from providing an electronic mail service pending the payment of a licence fee.

Inventory of Barriers to Trade In Services

Country: HONG KONG

Reference Number: HKG- 3

Suppliers Affected: ALL

Source: Attachment to memo EPT-0642, memo EPT-0661

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 19/12/88

Last Updated: 19/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

702 FINANCE AND INSURANCE DIVISION
- CHARTERED BANKS AND OTHER BANKING-TYPE
INTERMEDIARIES

Detailed Description:

A Canadian bank is limited to one branch.

Inventory of Barriers to Trade In Services

Country: HUNGARY

Reference Number: HUN- 1

Suppliers Affected: ALL

Source: memos EPT-0009, EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 10/01/89

Last Updated: 17/01/89

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

Communist countries will, in general, not allow foreign firms to establish.

Inventory of Barriers to Trade In Services

Country: HUNGARY

Reference Number: HUN- 2

Suppliers Affected: ALL

Source: memos EPT-0009, EPT-0011

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 10/01/89

Last Updated: 10/01/89

Barrier Type:

GM GOVERNMENT MONOPOLY

Sector: TRANSPORTATION SERVICES: DIVISION
4592 - FREIGHT FORWARDING

Detailed Description:

Hungary has three freight forwarders: Hungrosped, Massped and Mafrec, all of which are state organizations.

Inventory of Barriers to Trade In Services

Country: HUNGARY

Reference Number: HUN- 3

Suppliers Affected: ALL

Source: memo EPT-0018

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 13/01/89 Last Updated: 13/01/89

Barrier Type:

EC EXCHANGE CONTROLS

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

Hungary has exchange controls, often making it difficult to export goods or services.

Inventory of Barriers to Trade In Services

Country: INDIA

Reference Number: INI- 1

Suppliers Affected: ALL

Source: memo EPT-0661

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 19/12/88

Last Updated: 19/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

702 FINANCE AND INSURANCE DIVISION
- CHARTERED BANKS AND OTHER BANKING-TYPE
INTERMEDIARIES

Detailed Description:

Foreign banks are permitted entry only as branches on a limited and somewhat reciprocal basis. No foreign bank has been able to establish a subsidiary bank or acquire significant equity in an Indian bank.

Foreign banks are confined to a limited number of branches in major metropolitan areas, restricting their ability to develop local deposit bases and to establish close contact with a broad range of customer.

Regulatory authorities are generally unreceptive to requests for entry by banks whose home countries already have banks in India.

Inventory of Barriers to Trade In Services

Country: INDIA

Reference Number: INI- 1

Legislative or Policy Instrument:

Reserve Bank of India and regulations

Bank Nationalization Act of 1969

Comments:

Cross reference: old INI-4, old INI-6, old INI-27

Inventory of Barriers to Trade In Services

Country: INDIA

Reference Number: INI- 2

Suppliers Affected: ALL

Source: memo EPT-0459

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: InActive

Created: 19/12/88

Last Updated: 19/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector: COMPUTER AND OTHER BUSINESS SERVICES DIVISION
772 - COMPUTER AND RELATED SERVICES

Detailed Description:

For a time, the Government implemented a policy by which it insisted on owning the computer equipment and software that had been introduced to India by international firms.

Inventory of Barriers to Trade In Services

Country: INDIA

Reference Number: INI- 3

Suppliers Affected: CANADA

Source: memos EPT-0694, EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 21/12/88

Last Updated: 17/01/89

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

ALL DIVISIONS
1 - ALL SECTORS
FINANCE AND INSURANCE DIVISION
731 - LIFE INSURANCE CARRIERS

Detailed Description:

India has had local equity requirements. The Indian operation of a Canadian life insurance company was nationalized.

Comments:

Cross reference: old INI-17

Inventory of Barriers to Trade In Services

Country: INDIA

Reference Number: INI- 4

Suppliers Affected: ALL

Source: memo EPT-0708

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 03/01/89

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

India is not party to an international carnet which can be used to make temporary importations of equipment such as computers for display purposes.

Inventory of Barriers to Trade In Services

Country: INDIA

Reference Number: INI- 5

Suppliers Affected: ALL

Source: memo EPT-0705

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 03/01/89

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

Taxes are a problem for personnel who go to India for more than one year. A Canadian firm has to move people out of India to avoid those taxes.

Inventory of Barriers to Trade In Services

Country: INDIA

Reference Number: INI- 6

Suppliers Affected: ALL

Source: memos EPT-0706, EPT-0010, EPT-0018

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 13/01/89

Barrier Type:

EC EXCHANGE CONTROLS

Sector:

1 ALL DIVISIONS
- ALL SECTORS

Detailed Description:

Exchange controls make it difficult to get funds out of India.

Inventory of Barriers to Trade In Services

Country: INDIA

Reference Number: INI- 7

Suppliers Affected: ALL

Source: memo EPT-0010

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 10/01/89

Last Updated: 10/01/89

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

Sector: SURFACE TRANSPORTATION (ROAD & RAIL) DIVISION
456 - TRUCK TRANSPORT INDUSTRIES

Detailed Description:

Indian trucks must be used for inland movement of goods, but they are limited in size and inappropriate for certain huge loads.

Inventory of Barriers to Trade In Services

Country: INDIA

Reference Number: INI- 8

Suppliers Affected: ALL

Source: memo EPT-0010

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 10/01/89

Last Updated: 10/01/89

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

Sector:

MARITIME TRANSPORTATION DIVISION

454 - WATER TRANSPORT INDUSTRIES

Detailed Description:

India sometimes specifies the Shipping Corporation of India as the carrier for a project. On one project its rate was \$150 (U.S.)/tonne, compared to an open rate of \$75 or \$80 (U.S.)/tonne.

Comments:

Cross reference: old INI-9

Inventory of Barriers to Trade In Services

Country: INDIA

Reference Number: INI- 9

Suppliers Affected: ALL

Source: memos: EPT-0009, EPT-0010

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 10/01/89

Last Updated: 10/01/89

Barrier Type:

GP GOVERNMENT PROCUREMENT

Sector: TRANSPORTATION SERVICES: DIVISION
4592 - FREIGHT FORWARDING

Detailed Description:

The Indian Department of Shipping (Transchart) uses Dison, a U.S. firm, as freight forwarders on all shipments from the Americas.

Comments:

It has been alleged that Dison must be sharing its commission with someone at Transchart.

Inventory of Barriers to Trade In Services

Country: INDIA

Reference Number: INI- 10

Suppliers Affected: ALL

Source: memo EPT-0018

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 13/01/89

Last Updated: 13/01/89

Barrier Type:

GM GOVERNMENT MONOPOLY

Sector:

599 WHOLESALE TRADE DIVISION
- OTHER PRODUCTS, N.E.C., WHOLESALE

Detailed Description:

A government monopoly controls all trade in asbestos.

Comments:

It is said that when India wants to make political points, it can re-direct its asbestos purchases, sometimes to the detriment of Canada.

Inventory of Barriers to Trade In Services

Country: INDIA

Reference Number: INI- 11

Suppliers Affected: ALL

Source: memo EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 16/01/89

Last Updated: 16/01/89

Barrier Type:

OLR OPERATING LIMITS OR REQUIREMENTS

Sector:

1 ALL DIVISIONS
- ALL SECTORS

Detailed Description:

Income ceilings sometimes make it difficult to send employees to India.

Comments:

Companies can provide other benefits.

Inventory of Barriers to Trade In Services

Country: INDIA

Reference Number: INI- 12

Suppliers Affected: ALL

Source: memo EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 16/01/89

Last Updated: 16/01/89

Barrier Type:

BMP BARRIERS TO MOVEMENT OF PERSONNEL

Sector:

1 ALL DIVISIONS

- ALL SECTORS

FINANCE AND INSURANCE DIVISION

702 - CHARTERED BANKS AND OTHER BANKING-TYPE

INTERMEDIARIES

Detailed Description:

The waiting period for Indian visas is often 3 weeks and foreigner registration procedures in India are cumbersome and it is often hard to exchange technical personnel.

Banks may employ only three expatriates/branch.

Comments:

Cross reference: old barriers INI-1, INI-2, INI-12

Inventory of Barriers to Trade In Services

Country: INDIA

Reference Number: INI- 13

Suppliers Affected: ALL

Source: memo EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 17/01/89

Last Updated: 17/01/89

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector: DISTRIBUTION SERVICES DIVISION

600 - RETAIL TRADE, GENERAL

Detailed Description:

40% local participation in retailing is required.

Inventory of Barriers to Trade In Services

Country: INDONESIA

Reference Number: INO- 1

Suppliers Affected: ALL

Source: memo EPT-0459

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 19/12/88

Last Updated: 19/12/88

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

Sector: 772 COMPUTER AND OTHER BUSINESS SERVICES DIVISION
- COMPUTER AND RELATED SERVICES

Detailed Description:

International computer firms must use local companies
as their dealers.

Inventory of Barriers to Trade In Services

Country: INDONESIA

Reference Number: INO- 2

Suppliers Affected: ALL

Source: memo EPT-0694

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 21/12/88

Last Updated: 21/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

731 FINANCE AND INSURANCE DIVISION
- LIFE INSURANCE CARRIERS

Detailed Description:

Life insurance companies established in Indonesia must be at least 40% locally owned, with the percentage of local ownership increasing to 60% in 10 to 15 years.

Comments:

Cross reference: old INO-1

Inventory of Barriers to Trade In Services

Country: INDONESIA

Reference Number: INO- 3

Suppliers Affected: ALL

Source: memo EPT-0708

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 03/01/89

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

Indonesia is not party to an international carnet which can be used to make temporary importations of equipment such as computers for display purposes.

Inventory of Barriers to Trade In Services

Country: INDONESIA

Reference Number: INO- 4

Suppliers Affected: ALL

Source: memos EPT-0702, EPT-0708

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 03/01/89

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

AIR TRANSPORTATION DIVISION
452 - SERVICE INDUSTRIES, INCIDENTAL TO AIR TRANSPORT
CONSULTING SERVICES DIVISION
7759 - OTHER SCIENTIFIC AND TECHNICAL SERVICES

Detailed Description:

Indonesia insists on a 51% controlling local partner for aircraft servicing work done there.

Indonesia would not let a foreign high tech service firm establish or would insist upon a local partner.

Comments:

Cross reference: old INO-1

Inventory of Barriers to Trade In Services

Country: INDONESIA

Reference Number: INO- 5

Suppliers Affected: ALL

Source: memo EPT-0002

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 03/01/89

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

Sector: CONSULTING SERVICES DIVISION

7752 - OFFICES OF ENGINEERS

777 - MANAGEMENT CONSULTING SERVICES

Detailed Description:

The government has instructed that all consulting projects be undertaken by local firms if at all possible when the technical capability exists. When local capabilities are lacking, associations with foreign firms are accepted with the understanding that transfer of technology will take place.

It is difficult to secure long-term associations with Indonesian partners not only because of the high cost involved in maintaining such relationships but also because of the government's diversification goals. Rarely will a foreign firm be awarded two contracts in the same discipline by a line ministry.

Comments:

Cross reference: old INO-32

Inventory of Barriers to Trade In Services

Country: INDONESIA

Reference Number: INO- 6

Suppliers Affected: CANADA

Source: memo EPT-0002

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 04/01/89

Last Updated: 04/01/89

Barrier Type:

PR PRICE REGULATION

Sector:

CONSULTING SERVICES DIVISION

441 - PROJECT MANAGEMENT, CONSTRUCTION

7752 - OFFICES OF ENGINEERS

777 - MANAGEMENT CONSULTING SERVICES

Detailed Description:

The government sets billing rates established on different scales for different nations. The rates are supposed to reflect the market value of consulting rates in their respective countries. However, billing rates offered Canadian consultants are very low compared to those paid to other foreign consultants.

Comments:

Cross reference: old INO-34

Inventory of Barriers to Trade In Services

Country: INDONESIA

Reference Number: INO- 7

Suppliers Affected: ALL

Source: memo EPT-0005

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 06/01/89

Last Updated: 06/01/89

Barrier Type:

GP GOVERNMENT PROCUREMENT

Sector: ALL DIVISIONS

1 - ALL SECTORS

CONSULTING SERVICES DIVISION

777 - MANAGEMENT CONSULTING SERVICES

Detailed Description:

Government procurement policies favour local firms.

Foreign management consultants working for the Indonesian government must often use local personnel because the government wants to transfer expertise to Indonesians.

Comments:

Cross reference: old INO-2

Inventory of Barriers to Trade In Services

Country: INDONESIA

Reference Number: INO- 8

Suppliers Affected: ALL

Source: memo EPT-0008

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 09/01/89

Last Updated: 09/01/89

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

Sector: TRANSPORTATION SERVICES: DIVISION

4592 - FREIGHT FORWARDING

Detailed Description:

Foreign freight forwarders must share revenues with local firms.

Cross reference: old INO-1

Inventory of Barriers to Trade In Services

Country: INDONESIA

Reference Number: INO- 9

Suppliers Affected: ALL

Source: memo EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 16/01/89

Last Updated: 16/01/89

Barrier Type:

BMP BARRIERS TO MOVEMENT OF PERSONNEL

Sector:

ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

It is difficult to obtain work permits.

Inventory of Barriers to Trade In Services

Country: INDONESIA

Reference Number: INO- 10

Suppliers Affected: ALL

Source: memo EPT-0024

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 17/01/89

Last Updated: 17/01/89

Barrier Type:

GP GOVERNMENT PROCUREMENT

Sector:

1 ALL DIVISIONS
- ALL SECTORS

Detailed Description:

Indonesia often requires that purchases be made on the basis of countertrade.

Inventory of Barriers to Trade In Services

Country: INDONESIA

Reference Number: INO- 11

Suppliers Affected: ALL

Source: memo EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 17/01/89

Last Updated: 17/01/89

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

ALL DIVISIONS
1 - ALL SECTORS
DISTRIBUTION SERVICES DIVISION
500 - WHOLESALE TRADE, GENERAL
600 - RETAIL TRADE, GENERAL

Detailed Description:

Indonesia used moral suasion and Decree 314 to force a Canadian firm to sell 15% of its local subsidiary to Indonesians.

Indonesia prohibits foreign participation in distribution.

Legislative or Policy Instrument:

Decree 314

Inventory of Barriers to Trade In Services

Country: IRAN

Reference Number: IRN- 1

Suppliers Affected: ALL

Source: memo EPT-0019

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 12/01/89

Last Updated: 12/01/89

Barrier Type:

OLR OPERATING LIMITS OR REQUIREMENTS

Sector:

1 ALL DIVISIONS
- ALL SECTORS

Detailed Description:

Iran sometimes requires performance bid bonds without sunset provisions. These are automatically renewable at the buyers' option. They increase the cost of doing business.

Inventory of Barriers to Trade In Services

Country: IRAN

Reference Number: IRN- 2

Suppliers Affected: ALL

Source: memo EPT-0021

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 16/01/89

Last Updated: 16/01/89

Barrier Type:

EC EXCHANGE CONTROLS

Sector:

1 ALL DIVISIONS
- ALL SECTORS

Detailed Description:

It is difficult to get money out of Iran.

Inventory of Barriers to Trade In Services

Country: IRAQ

Reference Number: IRQ- 1

Suppliers Affected: ALL

Source: memo EPT-0019

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 12/01/89

Last Updated: 12/01/89

Barrier Type:

OLR OPERATING LIMITS OR REQUIREMENTS

Sector:

1 ALL DIVISIONS
- ALL SECTORS

Detailed Description:

Iraq sometimes requires performance bid bonds without sunset provisions. These are automatically renewable at the buyers' option. They increase the cost of doing business.

Inventory of Barriers to Trade In Services

Country: ISRAEL

Reference Number: ISR- 1

Suppliers Affected: CANADA

Source: memo EPT-0019

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 12/01/89

Last Updated: 12/01/89

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

OLR OPERATING LIMITS OR REQUIREMENTS

Sector: MARITIME TRANSPORTATION DIVISION

454 - WATER TRANSPORT INDUSTRIES

Detailed Description:

Israel insisted on the use of an Israeli ship for a shipment from Canada.

Israel will not accept goods passing through Egypt.

Inventory of Barriers to Trade In Services

Country: ITALY

Reference Number: ITL- 1

Suppliers Affected: NON-EEC

Source: memo EPT-0642

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 19/12/88

Last Updated: 19/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

702 FINANCE AND INSURANCE DIVISION
- CHARTERED BANKS AND OTHER BANKING-TYPE
INTERMEDIARIES

Detailed Description:

Non-EEC banks are allowed to establish in Italy only under conditions of reciprocity and with the presentation of a letter of guarantee by the parent bank and to the provision of a minimum capital level.

Legislative or Policy Instrument:

R.D. No. 1620 of 4, 9, 1919

Comments:

Cross reference: old ITL-19

Inventory of Barriers to Trade In Services

Country: ITALY

Reference Number: ITL- 2

Suppliers Affected: ALL

Source: memo EPT-0024

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 17/01/89

Last Updated: 17/01/89

Barrier Type:

GSE GOVERNMENT SUBSIDIES/EXPORT

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

Italy provides subsidized concessional financing as part of aid/trade packages.

Mediocredito Centrale provides financing at rates of interest below market to Italian exporters including contractors and consultants for market research, establishment of representative offices abroad and other forms of export promotion.

Legislative or Policy Instrument:

Law 394/91, Article 2, administered by Mediocredito Centrale.

Inventory of Barriers to Trade In Services

Country: ITALY

Reference Number: ITL- 2

Comments:

Italy won a telephone switching contract in Ecuador with an aid/trade package including credit for 20 years at 1.5% per annum.

Cross reference: old ITL-9

Inventory of Barriers to Trade In Services

Country: JAMAICA

Reference Number: JAM- 1

Suppliers Affected: ALL

Source: memos EPT-0694, EPT-0707, EPT-0018, EPT-0019

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 21/12/88

Last Updated: 13/01/89

Barrier Type:

EC EXCHANGE CONTROLS
OLR OPERATING LIMITS OR REQUIREMENTS

Sector: FINANCE AND INSURANCE DIVISION
731 - LIFE INSURANCE CARRIERS

Detailed Description:

It is difficult to get funds out of Jamaica.
Canadian firms have been forced to invest their funds
locally.

Inventory of Barriers to Trade In Services

Country: JAMAICA

Reference Number: JAM- 2

Suppliers Affected: ALL

Source: memo EPT-0698

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 22/12/88

Last Updated: 22/12/88

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector:

731 FINANCE AND INSURANCE DIVISION
- LIFE INSURANCE CARRIERS

Detailed Description:

Policy holders buying life insurance from foreign carriers must pay additional tax.

Comments:

Cross reference: old JAM-11

Inventory of Barriers to Trade In Services

Country: JORDAN

Reference Number: JOR- 1

Suppliers Affected: ALL

Source: memo EPT-0018

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 13/01/89

Last Updated: 13/01/89

Barrier Type:

PR PRICE REGULATION

Sector: ALL DIVISIONS
1 - ALL SECTORS

Detailed Description:

Jordon has price regulations which stipulate maximums.

Comments:

The result is sometimes shortages and sometimes bogus accounting which might involve an invoice for the "official" price and an additional cash payment which does not show on the invoice.

Inventory of Barriers to Trade In Services

Country: JAPAN

Reference Number: JPN- 1

Suppliers Affected: ALL

Source: memo EPT-0692, EPT-0694

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 19/12/88

Last Updated: 21/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

731 FINANCE AND INSURANCE DIVISION
- LIFE INSURANCE CARRIERS

Detailed Description:

Licences are hard to obtain because rules are not transparent and Ministerial discretion is exercised. Many meetings with officials are required and heavy financial commitments must be undertaken. Applicants must provide their CEOs for meetings and must answer an onerous questionnaire.

It takes two or three years to licence a new product and up to ten years for a company to obtain a licence to establish in Japan.

A foreign firm sought Department of Insurance approval for a new type of policy in Japan. The Department sent copies of the policy to all competitors who could then copy that type of coverage.

Inventory of Barriers to Trade In Services

Country: JAPAN

Reference Number: JPN- 2

Suppliers Affected: ALL

Source: memos EPT-0643, EPT-0642
attachment of memo EPT-0667

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 19/12/88

Last Updated: 19/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

FINANCE AND INSURANCE DIVISION
702 - CHARTERED BANKS AND OTHER BANKING-TYPE
INTERMEDIARIES
741 - SECURITY BROKERS AND DEALERS

Detailed Description:

Foreign banks are subject to examination on the basis of reciprocity. Each branch must be licensed by the Ministry of Finance, which was no longer granting licences in 1986. Collateral requirements place foreign banks at a disadvantage in the interbank market.

Japan will not permit a Canadian bank to establish a securities branch.

Legislative or Policy Instrument:

The Banking Law

Inventory of Barriers to Trade In Services

Country: JAPAN

Reference Number: JPN- 2

Comments:

Cross-reference: old barriers JPN-1, JPN-8, JPN-31,
JPN-38

Inventory of Barriers to Trade In Services

Country: JAPAN

Reference Number: JPN- 3

Suppliers Affected: ALL

Source: memos EPT-0667, EPT-0672

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 19/12/88

Last Updated: 20/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)
OLR OPERATING LIMITS OR REQUIREMENTS

Sector: FINANCE AND INSURANCE DIVISION
741 - SECURITY BROKERS AND DEALERS

Detailed Description:

Access to establishment in the securities, insurance, banking and long term lending sectors is subject to case by case review by pertinent ministries. Only corporations licensed by the Minister of Finance under the Securities and Exchange Act and branches of foreign securities firms licensed by the Minister of Finance under the Foreign Securities Laws may engage in the securities business. Finance officials have made it clear that they will insist on a 50/50 joint venture for all future establishments of securities operations by foreign banks.

Foreign firms may not acquire Japanese securities firms.

Representative offices of foreign securities firms can do nothing more than collect and furnish information. Orders are taken by their head office.

Securities firms may not:
- conduct foreign exchange transactions. (This limits their ability to market interenational investment instruments based on their home countries).

Inventory of Barriers to Trade In Services

Country: JAPAN

Reference Number: JPN- 3

Detailed Description: (Continued)

- charge fees for corporate finance activities such as advice or arrangements related to mergers, acquisitions, divestitures or leasing. (It is necessary to set up a separate entity under the Investment Advisers Law. This is too costly for Canadian firms already struggling with high Tokyo costs.)

Legislative or Policy Instrument:

Securities and Exchange Act
Foreign Securities Firms Law
Investment Advisers Law

Comments:

Cross reference: old barriers JPN-1, JPN-10, JPN-33,
JPN-36, JPN-37

Inventory of Barriers to Trade In Services

Country: JAPAN

Reference Number: JPN- 4

Suppliers Affected: ALL

Source: Attachment to memo EPT-0667

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 19/12/88

Last Updated: 19/12/88

Barrier Type:

OLR OPERATING LIMITS OR REQUIREMENTS

Sector:

FINANCE AND INSURANCE DIVISION
702 - CHARTERED BANKS AND OTHER BANKING-TYPE
INTERMEDIARIES

Detailed Description:

Ministry of Finance regulations preclude financial institutions from engaging in both commercial and investment banking.

The issuance of certificates of deposit and commercial paper is restricted.

Yen deposits and certificates of deposit are regulated with respect to minimum amounts and interest rates.

The bill discount market is controlled by the Bank of Japan to direct interest rate policy and is, therefore, not an open market.

Funding must be linked to specific collateral loans which precludes banks from taking general funding positions.

Euro-Yen denominated securities issued by non-Japanese institutions may not be sold in Japan.

Inventory of Barriers to Trade In Services

Country: JAPAN

Reference Number: JPN- 5

Suppliers Affected: ALL

Source: memos EPT-0660, EPT-0707, EPT-0008, EPT-0018,
EPT-0024

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 19/12/88

Last Updated: 17/01/89

Barrier Type:

GSE GOVERNMENT SUBSIDIES/EXPORT

Sector:

702 FINANCE AND INSURANCE DIVISION
- CHARTERED BANKS AND OTHER BANKING-TYPE
INTERMEDIARIES

Detailed Description:

Japanese government concessional financing subsidizes exports.

As well, Japan combines low cost financing as part of its aid/trade packages.

Comments:

Very often, Japan's export financing comes from private sources rather than government. Japan is particularly aggressive in pursuing African and Latin American markets.

Inventory of Barriers to Trade In Services

Country: JAPAN

Reference Number: JPN- 6

Suppliers Affected: ALL

Source: memo EPT-0661

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 19/12/88

Last Updated: 19/12/88

Barrier Type:

BMP BARRIERS TO MOVEMENT OF PERSONNEL

Sector:

702 FINANCE AND INSURANCE DIVISION
- CHARTERED BANKS AND OTHER BANKING-TYPE
INTERMEDIARIES

Detailed Description:

There are barriers to movement of banking personnel.

Inventory of Barriers to Trade In Services

Country: JAPAN

Reference Number: JPN- 7

Suppliers Affected: ALL

Source: memo EPT-0700

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 28/12/88

Last Updated: 28/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

733 FINANCE AND INSURANCE DIVISION
- PROPERTY AND CASUALTY INSURERS

Detailed Description:

Administrative and regulatory barriers make it extremely difficult for foreigners to establish property and casualty insurance businesses. These barriers consist of massive red tape, making it necessary to hire lawyers and to lobby extensively.

Access to establish in the insurance sector is subject to case by case review.

Foreign insurance companies cannot merge with existing Japanese insurance companies.

Regulatory authorities discourage any licence application unless it offers a new type of insurance. Even when new lines are offered, approval is rarely granted. The problem is compounded by a lack of transparency in regulations and delays of years in approval.

Inventory of Barriers to Trade In Services

Country: JAPAN

Reference Number: JPN- 7

Comments:

Cross reference: old JPN-1, JPN-9, JPN-20, JPN-32

Inventory of Barriers to Trade In Services

Country: JAPAN

Reference Number: JPN- 8

Suppliers Affected: ALL

Source: memo EPT-0010

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 10/01/89

Last Updated: 10/01/89

Barrier Type:

GSPMO GOVERNMENT SANCTIONED PRIVATE MONOPOLY/OLIGOPOLY

Sector: DISTRIBUTION SERVICES DIVISION

500 - WHOLESALE TRADE, GENERAL

600 - RETAIL TRADE, GENERAL

Detailed Description:

Japan's oligopolistic distribution network is full of exclusive arrangements concerning storage and area rights. If a firm has more than one type of product, it must go through different channels, thus complicating marketing.

Japan's bureaucracy, as well as its labelling and packaging requirements, are onerous.

Inventory of Barriers to Trade In Services

Country: JAPAN

Reference Number: JPN- 9

Suppliers Affected: ALL

Source: memos EPT-0011, EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 11/01/89

Last Updated: 17/01/89

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

- ALL DIVISIONS
- 1 - ALL SECTORS
- TRANSPORTATION SERVICES: DIVISION
- 4592 - FREIGHT FORWARDING
- DISTRIBUTION SERVICES DIVISION
- 600 - RETAIL TRADE, GENERAL

Detailed Description:

Japan limits foreign ownership of freight forwarders.

Japan makes it very difficult for foreign firms to establish retail stores.

In sectors in which foreign control greater than 25% is presumed to be able to threaten national security or public order, or to have an otherwise inauspicious effect on the national economy, the government can restrain investment.

Under the Foreign Exchange and Foreign Trade Control Law, prior notification is required before any foreign investment is made. Sectors falling under safeguard clauses of the Law are subject to additional review.

Inventory of Barriers to Trade In Services

Country: JAPAN

Reference Number: JPN- 9

Comments:

Cross reference: old barriers JPN-2, JPN-35

Inventory of Barriers to Trade In Services

Country: JAPAN

Reference Number: JPN- 10

Suppliers Affected: ALL

Source: memo EPT-0011, EPT-0019

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 11/01/89

Last Updated: 16/01/89

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

Sector:

AIR TRANSPORTATION DIVISION
451 - AIR TRANSPORT INDUSTRIES
MARITIME TRANSPORTATION DIVISION
454 - WATER TRANSPORT INDUSTRIES
TRANSPORTATION SERVICES: DIVISION
4592 - FREIGHT FORWARDING

Detailed Description:

Japan often specifies that Japanese shipping lines, airlines and freight forwarders be used.

The shipping of leaf tobacco is directed to Japanese flag vessels by the Japan Tobacco and Salt Public Corporation.

Comments:

Cross reference: old JPN-27

Inventory of Barriers to Trade In Services

Country: JAPAN

Reference Number: JPN- 11

Suppliers Affected: ALL

Source: memo EPT-0019

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 12/01/89

Last Updated: 12/01/89

Barrier Type:

OLR OPERATING LIMITS OR REQUIREMENTS

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

Japan sometimes requires performance bid bonds without sunset provisions. These are automatically renewable at the buyers' option. They increase the cost of doing business.

Inventory of Barriers to Trade In Services

Country: KENYA

Reference Number: KEN- 1

Suppliers Affected: ALL

Source: memo EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 17/01/89

Last Updated: 17/01/89

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector: DISTRIBUTION SERVICES DIVISION

500 - WHOLESALE TRADE, GENERAL

600 - RETAIL TRADE, GENERAL

Detailed Description:

Kenya prohibits foreign participation in distribution.

Inventory of Barriers to Trade In Services

Country: KOREA

Reference Number: KOR- 1

Suppliers Affected: ALL

Source: memos EPT-0660, EPT-0018, EPT-0024

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 19/12/88

Last Updated: 17/01/89

Barrier Type:

GSE GOVERNMENT SUBSIDIES/EXPORT

Sector:

702 FINANCE AND INSURANCE DIVISION
- CHARTERED BANKS AND OTHER BANKING-TYPE
INTERMEDIARIES

Detailed Description:

Korean government concessional financing subsidizes exports.

Inventory of Barriers to Trade In Services

Country: KOREA

Reference Number: KOR- 2

Suppliers Affected: ALL

Source: memo EPT-0661

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 19/12/88

Last Updated: 19/12/88

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

Sector:

702 FINANCE AND INSURANCE DIVISION.
- CHARTERED BANKS AND OTHER BANKING-TYPE
INTERMEDIARIES

Detailed Description:

One-fifth of letters of credit on Korean exports must be from one of two Korean banks. Korean banks are told that on one day of each week all letters of credit must be directed through those banks.

Inventory of Barriers to Trade In Services

Country: KOREA

Reference Number: KOR- 3

Suppliers Affected: ALL

Source: memo EPT-0661

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 19/12/88

Last Updated: 21/12/88

Barrier Type:

OLR OPERATING LIMITS OR REQUIREMENTS

Sector:

702 FINANCE AND INSURANCE DIVISION
- CHARTERED BANKS AND OTHER BANKING-TYPE
INTERMEDIARIES

Detailed Description:

Foreign banks have limited access to Korean currency financing. With only limited access to Korean deposit base, because of restrictions on branches, financing of loans is difficult.

The Korean money market is shallow and in the development stages. Limits on the access of foreign banks to the money market are a hangover from the time when the role of foreign banks was to finance exports and to import foreign exchange.

Foreign banks may participate only in the preliminary transactions market, not the secondary market.

There is a ceiling of 5% of total won deposits on foreign bank borrowing on the call market, with a maximum 15-day term.

Inventory of Barriers to Trade In Services

Country: KOREA

Reference Number: KOR- 3

Comments:

Cross reference: old KOR-18

Inventory of Barriers to Trade In Services

Country: KOREA

Reference Number: KOR- 4

Suppliers Affected: ALL

Source: Attachment to memo EPT-0642

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 20/12/88

Last Updated: 20/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

702 FINANCE AND INSURANCE DIVISION
- CHARTERED BANKS AND OTHER BANKING-TYPE
INTERMEDIARIES

Detailed Description:

To enter Korea, a foreign bank must first apply for a Representative Office licence, which would take about one year for approval. Another two or three years would be needed before approval, if any, would be given for a branch licence.

A foreign bank may not open more than two branches in Korea or more than one in any city. Foreign banks do not operate ATMs because each ATM would count as a branch.

Foreign banks may purchase no more than 50% of joint venture banks. Permission to enter is based on reciprocity and "contribution to Korea".

Inventory of Barriers to Trade In Services

Country: KOREA

Reference Number: KOR- 4

Legislative or Policy Instrument:

Foreign Capital Inducement Act.

Comments:

Cross reference: old barriers KOR-16, KOR-17, KOR-34

Inventory of Barriers to Trade In Services

Country: KOREA

Reference Number: KOR- 5

Suppliers Affected: ALL

Source: memos EPT-0667, EPT-0010

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 20/12/88

Last Updated: 10/01/89

Barrier Type:

BMP BARRIERS TO MOVEMENT OF PERSONNEL

Sector:

4592 TRANSPORTATION SERVICES: DIVISION

- FREIGHT FORWARDING

702 FINANCE AND INSURANCE DIVISION

- CHARTERED BANKS AND OTHER BANKING-TYPE
INTERMEDIARIES

Detailed Description:

Barriers to movement of personnel affect trade in banking services.

Korea has restrictions about movement of freight forwarding personnel.

Inventory of Barriers to Trade In Services

Country: KOREA

Reference Number: KOR- 6

Suppliers Affected: ALL

Source: memo EPT-0697

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 21/12/88

Last Updated: 21/12/88

Barrier Type:

MISC MISCELLANEOUS

Sector:

ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

There is often a lack of transparency in regulations.

Comments:

Cross reference: old KOR-3

Inventory of Barriers to Trade In Services

Country: KOREA

Reference Number: KOR- 7

Suppliers Affected: NON-USA

Source: memo EPT-0694

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 21/12/88

Last Updated: 21/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector: FINANCE AND INSURANCE DIVISION

731 - LIFE INSURANCE CARRIERS

Detailed Description:

Korean law allows only two U.S. life insurance companies and no other foreign life insurance companies to establish in Korea each year. As well, definitions based on asset size, time in business and range of products discriminate against non-U.S. firms.

Comments:

Cross reference: old Kor-3, old KOR-4.
The Canadian Minister of Finance has written to his Korean counterpart to request that Canadian firms be considered for establishment in Korea.

Inventory of Barriers to Trade In Services

Country: KOREA

Reference Number: KOR- 8

Suppliers Affected: NON-USA

Source: memo EPT-0010

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 10/01/89

Last Updated: 10/01/89

Barrier Type:

GD GOVERNMENT DUMPING
GM GOVERNMENT MONOPOLY
QIR QUANTITATIVE IMPORT RESTRICTIONS

Sector: TRANSPORTATION SERVICES: DIVISION
4592 - FREIGHT FORWARDING

Detailed Description:

Korea engages in dumping and has distribution monopolies. There are import quotas which favour the U.S. because of Korea's trade imbalance with the U.S. and the political relationship between those two countries.

Inventory of Barriers to Trade In Services

Country: KOREA

Reference Number: KOR- 9

Suppliers Affected: ALL

Source: memos EPT-0010, EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 10/01/89

Last Updated: 17/01/89

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

ALL DIVISIONS
1 - ALL SECTORS
TRANSPORTATION SERVICES: DIVISION
4592 - FREIGHT FORWARDING
DISTRIBUTION SERVICES DIVISION
500 - WHOLESALE TRADE, GENERAL
600 - RETAIL TRADE, GENERAL

Detailed Description:

Foreign investment is largely precluded from the transportation and distribution sectors. Local licencing arrangements further compound difficulties in gaining access.

The Ministry of Finance controls foreign investment and publishes "Guidelines for Foreign Investment". Korea now uses an "automatic approval system" together with a "negative list". In theory, all projects meeting the basic criteria are approved while sectors in which foreign investment is prohibited or restricted are specified in the negative list. According to Korean statistics, 79.9 percent of all industries are open to foreign investment. Most restrictions are limited to transport, communications, finance, insurance, business services and wholesale and retail trade.

The Ministry requires most foreign investors to enter

Inventory of Barriers to Trade In Services

Country: KOREA

Reference Number: KOR- 9

Detailed Description: (Continued)

joint ventures with local companies holding appropriate licences, although exceptions are made in cases of technology transfer. Considerable tax benefits are available to foreign investment.

Ministry of Finance approval is required for all investment and the process is not a mere formality. In all cases, the Ministry reserves the right to impose conditions on investments. No foreign investment is allowed in most wholesale and retail sub-sectors.

Investment controls are strict for freight forwarding.

Legislative or Policy Instrument:

April 1987 Guidelines for Foreign Investment.

Foreign Capital Inducement Act.

Comments:

Cross reference: old barriers: KOR-3, KOR-4, KOR-6

Inventory of Barriers to Trade In Services

Country: KOREA

Reference Number: KOR- 10

Suppliers Affected: ALL

Source: memo EPT-0010

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 10/01/89

Last Updated: 10/01/89

Barrier Type:

EC EXCHANGE CONTROLS

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

Remittances abroad of more than \$5,000 (U.S.) must have Ministry of Finance approval. (Banks may remit sums under \$5,000, but the Ministry reviews monthly statements). The basis for remittances must be explained and relevant contracts submitted. If costs represent fair market values, necessary approvals should be available, although procedures can be burdensome.

Inventory of Barriers to Trade In Services

Country: KOREA

Reference Number: KOR- 11

Suppliers Affected: ALL

Source: memo EPT-0019

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 12/01/89

Last Updated: 12/01/89

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

Sector: MARITIME TRANSPORTATION DIVISION

454 - WATER TRANSPORT INDUSTRIES

Detailed Description:

Korea uses unilateral protective measures to reserve a substantial portion of its own trade for its own ships. Designated cargoes, such as steel products, must be shipped in Korean flag vessels. If no Korean flag vessel is available within 15 days of the scheduled shipping date, a waiver may be requested from the Korean Maritime Ports Authority.

Comments:

Cross reference: old KOR-28

Inventory of Barriers to Trade In Services

Country: LIBERIA

Reference Number: LIB- 1

Suppliers Affected: ALL

Source: memo EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 17/01/89

Last Updated: 17/01/89

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

600 DISTRIBUTION SERVICES DIVISION
- RETAIL TRADE, GENERAL

Detailed Description:

Liberia has restraints on foreigners operating in retailing.

Inventory of Barriers to Trade In Services

Country: MADAGASCAR

Reference Number: MAD- 1

Suppliers Affected: ALL

Source: memo EPT-0002

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 04/01/89

Last Updated: 04/01/89

Barrier Type:

EC EXCHANGE CONTROLS

Sector: CONSULTING SERVICES DIVISION

777 - MANAGEMENT CONSULTING SERVICES

Detailed Description:

There are currency conversion difficulties.

Inventory of Barriers to Trade In Services

Country: MADAGASCAR

Reference Number: MAD- 2

Suppliers Affected: ALL

Source: memo EPT-0003

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 04/01/89

Last Updated: 04/01/89

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

Sector:

777 CONSULTING SERVICES DIVISION
- MANAGEMENT CONSULTING SERVICES

Detailed Description:

Madagascar often requires that young nationals be hired as their first jobs.

Comments:

Sometimes local partners lack capabilities and the foreign consultants must do all the work.

Inventory of Barriers to Trade In Services

Country: MADAGASCAR

Reference Number: MAD- 3

Suppliers Affected: ALL

Source: memo EPT-0003

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 04/01/89

Last Updated: 04/01/89

Barrier Type:

BMP BARRIERS TO MOVEMENT OF PERSONNEL

Sector: CONSULTING SERVICES DIVISION

777 - MANAGEMENT CONSULTING SERVICES

Detailed Description:

Spouses of foreign consultants find it difficult to obtain work permits.

Inventory of Barriers to Trade In Services

Country: MADAGASCAR

Reference Number: MAD- 4

Suppliers Affected: ALL

Source: memo EPT-0003

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 04/01/89

Last Updated: 04/01/89

Barrier Type:

GP GOVERNMENT PROCUREMENT

Sector:

777 CONSULTING SERVICES DIVISION
- MANAGEMENT CONSULTING SERVICES

Detailed Description:

Madagascar has a Commission Centrale de Marches with which foreign consultants must have contracts.

Comments:

The Commission is disorganized and takes considerable time to get a contract approved.

Inventory of Barriers to Trade In Services

Country: MADAGASCAR

Reference Number: MAD- 5

Suppliers Affected: CANADA

Source: memo EPT-0003

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: InActive

Created: 04/01/89

Last Updated: 04/01/89

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector:

777 CONSULTING SERVICES DIVISION
- MANAGEMENT CONSULTING SERVICES

Detailed Description:

Madagascar has no tax treaty with Canada.

Comments:

Although that country has said it will not exercise its right to tax incomes of individual consultants, there is a potential problem of retroactive tax bills.

Inventory of Barriers to Trade In Services

Country: MALAYSIA

Reference Number: MAL- 1

Suppliers Affected: ALL

Source: Attachment to memo EPT-0642

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 20/12/88

Last Updated: 20/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

702 FINANCE AND INSURANCE DIVISION
- CHARTERED BANKS AND OTHER BANKING-TYPE
INTERMEDIARIES

Detailed Description:

The government is not allowing any additional foreign
banks to establish.

Comments:

Cross reference: old MAL-12

Inventory of Barriers to Trade In Services

Country: MALAYSIA

Reference Number: MAL- 2

Suppliers Affected: ALL

Source: memo EPT-0694

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 21/12/88

Last Updated: 21/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector: FINANCE AND INSURANCE DIVISION

731 - LIFE INSURANCE CARRIERS

Detailed Description:

Foreign direct insurers are not allowed to establish branches or subsidiaries. Foreign equity in an insurance company cannot exceed 30%.

Comments:

Cross reference: old barriers MAL-2, MAL -3, MAL-7

Inventory of Barriers to Trade In Services

Country: MALAYSIA

Reference Number: MAL- 3

Suppliers Affected: ALL

Source: memo EPT-0708

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 03/01/89

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector: ALL DIVISIONS
1 - ALL SECTORS

Detailed Description:

Malaysia is not party to a carnet which can be used to make temporary importations of equipment such as computers for display purposes.

Inventory of Barriers to Trade In Services

Country: MALAYSIA

Reference Number: MAL- 4

Suppliers Affected: ALL

Source: memo EPT-0708

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 03/01/89

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

CONSULTING SERVICES DIVISION
7759 - OTHER SCIENTIFIC AND TECHNICAL SERVICES

Detailed Description:

A foreign high tech service firm wanting to establish in Malaysia would be refused or would have to go through a local partner.

Inventory of Barriers to Trade In Services

Country: MALAYSIA

Reference Number: MAL- 5

Suppliers Affected: ALL

Source: memo EPT-0002

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 04/01/89

Last Updated: 04/01/89

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector: CONSULTING SERVICES DIVISION

777 - MANAGEMENT CONSULTING SERVICES

Detailed Description:

It is believed that certain taxes imposed in Malaysia are illegal. A Canadian consultant was levied a huge unexpected income tax.

Comments:

Tax consultants are examining the issue.

Inventory of Barriers to Trade In Services

Country: MALAYSIA

Reference Number: MAL- 6

Suppliers Affected: ALL

Source: memo EPT-0008

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 09/01/89

Last Updated: 09/01/89

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

Sector: TRANSPORTATION SERVICES: DIVISION
4592 - FREIGHT FORWARDING

Detailed Description:

Foreign freight forwarders must share revenues with local firms.

Comments:

This amounts to a legalized kickback system.

Cross reference: old barriers MAL-3, MAL-2

Inventory of Barriers to Trade In Services

Country: MALAYSIA

Reference Number: MAL- 7

Suppliers Affected: ALL

Source: memo EPT-0024

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 17/01/89

Last Updated: 17/01/89

Barrier Type:

GP GOVERNMENT PROCUREMENT

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

Malaysia often requires that purchases be made on the basis of countertrade.

Inventory of Barriers to Trade In Services

Country: MARTINIQUE

Reference Number: MAR- 1

Suppliers Affected: ALL

Source: memos EPT-0694, EPT-0019

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 21/12/88

Last Updated: 12/01/89

Barrier Type:

EC EXCHANGE CONTROLS

Sector: FINANCE AND INSURANCE DIVISION

731 - LIFE INSURANCE CARRIERS

Detailed Description:

There are exchange controls and requirements to invest locally.

Inventory of Barriers to Trade In Services

Country: MEXICO

Reference Number: MEX- 1

Suppliers Affected: ALL

Source: memo EPT-0459

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 20/12/88

Last Updated: 20/12/88

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

Sector:

772 COMPUTER AND OTHER BUSINESS SERVICES DIVISION
- COMPUTER AND RELATED SERVICES

Detailed Description:

Mexico prohibits firms from dialing into foreign data bases.

Inventory of Barriers to Trade In Services

Country: MEXICO

Reference Number: MEX- 2

Suppliers Affected: ALL

Source: memos EPT-0306, EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 20/12/88

Last Updated: 16/01/89

Barrier Type:

EC EXCHANGE CONTROLS

Sector:

ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

Mexico maintains a 2-tier exchange system, which makes "controlled" dollars (dollars available at preferential rate) more difficult to obtain. This inhibits the importation of services.

Foreign investors can repatriate profits and remittances in "free dollars" (i.e. at disadvantageous rates).

Comments:

Cross reference: old MEX-11. One firm has got money out of Mexico because its Mexican distributor pays from a Texas bank account and the amounts have been small.

Inventory of Barriers to Trade In Services

Country: MEXICO

Reference Number: MEX- 3

Suppliers Affected: ALL

Source: memo EPT-0309

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 20/12/88

Last Updated: 20/12/88

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector:

772 COMPUTER AND OTHER BUSINESS SERVICES DIVISION
- COMPUTER AND RELATED SERVICES

Detailed Description:

Mexico has no tax treaty with Canada. Mexico's 21% withholding tax on gross receipts from software licence fees cannot be used as credits towards Canadian income tax.

Comments:

Cross reference: old MEX-1

Inventory of Barriers to Trade In Services

Country: MEXICO

Reference Number: MEX- 4

Suppliers Affected: ALL

Source: memo EPT-0694

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 21/12/88

Last Updated: 21/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector: FINANCE AND INSURANCE DIVISION

731 - LIFE INSURANCE CARRIERS

Detailed Description:

It is illegal to enrol in life insurance in Mexico. Mexican clients must leave the country to sign the contracts.

Inventory of Barriers to Trade In Services

Country: MEXICO

Reference Number: MEX- 5

Suppliers Affected: ALL

Source: memo EPT-0706

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 06/01/89

Barrier Type:

GP GOVERNMENT PROCUREMENT

Sector:

GENERAL CONTRACTORS DIVISION
401 - RESIDENTIAL BUILDING AND DEVELOPMENT
402 - NON-RESIDENTIAL BUILDING AND DEVELOPMENT
411 - INDUSTRIAL CONSTRUCTION (OTHER THAN BUILDINGS)
412 - HIGHWAY AND HEAVY CONSTRUCTION
TRADE CONTRACTORS DIVISION
420 - ALL CONSTRUCTION SUBTRADES
CONSULTING SERVICES DIVISION
441 - PROJECT MANAGEMENT, CONSTRUCTION
7752 - OFFICES OF ENGINEERS
7759 - OTHER SCIENTIFIC AND TECHNICAL SERVICES
777 - MANAGEMENT CONSULTING SERVICES

Detailed Description:

Local firms are favoured for wind tunnel work.

In IFI-financed projects, Mexican bidders usually benefit from a 15% margin.

There is a de facto requirement to work through "local contacts" to improve chances of winning government contracts. Tendering procedures are less than transparent.

Inventory of Barriers to Trade In Services

Country: MEXICO

Reference Number: MEX- 5

Comments:

Cross references: old MEX-4, old MEX-13

Inventory of Barriers to Trade In Services

Country: MEXICO

Reference Number: MEX- 6

Suppliers Affected: CANADA

Source: memo EPT-0005

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 06/01/89

Last Updated: 06/01/89

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector:

- GENERAL CONTRACTORS DIVISION
- 401 - RESIDENTIAL BUILDING AND DEVELOPMENT
- 402 - NON-RESIDENTIAL BUILDING AND DEVELOPMENT
- 411 - INDUSTRIAL CONSTRUCTION (OTHER THAN BUILDINGS)
- 412 - HIGHWAY AND HEAVY CONSTRUCTION
- TRADE CONTRACTORS DIVISION
- 420 - ALL CONSTRUCTION SUBTRADES
- CONSULTING SERVICES DIVISION
- 441 - PROJECT MANAGEMENT, CONSTRUCTION
- 7752 - OFFICES OF ENGINEERS
- 777 - MANAGEMENT CONSULTING SERVICES

Detailed Description:

Canada does not have a tax treaty with Mexico and Canadian firms can be levied large taxes.

There is a 30% withholding tax on gross receipts for foreign construction, consulting and engineering services. If contracts qualify for "technical assistance" status, the tax rate can be 21% of gross receipts. The rates are higher than for Mexican consultants for whom there is a 10% withholding tax. The alternative is for foreigners to pay 42% of net profit if they have foreign representatives in Mexico, which most have. In any case, foreign consultants usually face more paperwork and higher tax rates than domestic ones.

Inventory of Barriers to Trade In Services

Country: MEXICO

Reference Number: MEX- 6

Comments:

Cross reference: old MEX-1

Inventory of Barriers to Trade In Services

Country: MEXICO

Reference Number: MEX- 7

Suppliers Affected: ALL

Source: memo EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 17/01/89

Last Updated: 17/01/89

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

1 ALL DIVISIONS
- ALL SECTORS

Detailed Description:

New plants and stores must be approved by the government. Foreigners cannot buy real estate for business.

Inventory of Barriers to Trade In Services

Country: MALTA

Reference Number: MLT- 1

Suppliers Affected: ALL

Source: memo EPT-0019

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 13/01/89

Last Updated: 13/01/89

Barrier Type:

GSPMO GOVERNMENT SANCTIONED PRIVATE MONOPOLY/OLIGOPOLY

Sector:

MARITIME TRANSPORTATION DIVISION
454 - WATER TRANSPORT INDUSTRIES
TRANSPORTATION SERVICES: DIVISION
4592 - FREIGHT FORWARDING

Detailed Description:

Malta stipulates shipping lines to be used.

Comments:

Malta specified a shipping line for a particular shipment. The Canadian firm paid the shipping fee to the designated freight forwarder, who skipped with it. The captain would not release the goods and the Canadian firm had to pay the fee again.

Inventory of Barriers to Trade In Services

Country: MALAWI

Reference Number: MLW- 1

Suppliers Affected: ALL

Source: memo EPT-0707

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 03/01/89

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector:

1

ALL DIVISIONS
- ALL SECTORS

Detailed Description:

Malawi has a 15% withholding tax and no tax treaty with Canada.

Inventory of Barriers to Trade In Services

Country: NETHERLANDS

Reference Number: NET- 1

Suppliers Affected: ALL

Source: memo EPT-0011

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: InActive

Created: 10/01/89

Last Updated: 10/01/89

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

Sector: TRAFFIC SERVICES DIVISION

4842 - COURIER SERVICE INDUSTRY

Detailed Description:

KLM has bought XP, a parcel express service service serving all Europe. KLM is majority state owned.

It may become difficult for competitors to obtain landing rights in the Netherlands.

Inventory of Barriers to Trade In Services

Country: NICARAGUA

Reference Number: NIC- 1

Suppliers Affected: ALL

Source: memo EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 16/01/89

Last Updated: 16/01/89

Barrier Type:

EC EXCHANGE CONTROLS

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

It is difficult to get funds out of Nicaragua.

Inventory of Barriers to Trade In Services

Country: NIGERIA

Reference Number: NIG- 1

Suppliers Affected: ALL

Source: memos EPT-0009, EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 09/01/89

Last Updated: 17/01/89

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

ALL DIVISIONS
1 - ALL SECTORS
TRANSPORTATION SERVICES: DIVISION
4592 - FREIGHT FORWARDING
DISTRIBUTION SERVICES DIVISION
500 - WHOLESALE TRADE, GENERAL
600 - RETAIL TRADE, GENERAL

Detailed Description:

The Nigerian Promotion Decree forced a Canadian firm to sell 60% of its local subsidiary to Nigerians.

Nigerians must hold majority ownership of freight forwarding companies.

Nigeria prohibits foreign participation in distribution.

Legislative or Policy Instrument:

Nigerian Enterprises Promotion Decree.

Inventory of Barriers to Trade In Services

Country: NIGERIA

Reference Number: NIG- 2

Suppliers Affected: ALL

Source: memo EPT-0018

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 13/01/89

Last Updated: 13/01/89

Barrier Type:

EC EXCHANGE CONTROLS

Sector:

ALL DIVISIONS
1 - ALL SECTORS
OTHER SERVICES DIVISION
991 - MACHINERY AND EQUIPMENT RENTAL AND LEASING
SERVICES
992 - AUTOMOBILE AND TRUCK RENTAL AND LEASING
SERVICES

Detailed Description:

Strict foreign exchange controls discourage international leasing and other exports of services and goods.

Comments:

Cross reference: old NIG-5

Inventory of Barriers to Trade In Services

Country: NIGERIA

Reference Number: NIG- 3

Suppliers Affected: ALL

Source: memo EPT-0024

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 17/01/89

Last Updated: 17/01/89

Barrier Type:

GP GOVERNMENT PROCUREMENT

Sector: ALL DIVISIONS
1 - ALL SECTORS

Detailed Description:

Nigeria demands offsets, because of balance of payments problems.

Inventory of Barriers to Trade In Services

Country: PAKISTAN

Reference Number: PAK- 1

Suppliers Affected: ALL

Source: memo EPT-0709

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 03/01/89

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

Sector:

CONSULTING SERVICES DIVISION

7759 - OTHER SCIENTIFIC AND TECHNICAL SERVICES

Detailed Description:

Some studies must be done by local firms with foreign experts overseeing and guiding.

Inventory of Barriers to Trade In Services

Country: PAKISTAN

Reference Number: PAK- 2

Suppliers Affected: ALL

Source: memos EPT-0707, EPT-0018

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 13/01/89

Barrier Type:

EC EXCHANGE CONTROLS
LSR LOCAL SUPPLY REQUIREMENT

Sector: ALL DIVISIONS
1 - ALL SECTORS

Detailed Description:

The Investment Promotion Bureau must approve any funds leaving Pakistan and must approve imports. It tries to have local equipment used whenever possible.

The central bank's executive committee must approve all contracts calling for franchise royalty payments.

Legislative or Policy Instrument:

Investment Promotion Bureau

Comments:

Cross reference: old PAK-1

Inventory of Barriers to Trade In Services

Country: PAKISTAN

Reference Number: PAK- 3

Suppliers Affected: ALL

Source: memo EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 16/01/89

Last Updated: 16/01/89

Barrier Type:

BMP BARRIERS TO MOVEMENT OF PERSONNEL

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

It is difficult to obtain work permits.

Inventory of Barriers to Trade In Services

Country: PERU

Reference Number: PER- 1

Suppliers Affected: ALL

Source: memo EPT-0702

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 03/01/89

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector: CONSULTING SERVICES DIVISION

7759 - OTHER SCIENTIFIC AND TECHNICAL SERVICES

Detailed Description:

Several years ago, Peru imposed a special tax of approximately \$2.50 (U.S.) for each kilometre an aerial survey plane would fly. That tax forced a Canadian firm to withdraw from a project.

Inventory of Barriers to Trade In Services

Country: PERU

Reference Number: PER- 2

Suppliers Affected: ALL

Source: memo EPT-0011

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 11/01/89

Last Updated: 11/01/89

Barrier Type:

OLR OPERATING LIMITS OR REQUIREMENTS
TOC TAXES AND OTHER CHARGES

Sector: TRANSPORTATION SERVICES: DIVISION
4592 - FREIGHT FORWARDING

Detailed Description:

Peru and many other countries require all customs documents to be legalized and that they contain no erasures, corrections or typos. The legalization requirement means that freight forwarders or exporters must go through consultates and pay fees, with the consulates being open for business only a few hours/day.

Inventory of Barriers to Trade In Services

Country: PHILIPPINES

Reference Number: PHL- 1

Suppliers Affected: ALL

Source: memo EPT-0697

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 21/12/88

Last Updated: 21/12/88

Barrier Type:

EC EXCHANGE CONTROLS

Sector: FINANCE AND INSURANCE DIVISION

731 - LIFE INSURANCE CARRIERS

Detailed Description:

Foreign insurance companies have difficulty safely and profitably investing premium incomes. Premiums cannot be exported and all local liabilities must be covered by local assets. Investment options are very limited as foreign companies can buy only non-voting B shares in local firms.

There are periodic foreign exchange restrictions which may make it difficult for Fillippino operations to pay for services provided by headquarters.

Comments:

Cross reference: old PHL-7

Inventory of Barriers to Trade In Services

Country: POLAND

Reference Number: POL- 1

Suppliers Affected: ALL

Source: memos EPT-0009, EPT-0018, EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 10/01/89 Last Updated: 17/01/89

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector: ALL DIVISIONS
1 - ALL SECTORS

Detailed Description:

Communist countries will, in general, not allow foreign firms to establish.

Inventory of Barriers to Trade In Services

Country: POLAND

Reference Number: POL- 2

Suppliers Affected: ALL

Source: memos EPT-0009, EPT-0011

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 10/01/89

Last Updated: 10/01/89

Barrier Type:

GM GOVERNMENT MONOPOLY

Sector: TRANSPORTATION SERVICES: DIVISION
4592 - FREIGHT FORWARDING

Detailed Description:

Poland has a monopoly freight forwarder.

Inventory of Barriers to Trade In Services

Country: ROMANIA

Reference Number: ROM- 1

Suppliers Affected: ALL

Source: memos EPT-0009, EPT-0010, EPT-0011

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 10/01/89

Last Updated: 10/01/89

Barrier Type:

GP GOVERNMENT PROCUREMENT

Sector:

MARITIME TRANSPORTATION DIVISION
454 - WATER TRANSPORT INDUSTRIES
TRANSPORTATION SERVICES: DIVISION
4592 - FREIGHT FORWARDING

Detailed Description:

Romania has a state shipping company and a state freight forwarding firm, both of which sometimes want commissions.

The only multinational freight forwarder used by the Romanian government is Lepp.

Inventory of Barriers to Trade In Services

Country: ROMANIA

Reference Number: ROM- 2

Suppliers Affected: ALL

Source: memos EPT-0009, EPT-0018, EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 10/01/89

Last Updated: 17/01/89

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

1 ALL DIVISIONS
- ALL SECTORS

Detailed Description:

Communist countries will, in general, not allow foreign firms to establish.

Inventory of Barriers to Trade In Services

Country: RWANDA

Reference Number: RWA- 1

Suppliers Affected: ALL

Source: memo EPT-0003

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 04/01/89

Last Updated: 04/01/89

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

Sector:

777 CONSULTING SERVICES DIVISION
- MANAGEMENT CONSULTING SERVICES

Detailed Description:

Rwanda often requires the use of young Rwandese as their first jobs.

Comments:

Sometimes local partners lack capabilities and the foreign consultants must do all the work.

Inventory of Barriers to Trade In Services

Country: RWANDA

Reference Number: RWA- 2

Suppliers Affected: CANADA

Source: memo EPT-0003

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: InActive

Created: 04/01/89

Last Updated: 04/01/89

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector: CONSULTING SERVICES DIVISION

777 - MANAGEMENT CONSULTING SERVICES

Detailed Description:

Rwanda has no tax treaty with Canada.

Comments:

Although that country has said it will not exercise its right to tax incomes of individual consultants, there is a potential problem of retroactive tax bills.

Inventory of Barriers to Trade In Services

Country: SAUDI ARABIA

Reference Number: SAU- 1

Suppliers Affected: ALL

Source: memos: EPT-0707, EPT-0709

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 03/01/89

Barrier Type:

OLR OPERATING LIMITS OR REQUIREMENTS

Sector:

1

ALL DIVISIONS
- ALL SECTORS

Comments:

Foreign firms have been told to hir relatives of
government officials.

Inventory of Barriers to Trade In Services

Country: SAUDI ARABIA

Reference Number: SAU- 2

Suppliers Affected: ALL

Source: memo EPT-0010

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 10/01/89

Last Updated: 10/01/89

Barrier Type:

OLR OPERATING LIMITS OR REQUIREMENTS

TOC TAXES AND OTHER CHARGES

Sector: TRANSPORTATION SERVICES: DIVISION
4592 - FREIGHT FORWARDING

Detailed Description:

Freight forwarders must operate through local
"sponsors".

Inventory of Barriers to Trade In Services

Country: SAUDI ARABIA

Reference Number: SAU- 3

Suppliers Affected: ALL

Source: memo EPT-0011

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 11/01/89

Last Updated: 11/01/89

Barrier Type:

BMP BARRIERS TO MOVEMENT OF PERSONNEL

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

It takes about six weeks to obtain a visa.

Inventory of Barriers to Trade In Services

Country: SAUDI ARABIA

Reference Number: SAU- 4

Suppliers Affected: ALL

Source: memo EPT-0021

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 16/01/89

Last Updated: 16/01/89

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

GENERAL CONTRACTORS DIVISION
401 - RESIDENTIAL BUILDING AND DEVELOPMENT
402 - NON-RESIDENTIAL BUILDING AND DEVELOPMENT
411 - INDUSTRIAL CONSTRUCTION (OTHER THAN BUILDINGS)
412 - HIGHWAY AND HEAVY CONSTRUCTION
TRADE CONTRACTORS DIVISION
420 - ALL CONSTRUCTION SUBTRADES
CONSULTING SERVICES DIVISION
441 - PROJECT MANAGEMENT, CONSTRUCTION

Detailed Description:

There is a requirement for 25% local participation which must be related to the royal family. The foreign firm can choose whether the partner will be active.

Inventory of Barriers to Trade In Services

Country: SAUDI ARABIA

Reference Number: SAU- 5

Suppliers Affected: ALL

Source: memo EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 17/01/89

Last Updated: 17/01/89

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector: DISTRIBUTION SERVICES DIVISION

600 - RETAIL TRADE, GENERAL

Detailed Description:

No foreign retailers are permitted.

Inventory of Barriers to Trade In Services

Country: SENEGAL

Reference Number: SEN- 1

Suppliers Affected: ALL

Source: memo EPT-0003

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 04/01/89

Last Updated: 04/01/89

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

Sector: CONSULTING SERVICES DIVISION

777 - MANAGEMENT CONSULTING SERVICES

Detailed Description:

Senegal often requires the use of young Senegalese as their first jobs.

Comments:

Sometimes local partners lack capabilities and the foreign consultants must do all the work.

Inventory of Barriers to Trade In Services

Country: SENEGAL

Reference Number: SEN- 2

Suppliers Affected: CANADA

Source: memo EPT-0003

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: InActive

Created: 04/01/89

Last Updated: 04/01/89

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector:

777 CONSULTING SERVICES DIVISION
- MANAGEMENT CONSULTING SERVICES

Detailed Description:

Senegal has no tax treaty with Canada.

Comments:

Although that country has said it will not exercise its right to tax incomes of individual consultants, there is a potential problem of retroactive tax bills.

Inventory of Barriers to Trade In Services

Country: SINGAPORE

Reference Number: SPR- 1

Suppliers Affected: ALL

Source: memo EPT-0642

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 20/12/88

Last Updated: 20/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector: FINANCE AND INSURANCE DIVISION
741 - SECURITY BROKERS AND DEALERS

.Detailed Description:

There have been numerous regulations limiting or prohibiting the participation of foreign-owned brokers. Foreign ownership of Singapore brokers is limited to 49%. The Stock Exchange of Singapore announced in 1987 that the foreign stake can be raised in stages to 70% over three years after the initial participation by a foreign entity. However, there is a quota of eight brokerages in which foreign participation will be permitted.

Comments:

Cross reference: old SPR-16

Inventory of Barriers to Trade In Services

Country: SINGAPORE

Reference Number: SPR- 2

Suppliers Affected: ALL

Source: memo EPT-0661

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 20/12/88

Last Updated: 20/12/88

Barrier Type:

BMP BARRIERS TO MOVEMENT OF PERSONNEL

Sector:

702 FINANCE AND INSURANCE DIVISION
- CHARTERED BANKS AND OTHER BANKING-TYPE
INTERMEDIARIES

Detailed Description:

There are barriers to the movement of banking
personnel.

Inventory of Barriers to Trade In Services

Country: SINGAPORE

Reference Number: SPR- 3

Suppliers Affected: ALL

Source: Attachment to memo EPT-0642

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 20/12/88

Last Updated: 20/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

OLR OPERATING LIMITS OR REQUIREMENTS

Sector: FINANCE AND INSURANCE DIVISION

702 - CHARTERED BANKS AND OTHER BANKING-TYPE
INTERMEDIARIES

Detailed Description:

Singapore has not granted new licences for full commercial banks since 1975. Only licences for offshore or merchant banks are considered.

An offshore commercial bank may not provide credit and other facilities in Singapore dollars of more than \$30 million and may not accept Singapore dollar deposits, except from other banks. Offshore banks are not allowed to accept fixed interest deposits of less than 250,000 Singapore dollars or savings deposits in any amount.

14 foreign banks have been granted restricted licences, which allow them to have only one branch each in Singapore.

Inventory of Barriers to Trade In Services

Country: SINGAPORE

Reference Number: SPR- 3

Comments:

Cross reference: old barriers SPR-1, SPR-2, SPR-3,
SPR-5

Inventory of Barriers to Trade In Services

Country: SINGAPORE

Reference Number: SPR- 4

Suppliers Affected: ALL

Source: memo EPT-0366

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 20/12/88

Last Updated: 20/12/88

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector:

772 COMPUTER AND OTHER BUSINESS SERVICES DIVISION
- COMPUTER AND RELATED SERVICES

.Detailed Description:

Singapore imposes a withholding tax based on total receipts.

Inventory of Barriers to Trade In Services

Country: SINGAPORE

Reference Number: SPR- 5

Suppliers Affected: ALL

Source: memo EPT-0697

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 21/12/88

Last Updated: 21/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

1 ALL DIVISIONS
- ALL SECTORS

Detailed Description:

The government does not want foreign firms to buy Singapore enterprises.

Inventory of Barriers to Trade In Services

Country: SINGAPORE

Reference Number: SPR- 6

Suppliers Affected: ALL

Source: memo EPT-0694

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 21/12/88

Last Updated: 21/12/88

Barrier Type:

EC EXCHANGE CONTROLS

Sector: FINANCE AND INSURANCE DIVISION

731 - LIFE INSURANCE CARRIERS

Detailed Description:

75% or 80% of premiums must be invested locally.
Restrictions on repatriation of profit are strict.

Comments:

Cross reference: old SPR-6, old SPR-10

Inventory of Barriers to Trade In Services

Country: SUDAN

Reference Number: SUD- 1

Suppliers Affected: CANADA

Source: memo EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: InActive

Created: 17/01/89

Last Updated: 17/01/89

Detailed Description:

A subsidiary of a Canadian firm was nationalized.
The parent eventually regained a 51% interest.

Inventory of Barriers to Trade In Services

Country: SURINAM

Reference Number: SUR- 1

Suppliers Affected: ALL

Source: memo EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 16/01/89

Last Updated: 16/01/89

Barrier Type:

EC EXCHANGE CONTROLS

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

It is difficult to get funds out of Surinam.

Inventory of Barriers to Trade In Services

Country: SWEDEN

Reference Number: SWD- 1

Suppliers Affected: ALL

Source: memo EPT-0700

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 28/12/88

Last Updated: 28/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

733 FINANCE AND INSURANCE DIVISION
- PROPERTY AND CASUALTY INSURERS

Detailed Description:

Criteria for licence applications (particularly a "market needs" test) effectively deny entry to new foreign firms.

Comments:

Cross reference: old SWD-2

Inventory of Barriers to Trade In Services

Country: SWITZERLAND

Reference Number: SWZ- 1

Suppliers Affected: ALL

Source: memo EPT-0309

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 20/12/88

Last Updated: 20/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector: COMPUTER AND OTHER BUSINESS SERVICES DIVISION
772 - COMPUTER AND RELATED SERVICES

Detailed Description:

Foreign firms seem unable to establish in Switzerland.

Inventory of Barriers to Trade In Services

Country: SWITZERLAND

Reference Number: SWZ- 2

Suppliers Affected: ALL

Source: memos EPT-0642, EPT-0667

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 20/12/88

Last Updated: 20/12/88

Barrier Type:

BMP BARRIERS TO MOVEMENT OF PERSONNEL

Sector:

702 FINANCE AND INSURANCE DIVISION
- CHARTERED BANKS AND OTHER BANKING-TYPE
INTERMEDIARIES

Detailed Description:

Switzerland allows only three foreigners per branch.

Inventory of Barriers to Trade In Services

Country: SWITZERLAND

Reference Number: SWZ- 3

Suppliers Affected: ALL

Source: memos EPT-0370, EPT-0366

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 20/12/88

Last Updated: 20/12/88

Barrier Type:

BMP BARRIERS TO MOVEMENT OF PERSONNEL

Sector: COMPUTER AND OTHER BUSINESS SERVICES DIVISION

772 - COMPUTER AND RELATED SERVICES

Detailed Description:

Work permit requirements impede the export of computer services, in particular in the Canton of Zurich and for U.N. work in Geneva.

Inventory of Barriers to Trade In Services

Country: SWITZERLAND

Reference Number: SWZ- 4

Suppliers Affected: ALL

Source: memo EPT-0700

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 28/12/88

Last Updated: 28/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

733 FINANCE AND INSURANCE DIVISION
- PROPERTY AND CASUALTY INSURERS

Detailed Description:

Administrative or regulatory barriers make it extremely difficult for foreigners to establish property and casualty insurance businesses.

Inventory of Barriers to Trade In Services

Country: SWITZERLAND

Reference Number: SWZ- 5

Suppliers Affected: ALL

Source: memo EPT-0004

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 04/01/89

Last Updated: 04/01/89

Barrier Type:

TB TECHNICAL BARRIERS

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

Technical standards are used as protection.

Inventory of Barriers to Trade In Services

Country: SYRIA

Reference Number: SYR- 1

Suppliers Affected: ALL

Source: memo EPT-0018

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 13/01/89

Last Updated: 13/01/89

Barrier Type:

EC EXCHANGE CONTROLS

Sector:

1 ALL DIVISIONS
- ALL SECTORS

Detailed Description:

Syria has exchange controls, often making it difficult to export goods or services.

Inventory of Barriers to Trade In Services

Country: TAIWAN

Reference Number: TAI- 1

Suppliers Affected: ALL

Source: Attachment to memo EPT-0642

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 20/12/88

Last Updated: 20/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

702 FINANCE AND INSURANCE DIVISION
- CHARTERED BANKS AND OTHER BANKING-TYPE
INTERMEDIARIES

Detailed Description:

Applications for licences for branches and representative offices are subject to criteria for existing business levels. A Canadian bank could not apply for a branch licence but would have to obtain a representative office licence and then wait about two years to receive a branch licence.

Inventory of Barriers to Trade In Services

Country: TAIWAN

Reference Number: TAI- 2

Suppliers Affected: ALL

Source: memo EPT-0642

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 20/12/88

Last Updated: 20/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

741 FINANCE AND INSURANCE DIVISION
- SECURITY BROKERS AND DEALERS

Detailed Description:

There are impediments against foreign ownership of securities dealers.

Inventory of Barriers to Trade In Services

Country: TAIWAN

Reference Number: TAI- 3

Suppliers Affected: NON-USA

Source: memo EPT-0694

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 21/12/88

Last Updated: 21/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

FINANCE AND INSURANCE DIVISION

731 - LIFE INSURANCE CARRIERS

Detailed Description:

Taiwan allows only two U.S. life insurance companies and no other foreign life insurance companies to establish there each year.

Inventory of Barriers to Trade In Services

Country: TAIWAN

Reference Number: TAI- 4

Suppliers Affected: NON-USA

Source: memo EPT-0010

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 10/01/89

Last Updated: 10/01/89

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)
GM GOVERNMENT MONOPOLY
QIR QUANTITATIVE IMPORT RESTRICTIONS

Sector: TRANSPORTATION SERVICES: DIVISION
4592 - FREIGHT FORWARDING

Detailed Description:

All movement of goods is controlled and goods must pass through government controlled warehouses. There are import quotas favouring U.S. goods.

There are investment limitations which are particularly strict for freight forwarders.

Inventory of Barriers to Trade In Services

Country: TAIWAN

Reference Number: TAI- 5

Suppliers Affected: ALL

Source: memo EPT-0019

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 12/01/89

Last Updated: 12/01/89

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

Sector: MARITIME TRANSPORTATION DIVISION

454 - WATER TRANSPORT INDUSTRIES

Detailed Description:

Taiwan sometimes insists on the use of its ships.

Inventory of Barriers to Trade In Services

Country: THAILAND

Reference Number: THL- 1

Suppliers Affected: ALL

Source: memo EPT-0366

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 20/12/88

Last Updated: 20/12/88

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

Sector:

772 COMPUTER AND OTHER BUSINESS SERVICES DIVISION
- COMPUTER AND RELATED SERVICES

Detailed Description:

Some business activities, including professional, clerical and secretarial services, are not allowed to be majority foreign owned. Some service businesses may be foreign owned but the granting of licences for certain categories is discretionary and few are issued.

Legislative or Policy Instrument:

Alien Business Law, National Executive Council
Announcement NR 281

Comments:

Cross reference: old barrier THL-9

Inventory of Barriers to Trade In Services

Country: THAILAND

Reference Number: THL- 2

Suppliers Affected: ALL

Source: Attachment to memo EPT-0642

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 20/12/88

Last Updated: 20/12/88

Barrier Type:

BMP BARRIERS TO MOVEMENT OF PERSONNEL
EI ESTABLISHMENT (INVESTMENT)
OLR OPERATING LIMITS OR REQUIREMENTS

Sector:

FINANCE AND INSURANCE DIVISION
702 -- CHARTERED BANKS AND OTHER BANKING-TYPE
INTERMEDIARIES

Detailed Description:

New banks are not allowed entry except through representative offices and minority participation in finance companies. Although foreign banks already established in Thailand receive generally the same treatment as domestic banks, there are important exceptions. Each foreign bank is allowed only one branch, except for branches grandfathered when the present law was enacted in the 1950s. The result is that Canadian banks may not enter the retail market.

The number of shares of a commercial bank held by Thais shall not be less than 3/4 of the total sold and the number of Thai directors shall not be less than 3/4 of the total. One foreign person may not own more than 5% of a bank.

Foreign banks may not use ATN networks.

Because access to the Bank of Thailand's rediscount window is proportional to the amount of a bank's capital and foreign banks tend to repatriate their

Inventory of Barriers to Trade In Services

Country: THAILAND

Reference Number: THL- 2

Detailed Description: (Continued)

holdings, they have limited access to that window and must borrow in the interbank market at higher interest rates.

The number of foreign employees is usually restricted to two.

Legislative or Policy Instrument:

Commercial Banking Act (No. 2) B.E. 2522
Finance, Securities and Credit Foncier Business Act
B.E. 2522

Comments:

Cross reference: old barriers THL-3, THL-4, THL-21

Inventory of Barriers to Trade In Services

Country: THAILAND

Reference Number: THL- 3

Suppliers Affected: ALL

Source: memo EPT-0708

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 03/01/89

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

Thailand is not party to a carnet which can be used to make temporary importations of equipment such as computers for display purposes.

Inventory of Barriers to Trade In Services

Country: THAILAND

Reference Number: THL- 4

Suppliers Affected: ALL

Source: memos EPT-0707, EPT-0708, EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 17/01/89

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

Category A sectors:

Businesses in real estate, building construction accounting, law, architecture, advertising, brokerage or agency, auctioning, haircutting and beauty parlours must be at least 51% Thai owned. However, under the Treaty of Amity with U.S., Americans are granted national status, at least for advertising.

Category B sectors:

Existing foreign businesses in antiques, tourist guiding, hotels (except hotel management), service premises, photographic developing, laundry and domestic transportation may continue operations provided they obtain certificates from the Ministry of Commerce. They may not increase sales by more than 30% of the 1972 figures. (Administration of this has been ineffective.) As well, no new branches can be established without government approval.

Category C:

In all other sectors, new foreign firms can be established but are subject to certain regulations regarding ratios of Thai foreign capital and directors.

Inventory of Barriers to Trade In Services

Country: THAILAND

Reference Number: THL- 4

Detailed Description: (Continued)

Some business activities, including professional, clerical and secretarial services, are not allowed to be majority foreign owned. Some service businesses may be foreign owned but the granting of licences for certain categories is discretionary and few are issued.

To do business in Thailand, foreign consulting engineers must form joint ventures with local partners.

Foreign, except U.S., firms are now allowed to own more than 49% of joint ventures.

Foreign retailers are basically blocked from establishing new businesses.

Legislative or Policy Instrument:

Revolutionary Party Decree 281 of 24 November 1972.

Alien Business Law, National Executive Council
Announcement NR 281.

Treaty of Amity.

Comments:

For a certain project, a Canadian firm must select one of six Thai firms as its local partner.

Cross reference: old barriers THL-1, THL-9, THL-11,
THL-22

Inventory of Barriers to Trade In Services

Country: THAILAND

Reference Number: THL- 5

Suppliers Affected: ALL

Source: memo EPT-0008

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 09/01/89

Last Updated: 09/01/89

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

Sector:

TRANSPORTATION SERVICES: DIVISION
4592 - FREIGHT FORWARDING

Detailed Description:

Foreign freight forwarders must share revenues with local firms.

Comments:

This amounts to a legalized kickback system.
"Evertime a shipe goes to Thailand, a cheque goes to someone who does nothing".

Cross reference: old barriers THL-1, THL-9, THL-22

Inventory of Barriers to Trade In Services

Country: THAILAND

Reference Number: THL- 6

Suppliers Affected: ALL

Source: memo EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 16/01/89

Last Updated: 16/01/89

Barrier Type:

BMP BARRIERS TO MOVEMENT OF PERSONNEL

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

All foreigners must obtain work permits from the Labour Department before working in Thailand. The granting of permits is discretionary and permits for certain occupations, including engineering, accounting, architecture and law are difficult to obtain. Labour Department inspectors interpret Thai labour law that foreign business people need work permits to visit their agents, joint ventures and clients.

Comments:

Cross reference: old THL-8

Inventory of Barriers to Trade In Services

Country: TRINIDAD AND TOBAGO

Reference Number: TRI- 1

Suppliers Affected: ALL

Source: memos EPT-0694, EPT-0698

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 22/12/88

Last Updated: 28/12/88

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector: FINANCE AND INSURANCE DIVISION

731 - LIFE INSURANCE CARRIERS

Detailed Description:

Policy holders buying life insurance from foreign carriers must pay additional tax.

Inventory of Barriers to Trade In Services

Country: TRINIDAD AND TOBAGO

Reference Number: TRI- 2

Suppliers Affected: ALL

Source: memos EPT-0697, EPT-0018, EPT-0019, EPT-0022

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 17/01/89

Barrier Type:

EC EXCHANGE CONTROLS

Sector:

- ALL DIVISIONS
- 1 - ALL SECTORS
- FINANCE AND INSURANCE DIVISION
- 731 - LIFE INSURANCE CARRIERS

Detailed Description:

Exchange controls and differences between the official and black market exchange rates affect the operation of trading and service firms including foreign life insurance companies and other businesses.

Comments:

A Canadian firm had to accumulate funds and then obtain permission from the national treasury to expatriate them.

Inventory of Barriers to Trade In Services

Country: TRINIDAD AND TOBAGO

Reference Number: TRI- 3

Suppliers Affected: ALL

Source: memo EPT-0697

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 03/01/89

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

731 FINANCE AND INSURANCE DIVISION
- LIFE INSURANCE CARRIERS

Detailed Description:

There is a minimum % local ownership requirement.

Inventory of Barriers to Trade In Services

Country: TURKEY

Reference Number: TUR- 1

Suppliers Affected: ALL

Source: memo EPT-0702

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 03/01/89

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

There is a withholding tax of up to 20% on profits earned by firms whose legal or administrative centres are abroad.

Comments:

Cross reference: old TUR-21

Inventory of Barriers to Trade In Services

Country: TURKEY

Reference Number: TUR- 2

Suppliers Affected: ALL

Source: memo EPT-0019

Canadian Source: YES

Canadian Negotiating Priority: LOW

Status: Active

Created: 12/01/89

Last Updated: 12/01/89

Barrier Type:

OLR OPERATING LIMITS OR REQUIREMENTS

Sector: MARITIME TRANSPORTATION DIVISION
454 - WATER TRANSPORT INDUSTRIES

Detailed Description:

Turkey will not allow its dates or currants to be carried on ships passing through Israeli ports.

Inventory of Barriers to Trade In Services

Country: TURKEY

Reference Number: TUR- 3

Suppliers Affected: ALL

Source: memo EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 17/01/89

Last Updated: 17/01/89

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

Turkey has an investment review board.

Inventory of Barriers to Trade In Services

Country: UNITED KINGDOM

Reference Number: UKM- 1

Suppliers Affected: ALL

Source: memo EPT-0309

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: InActive

Created: 20/12/88

Last Updated: 20/12/88

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector: COMPUTER AND OTHER BUSINESS SERVICES DIVISION
772 - COMPUTER AND RELATED SERVICES

Detailed Description:

The U.K. seems to be examining the possibility of evaluating software according to intellectual property rather than just the medium (e.g. diskette) for duty purposes.

Inventory of Barriers to Trade In Services

Country: UNITED KINGDOM

Reference Number: UKM- 2

Suppliers Affected: NON-EEC

Source: memos EPT-0309, EPT-0642, EPT-0661, EPT-0672,
EPT-0697, EPT-0700

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 20/12/88

Last Updated: 03/01/89

Barrier Type:

BMP BARRIERS TO MOVEMENT OF PERSONNEL

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

There are barriers to short term entry. Special approvals for managers of Canadian firms are regularly granted but in each case the applicant must show that no qualified person in the EEC is available.

The question of whether the person is working on a temporary basis can give rise to legal difficulties.

It can take three months to obtain a visa for the U.K."

Comments:

Cross reference: old UKM-11

Inventory of Barriers to Trade In Services

Country: UNITED KINGDOM

Reference Number: UKM- 3

Suppliers Affected: ALL

Source: memo EPT-0692

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 20/12/88

Last Updated: 20/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector: FINANCE AND INSURANCE DIVISION

731 - LIFE INSURANCE CARRIERS

Comments:

The U.K. Financial Services Act contains a provision that could provide for retaliation against Canada when Canada's Bill C-130 is enacted to implement the Free Trade Agreement and exempt only U.S. life firms from 10/25 foreign ownership rules.

Inventory of Barriers to Trade In Services

Country: UNITED KINGDOM

Reference Number: UKM- 4

Suppliers Affected: ALL

Source: memo EPT-0709

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 03/01/89

Barrier Type:

GP GOVERNMENT PROCUREMENT

Sector: CONSULTING SERVICES DIVISION

7759 - OTHER SCIENTIFIC AND TECHNICAL SERVICES

Detailed Description:

The U.K. Government uses only its in-house meteorologic service and does not contract out any such work.

Inventory of Barriers to Trade In Services

Country: UNITED KINGDOM

Reference Number: UKM- 5

Suppliers Affected: ALL

Source: memo EPT-0008

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 09/01/89

Last Updated: 09/01/89

Barrier Type:

MISC MISCELLANEOUS

Sector:

4592 TRANSPORTATION SERVICES: DIVISION
- FREIGHT FORWARDING

Comments:

The U.K. and other European countries are said to be filled with kickback practices.

Inventory of Barriers to Trade In Services

Country: UNITED KINGDOM

Reference Number: UKM- 6

Suppliers Affected: ALL

Source: memo EPT-0025

Canadian Source: YES

Canadian Negotiating Priority: LOW

Status: Active

Created: 12/01/89

Last Updated: 12/01/89

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector:

OTHER SERVICES DIVISION

979 - OTHER PERSONAL AND HOUSEHOLD SERVICES

Detailed Description:

Value Added Tax (VAT) is ruinous to franchised home cleaning businesses which compete with traditional cleaning ladies whose services are untaxed. As well, paperwork on VAT is onerous and expensive.

Inventory of Barriers to Trade In Services

Country: UNITED KINGDOM

Reference Number: UKM- 7

Suppliers Affected: ALL

Source: memo EPT-0025

Canadian Source: YES

Canadian Negotiating Priority: LOW

Status: Active

Created: 12/01/89

Last Updated: 12/01/89

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

The U.K. has a withholding tax on royalties. However, Canada has a tax treaty with the U.K., whereby taxpayers receive tax credits in Canada for the withholding tax paid.

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA Reference Number: USA- 1

Suppliers Affected: ALL

Source: memo EPT-0672

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 20/12/88

Last Updated: 20/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector: FINANCE AND INSURANCE DIVISION

741 - SECURITY BROKERS AND DEALERS

Detailed Description:

Some stock exchanges, including the New York Stock Exchange, have listing requirements that stipulate a minimum distribution of the brokers' shares in the U.S. For foreign brokers that do not meet this requirement, there is an alterate arrangement but it is more strigent.

The primary dealer group in the U.S. can decide which firms may enter that group.

Comments:

Cross reference: old USA-120

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA Reference Number: USA- 2

Suppliers Affected: ALL

Source: memo EPT-0661

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 20/12/88

Last Updated: 20/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

702 FINANCE AND INSURANCE DIVISION
 - CHARTERED BANKS AND OTHER BANKING-TYPE
 INTERMEDIARIES

Detailed Description:

An Italian bank that tried to buy the Bank of New York ran into trouble with U.S. authorities.

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA Reference Number: USA- 3

Suppliers Affected: ALL

Source: memos EPT-0370, EPT-0367, EPT-0310, EPT-0309, EPT-0459, EPT-0661, EPT-0672, EPT-0667, EPT-0692, EPT-0697, EPT-0694, EPT-0698, see Detailed Description

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 20/12/88

Last Updated: 17/01/89

Barrier Type:

BMP BARRIERS TO MOVEMENT OF PERSONNEL

Sector: ALL DIVISIONS
1 - ALL SECTORS

Detailed Description:

Consultants, bankers, tradesmen, technical personnel, bus operators, performers, airline crews, baseball umpires, film and TV crews and others often experience difficulties and delays when trying to enter the U.S. Sometimes they are denied entry.

Sources continued: memos EPT-0697, EPT-0700, EPT-0702, EPT-0705, EPT-0706, EPT-0708, EPT-0709, EPT-0007, EPT-0005, EPT-0006, EPT-0025, EPT-0021, EPT-0022

Legislative or Policy Instrument:

McCarran-Walter (Immigration and Nationality) Act, 1952; 8 U.S.C. ss 1101-1503

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA

Reference Number: USA- 3

Comments:

Cross reference: old barriers USA-54, USA-39,
USA-105, USA-106, USA-121, USA-141

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA Reference Number: USA- 4

Suppliers Affected: ALL

Source: memo EPT-0366

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 20/12/88

Last Updated: 20/12/88

Barrier Type:

GP GOVERNMENT PROCUREMENT

Sector: COMPUTER AND OTHER BUSINESS SERVICES DIVISION
772 - COMPUTER AND RELATED SERVICES

Detailed Description:

A portion of U.S. Government purchases must be set
aside for small and minority-owned domestic firms.

Comments:

Cross reference: old barrier USA-57

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA Reference Number: USA- 5

Suppliers Affected: ALL

Source: memo EPT-0667

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 20/12/88

Last Updated: 20/12/88

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

Sector:

FINANCE AND INSURANCE DIVISION
702 - CHARTERED BANKS AND OTHER BANKING-TYPE
 INTERMEDIARIES
COMPUTER AND OTHER BUSINESS SERVICES DIVISION
772 - COMPUTER AND RELATED SERVICES

Detailed Description:

A U.S. regulator would not allow a Canadian bank with U.S. operations to have certain computer work done outside the U.S.

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA Reference Number: USA- 6

Suppliers Affected: ALL

Source: memos EPT-0642, EPT-0661, EPT-0667

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 20/12/88

Last Updated: 20/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

FINANCE AND INSURANCE DIVISION

702 - CHARTERED BANKS AND OTHER BANKING-TYPE INTERMEDIARIES

703 - TRUST COMPANIES

Detailed Description:

Many state and U.S. measures make it extremely difficult to practise inter-state banking in the U.S.

Legislative or Policy Instrument:

- Bank Holding Company Act
- California Financial Code 1951, c. 364 AA. 1503, 1700, 1755
- Consolidated Statutes of N.Y. Banking Law ss. 26, 200, 202, and s. 131
- Texas Const. Art. 16 s. 16 Tx. Rev. Civ. Stat. Ann. Art. 342-307
- Revised Code of Washington 30.04, 290-300
- Idaho Code, Chapter 1, Title 26
- Revised Code of Washington, RCW Chapter 30, Section 42 and 30.04, 290-300
- AL. Code 5-1A-4 of 1980
- GA. Code 7-1-710 through 721. Regulation 80-7-1
- MS. Code 81-5-40

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA Reference Number: USA- 6

Legislative or Policy Instrument: (Continued)

SC. Code 34-3-100

Comments:

Cross reference: old barriers USA-11, USA-13,
USA-15, USA-16, USA-67, USA-70, USA-73, USA-80,
USA-94, USA-109

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA Reference Number: USA- 7

Suppliers Affected: ALL

Source: memos EPT-0642, EPT-0661, EPT-0667, EPT-0672

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 20/12/88

Last Updated: 20/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

FINANCE AND INSURANCE DIVISION

702 - CHARTERED BANKS AND OTHER BANKING-TYPE
INTERMEDIARIES

741 - SECURITY BROKERS AND DEALERS

Detailed Description:

A foreign bank that acquired a securities firm that also has an operation in the U.S. would have to choose between conducting a banking or a securities business in the U.S. as a result of the extraterritorial application of the Glass-Steagall Act.

Legislative or Policy Instrument:

Glass-Steagall Act

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA Reference Number: USA- 8

Suppliers Affected: ALL

Source: memo EPT-0642

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 20/12/88

Last Updated: 20/12/88

Barrier Type:

OLR OPERATING LIMITS OR REQUIREMENTS

Sector:

FINANCE AND INSURANCE DIVISION
702 - CHARTERED BANKS AND OTHER BANKING-TYPE
INTERMEDIARIES

Detailed Description:

In U.S. securities law, a "bank" is defined as one which is organized under the laws of the U.S., or a state thereof. The Securities and Exchange Commission interprets lines of credit (LOCs) and Certificates of Deposits (CDs) as securities which means that banks must seek "no action" letters. These letters are readily available but they take time and cost money. Domestic banks, however, are exempt from having to register their securities. Thus, foreign banks, including Canadian banks, are placed at a disadvantage vis-a-vis domestic banks since, if the securities are not registered, then the purchaser has a potential claim against the bank. The practical effect of this provision is one which makes the foreign banks' securities inherently short term (CDs cannot safely be issued with a term beyond 5 years). Also, in terms of lines of credit, foreign banks are pretty much restricted to granting them with terms of 1 year or less whereas they might want to make them for as long as 30 years.

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA

Reference Number: USA- 8

Comments:

Cross reference: old USA-95

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA

Reference Number: USA- 9

Suppliers Affected: ALL

Source: memo EPT-0698

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 22/12/88

Last Updated: 22/12/88

Barrier Type:

PR PRICE REGULATION

Sector:

FINANCE AND INSURANCE DIVISION
731 - LIFE INSURANCE CARRIERS

Detailed Description:

New York State imposes, in an extra-territorial manner, a ceiling on life insurance companies that also operate outside the state.

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA Reference Number: USA- 10

Suppliers Affected: -ALL

Source: memo EPT-0700

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 28/12/88

Last Updated: 28/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector: FINANCE AND INSURANCE DIVISION

733 - PROPERTY AND CASUALTY INSURERS

Detailed Description:

It is more difficult for Canadian firms to establish in the U.S. than for American firms to establish in Canada. In the U.S., all insurance companies must register with and obtain licences from each state, whereas Canada's procedure of companies registering with the federal government makes it easier to obtain the provincial licences.

Most states have reciprocity provisions which, in addition to the regular admission requirements, subject foreign (out-of-state) and alien (non-U.S.) insurers to any additional taxes, licences or other fees, mandatory deposits, penalties, or other obligations, prohibitions or restrictions that their home jurisdictions impose on an insurer from the jurisdiction whose authorization is sought.

Foreign (out-of-state) insurance companies must apply for certification. One requirement is that the company must have actively transacted for three years the classes of insurance it proposes to transact in Washington state unless it is a subsidiary of an insurer which has held a certificate of authority in the state for three years.

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA

Reference Number: USA- 10

Detailed Description: (Continued)

Several states require out-of-state and alien insurers to be incorporated mutual insurers of the same general type as those formed in the particular state.

Comments:

Cross reference: old barriers USA-19, USA-20, USA-76, USA-79

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA

Reference Number: USA- 11

Suppliers Affected: ALL

Source: memo EPT-0705

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 28/12/88

Last Updated: 28/12/88

Barrier Type:

PQ PROFESSIONAL QUALIFICATIONS

Sector: CONSULTING SERVICES DIVISION

7751 - OFFICES OF ARCHITECTS

7752 - OFFICES OF ENGINEERS

Detailed Description:

Criteria for obtaining professional engineering and architectural licences vary from state to state.

Some states (e.g. Washington, Oregon, Idaho and Alaska) do not recognize Canadian engineering qualifications. Canadian engineers must sit the 16 hour N.C.E.E./P.E. technical examination to obtain equivalent state registration. In Alaska, Canadian engineers must also take a course in Arctic and sub-Arctic engineering at an approved school.

A Canadian engineering firm must deal through a certified U.S. "partner" because Canadian engineering firms cannot be registered.

Canadian architects must pass the N.C.A.R.B. examination or equivalent in several states including Washington, Oregon, Idaho and Alaska. In Washington, certification is to architectural corporations or partnerships. Oregon registers only individuals. Alaska registers only corporations.

The Architecture annex of the Free Trade Agreement

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA

Reference Number: USA- 11

Detailed Description: (Continued)

provides for mutual Canada/U.S. recognition of architects' professional qualifications. It reflects an undertaking by the Royal Architectural Institute of Canada and the American Institute of Architects to review existing licensing requirements and seek standards acceptable to both.

Legislative or Policy Instrument:

Washington:

Engineers and Surveyors, Revised Code of WN (RCW),
Title 18, Chapter 43
Architects, RCW Title 18, Chapter 8.

Oregon:

Engineers and Surveyors, Oregon Revised Statute, Ch.
671
Architects, Oregon Revised Statute 672

Idaho:

Engineers and Surveyors Law, Title 54, Ch. 12
Architects Law, Title 54, Ch. 13

Alaska:

Statute 08.48 Board of Architects, Engineers and Land
Surveyors, Regulations 12 AAC 36
Construction, Title 8, Section 18, AS 08.011 through
08.18.171

Comments:

Cross reference: old USA-3

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA Reference Number: USA- 12

Suppliers Affected: ALL

Source: memo EPT-0672

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 28/12/88

Last Updated: 28/12/88

Barrier Type:

OLR OPERATING LIMITS OR REQUIREMENTS

Sector: FINANCE AND INSURANCE DIVISION

731 - LIFE INSURANCE CARRIERS

Detailed Description:

The U.S. is probably more restrictive than Canada in investment portfolio regulations.

In many states, the insurance commissioners have the discretion to specify local investment for insurance companies and may disallow any foreign investment deemed not to be adequately secured for the protection of local policyholders.

In Alaska, the commissioner may specify investments as he deems necessary, including specifying local investment.

In Idaho, the commissioner also has the power to specify investments. As well, because local investments entitle insurance companies to a premium tax break in Idaho, most choose local investments.

Most states, including Oregon and Georgia, limit exposure of an alien (non-U.S.) insurer on any risk to the policyholder surplus held in the U.S. branch alone, not the entire company's policyholder surplus as is the case for U.S.-owned insurers.

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA

Reference Number: USA- 12

Detailed Description: (Continued)

An insurance company in Oregon, Georgia and most other states cannot expose itself to any loss on a risk exceeding 10% of its surplus to policyholders.

Comments:

Cross reference: old USA-22, old USA-23

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA

Reference Number: USA- 13

Suppliers Affected: ALL

Source: memo EPT-0697

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 03/01/89

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector: FINANCE AND INSURANCE DIVISION

731 - LIFE INSURANCE CARRIERS

Detailed Description:

The "Secretary's ratio" allows an arbitrary decision on the amount of surplus a foreign life insurance company should hold (currently 19%, even though the actual figure for most firms is probably no more than 5%). Then, the regulators determine a minimum earnings rate on that surplus whether it exists or not. That forms an important part of the tax base.

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA

Reference Number: USA- 14

Suppliers Affected: ALL

Source: memo EPT-0702

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 03/01/89

Barrier Type:

- MISC MISCELLANEOUS
- TB TECHNICAL BARRIERS

Sector:

- AIR TRANSPORTATION DIVISION
- 452 - SERVICE INDUSTRIES, INCIDENTAL TO AIR TRANSPORT
CONSULTING SERVICES DIVISION
- 7759 - OTHER SCIENTIFIC AND TECHNICAL SERVICES

Detailed Description:

Sometimes non-U.S. high-tech firms are unable to buy goods or services developed under U.S. military contracts because of alleged national security measures.

Sometimes, non-U.S. firms are prevented from access to technical information which they need to bid on aircraft maintenance contracts on U.S.-built military aircraft.

Comments:

McDonnell Douglas, manufacturer of the F-18 used by the Canadian Armed Forces, refused to provide a Canadian firm with "proprietary" information on the aircraft's brakes, thus preventing a bid on a maintenance contract for the Canadian military.

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA

Reference Number: USA- 15

Suppliers Affected: ALL

Source: memo EPT-0705

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 03/01/89

Barrier Type:

TB TECHNICAL BARRIERS

Sector: CONSULTING SERVICES DIVISION

7752 - OFFICES OF ENGINEERS

Detailed Description:

U.S. environmental protection standards, including standards for analytical chemistry applied to air and water pollution, and hazardous waste, are different from Canadian standards and virtually compel the retention of a U.S. partner.

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA

Reference Number: USA- 16

Suppliers Affected: ALL

Source: memo EPT-0702

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 03/01/89

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

Sector:

AIR TRANSPORTATION DIVISION

451 - AIR TRANSPORT INDUSTRIES

Detailed Description:

Foreign carriers must operate in accord with specifications issued by The Federal Aviation Administration administrator, including airports used, routes flown, aircraft used, radio equipment needed, crew certificates and knowledge of FAA regulations and the English language.

The Federal Aviation Act of 1958 (the Aviation Act) significantly restricts foreign involvement in commercial aviation within the U.S. In order for a foreign carrier to carry cargo or passengers to a point in the U.S., the carriers must receive the approval of the Civil Aeronautics Board (CAB). The rights granted to a foreign carrier by the CAB are keyed to bilateral agreements between the U.S. and the carrier's country of registration.

Foreign and U.S. carriers operating between the U.S. and foreign markets must obtain U.S. approval for all fares, charges and rules.

The CAB may not grant a foreign scheduled carrier the right to carry passengers between two points in the U.S.

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA

Reference Number: USA- 16

Detailed Description: (Continued)

A foreign-controlled carrier will not receive authorization to operate domestically through formation of a domestic subsidiary. The CAB's certificate of public convenience or necessity, which is required in order to operate U.S. carriers domestically, can only be issued to an air carrier, which is defined as a U.S. citizen. A U.S. citizen is further defined either as a natural person who is a U.S. citizen, a partnership of which each member who as an individual is a U.S. citizen or a corporation (a) organized under U.S. law, (b) 75% of whose voting interest is owned and controlled by U.S. citizens and (c) whose president and two-thirds of whose directors are U.S. citizens. Thus, entities or individuals owning or controlling an air carrier must be U.S. citizens through the entire chain of their ownership.

Legislative or Policy Instrument:

1966 Air Transport Agreement between Canada and U.S.,
Articles II, IV, V.

Federal Aviation Act of 1958, 49 USCA ss. 1301 et seq.

Comments:

Cross reference: old USA-25

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA

Reference Number: USA- 17

Suppliers Affected: ALL

Source: memo EPT-0702

Canadian Source: YES

Canadian Negotiating Priority: HIGH

Status: Active

Created: 03/01/89

Last Updated: 03/01/89

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

Sector:

CONSULTING SERVICES DIVISION

7759 - OTHER SCIENTIFIC AND TECHNICAL SERVICES

Detailed Description:

To perform remote sensing (a sophisticated aerial survey procedure) in the U.S., overflight clearance from the Department of Transportation is necessary. A Canadian firm must explain the project in detail including what sensors it will use and must provide copies of its application to all its U.S. competitors who then have the opportunity to grieve on the basis that they can do the work. The applicant is obligated to prove it is using a unique sensor that no U.S. firm has. The resulting delays have caused the Canadian firm to lose contracts.

The procedure of sending copies to U.S. competitors applies only to firms that are not 70% U.S. owned.

Legislative or Policy Instrument:

Department of Transportation.

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA

Reference Number: USA- 18

Suppliers Affected: ALL

Source: memo EPT-0706

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 03/01/89

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

Display materials taken to the U.S. must be taken out of the country within a certain time, or duties are assessed.

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA

Reference Number: USA- 19

Suppliers Affected: ALL

Source: memo EPT-0707

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 03/01/89

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

Sector:

1 ALL DIVISIONS
- ALL SECTORS

Detailed Description:

Some projects funded by the U.S. international development agency must contain U.S. equipment.

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA Reference Number: USA- 20

Suppliers Affected: ALL

Source: memos: EPT-0702, EPT-0706, EPT-0708, EPT-0024

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 03/01/89

Last Updated: 17/01/89

Barrier Type:

GP GOVERNMENT PROCUREMENT
GSD GOVERNMENT SUBSIDIES/DOMESTIC
GSE GOVERNMENT SUBSIDIES/EXPORT

Sector:

ALL DIVISIONS
1 - ALL SECTORS
 AIR TRANSPORTATION DIVISION
451 - AIR TRANSPORT INDUSTRIES
 CONSULTING SERVICES DIVISION
7759 - OTHER SCIENTIFIC AND TECHNICAL SERVICES

Detailed Description:

The Buy America Act gives preference in federal government procurement to U.S. firms.

A Canadian high-tech service firm obtained a contract from the U.S. Geological Services, but the awarding of the contract was delayed for nine months by appeals from U.S. competitors.

NASA does all its own remote sensing. U.S. defence and NASA spending serve as industrial development subsidies.

The U.S. Air Force contracts out all its air transport, thus subsidizing the U.S. air transport industry.

U.S. government and military personnel must use U.S. airlines, however circuitous their routes, unless

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA

Reference Number: USA- 20

Detailed Description: (Continued)

there are no alternatives to the use of foreign carriers. For example, U.S. personnel bound for D.E.W. Line stations from Boston cannot use the Canadian carrier operating from Boston to Ottawa but must travel indirectly via another U.S. point so that U.S. carriers can be used.

Suppliers subject to foreign ownership, control or influence are ineligible for U.S. security clearance and may not hold contracts involving classified information. Although the Canadian Department of Supply and Services coordinates clearance for U.S. contracts, difficulties have been encountered by Canadian suppliers.

U.S. defence contracts often favour local firms with Canadian companies not receiving classified material in time to prepare bids by deadlines. There are often 90 or 100 day delays. The U.S. Department of Defense stipulates that no foreigners are allowed to bid unless special dispensation is granted.

Local firms have been favoured for wind tunnel work in Charlotte, N.C.

A portion of U.S. government purchases must be set aside for small and minority-owned domestic firms.

"Disadvantaged" or "minority" businesses receive a 10% advantage in Texas.

Legislative or Policy Instrument:

Buy America Act 41 USCA.

Small Business Act of 1953

Industrial Security Regulation DOD 5500.22-R,
2-201(c), 2-322, 2-324

Fly America Act

International Transportation Fair Competitive Practices Act of 1974, as amended 49 USC 1517.

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA

Reference Number: USA- 20

Legislative or Policy Instrument: (Continued)

Administered by Office of Acquisition Policy of USA
General Services Administration.

Comments:

Cross reference: old barriers USA-56, USA-57,
USA-58, USA-117, USA-132

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA

Reference Number: USA- 21

Suppliers Affected: CANADA

Source: memo EPT-0007

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 06/01/89

Last Updated: 06/01/89

Barrier Type:

GP GOVERNMENT PROCUREMENT

Sector:

777 CONSULTING SERVICES DIVISION
- MANAGEMENT CONSULTING SERVICES

Comments:

The Inter-American Development Bank, a Washington-based affiliate of the World Bank focussing on Latin America, is a Latin American old boys network, almost a closed shop.

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA Reference Number: USA- 22

Suppliers Affected: CANADA

Source: memo EPT-0011

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 11/01/89

Last Updated: 11/01/89

Barrier Type:

OLR OPERATING LIMITS OR REQUIREMENTS

Sector: TRANSPORTATION SERVICES: DIVISION
 4592 - FREIGHT FORWARDING

\ Detailed Description:

U.S. requirements for certificates of origin on goods imported from Canada under the F.T.A. were not yet decided as of September, 1988. Freight forwarders expressed concern regarding the uncertainty of how onerous such requirements will be.

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA

Reference Number: USA- 23

Suppliers Affected: ALL

Source: memo EPT-0011

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 11/01/89

Last Updated: 11/01/89

Barrier Type:

OLR OPERATING LIMITS OR REQUIREMENTS

Sector:

ALL DIVISIONS
1 - ALL SECTORS
TRANSPORTATION SERVICES: DIVISION
4592 - FREIGHT FORWARDING

Detailed Description:

U.S. labelling information requirements are onerous for consumer goods, thus affecting exports of related services.

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA

Reference Number: USA- 24

Suppliers Affected: ALL

Source: memo EPT-0025

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 12/01/89

Last Updated: 12/01/89

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector:

1 ALL DIVISIONS

- ALL SECTORS

OTHER SERVICES DIVISION

979

- OTHER PERSONAL AND HOUSEHOLD SERVICES

Detailed Description:

Tariffs make it difficult to send video training films and uniforms to the U.S.

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA

Reference Number: USA- 25

Suppliers Affected: ALL

Source: memo EPT-0025

Canadian Source: YES

Canadian Negotiating Priority: LOW

Status: Active

Created: 12/01/89

Last Updated: 12/01/89

Barrier Type:

TOC TAXES AND OTHER CHARGES

Sector:

ALL DIVISIONS

1

- ALL SECTORS

Detailed Description:

The U.S. has a 10% withholding tax on royalties. However, Canada has a tax treaty with the U.S., whereby taxpayers receive tax credits in Canada for the U.S. withholding tax paid.

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA

Reference Number: USA- 26

Suppliers Affected: ALL

Source: memo EPT-0018

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 13/01/89

Last Updated: 13/01/89

Barrier Type:

EC EXCHANGE CONTROLS

Sector: ALL DIVISIONS

1 - ALL SECTORS

~ Detailed Description:

A declaration must be made when more than \$5,000 is taken out of the U.S. This could facilitate the introduction of more biting exchange controls.

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA

Reference Number: USA- 27

Suppliers Affected: ALL

Source: memo EPT-0021

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 16/01/89

Last Updated: 16/01/89

Barrier Type:

TB TECHNICAL BARRIERS

Sector:

GENERAL CONTRACTORS DIVISION

401 - RESIDENTIAL BUILDING AND DEVELOPMENT

402 - NON-RESIDENTIAL BUILDING AND DEVELOPMENT

411 - INDUSTRIAL CONSTRUCTION (OTHER THAN BUILDINGS)

412 - HIGHWAY AND HEAVY CONSTRUCTION

TRADE CONTRACTORS DIVISION

420 - ALL CONSTRUCTION SUBTRADES

CONSULTING SERVICES DIVISION

441 - PROJECT MANAGEMENT, CONSTRUCTION

Detailed Description:

State building codes create some problems. For example, California has a ban or restriction on the installation of used equipment in construction projects.

Inventory of Barriers to Trade In Services

Country: UNITED STATES OF AMERICA

Reference Number: USA- 28

Suppliers Affected: ALL

Source: memo EPT-0021

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 16/01/89

Last Updated: 16/01/89

Barrier Type:

PQ PROFESSIONAL QUALIFICATIONS

Sector: COMPUTER AND OTHER BUSINESS SERVICES DIVISION
773 - ACCOUNTING AND BOOKKEEPING SERVICES

Detailed Description:

Public accountants must be licensed in each state in which they intend to practise and requirements for obtaining licences, which vary from state to state, in some cases include U.S. accounting education.

Foreign firms must often find locally approved auditors.

Legislative or Policy Instrument:

New York Education Law, Article 149, public accountancy, 7403

Inventory of Barriers to Trade In Services

Country: UNION OF SOVIET SOCIALIST REPS Reference Number: USS- 1

Suppliers Affected: ALL

Source: memos EPT-0009, EPT-0011

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 10/01/89

Last Updated: 10/01/89

Barrier Type:

GM GOVERNMENT MONOPOLY

Sector: TRANSPORTATION SERVICES: DIVISION
4592 - FREIGHT FORWARDING

Detailed Description:

The USSR has a monopoly freight forwarder.

Inventory of Barriers to Trade In Services

Country: VENEZUELA

Reference Number: VEN- 1

Suppliers Affected: ALL

Source: memo EPT-0698

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 22/12/88

Last Updated: 22/12/88

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector:

731 FINANCE AND INSURANCE DIVISION
- LIFE INSURANCE CARRIERS

~ Detailed Description:

There is a local ownership requirement of 51%.

Inventory of Barriers to Trade In Services

Country: VENEZUELA

Reference Number: VEN- 2

Suppliers Affected: ALL

Source: memo EPT-0010

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 10/01/89

Last Updated: 10/01/89

Barrier Type:

BMP BARRIERS TO MOVEMENT OF PERSONNEL

Sector:

1 ALL DIVISIONS
- ALL SECTORS

Detailed Description:

It is difficult to obtain visas.

Inventory of Barriers to Trade In Services

Country: YUGOSLAVIA

Reference Number: YUG- 1

Suppliers Affected: ALL

Source: memo EPT-0459

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 20/12/88

Last Updated: 20/12/88

Barrier Type:

GM GOVERNMENT MONOPOLY

Sector: COMPUTER AND OTHER BUSINESS SERVICES DIVISION

772 - COMPUTER AND RELATED SERVICES

Detailed Description:

It is necessary to use the services of a state corporation to market and distribute computer equipment.

Inventory of Barriers to Trade In Services

Country: YUGOSLAVIA

Reference Number: YUG- 2

Suppliers Affected: ALL

Source: memos EPT-0009, EPT-0018, EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 10/01/89

Last Updated: 17/01/89

Barrier Type:

EI ESTABLISHMENT (INVESTMENT)

Sector: ALL DIVISIONS

1. - ALL SECTORS

Detailed Description:

Communist countries will, in general, not allow foreign firms to establish.

Inventory of Barriers to Trade In Services

Country: YUGOSLAVIA

Reference Number: YUG- 3

Suppliers Affected: ALL

Source: memo EPT-0011

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 13/01/89

Last Updated: 13/01/89

Barrier Type:

LSR LOCAL SUPPLY REQUIREMENT

Sector:

451 AIR TRANSPORTATION DIVISION
- AIR TRANSPORT INDUSTRIES
MARITIME TRANSPORTATION DIVISION
454 - WATER TRANSPORT INDUSTRIES

Detailed Description:

Yugoslavia stipulates the use of its own flag carriers.

C.I.F. ("cost insurance freight") marine cargoes are reserved for Yugoslavian flag carriers and a 20% rebate on the freight is given for thier use.

Comments:

Cross reference: old YUG-2

Inventory of Barriers to Trade In Services

Country: YUGOSLAVIA

Reference Number: YUG- 4

Suppliers Affected: ALL

Source: memo EPT-0024

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 17/01/89

Last Updated: 17/01/89

Barrier Type:

GP GOVERNMENT PROCUREMENT

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

Yugoslavia sometimes makes purchases on the basis of countertrade.

Comments:

It is said that Yugoslavia wants to buy a satellite on the basis of countertrade.

Inventory of Barriers to Trade In Services

Country: ZAIRE

Reference Number: ZAI- 1

Suppliers Affected: ALL

Source: memo EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 16/01/89

Last Updated: 16/01/89

Barrier Type:

EC EXCHANGE CONTROLS

Sector:

1 ALL DIVISIONS
- ALL SECTORS

Detailed Description:

It is difficult to get funds out of Zaire.

Inventory of Barriers to Trade In Services

Country: ZAMBIA

Reference Number: ZAM- 1

Suppliers Affected: ALL

Source: memo EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 16/01/89

Last Updated: 16/01/89

Barrier Type:

EC EXCHANGE CONTROLS

Sector: ALL DIVISIONS

1 - ALL SECTORS

Detailed Description:

It is difficult to get funds out of Zambia.

Inventory of Barriers to Trade In Services

Country: ZIMBABWE

Reference Number: ZIM- 1

Suppliers Affected: ALL

Source: memo EPT-0023

Canadian Source: YES

Canadian Negotiating Priority: N/A

Status: Active

Created: 16/01/89

Last Updated: 16/01/89

Barrier Type:

EC EXCHANGE CONTROLS

Sector: ALL DIVISIONS

1 - ALL SECTORS

> Detailed Description:

It is difficult to get money out of Zimbabwe.



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