

Trade in Services Agreement: TISA

Iceland

Initial Conditional Offer

Iceland hereby submits its initial conditional offer of specific commitments on services.

The initial offer has been drafted according to the core provisions adopted by the TISA participants in September 2013.

The initial offer does not include services supplied in the exercise of government authority, nor does it include non-discriminatory measures relating to qualification or licensing requirements. Iceland reserves the right to establish, maintain and fully exercise its national legislation in order to achieve legitimate policy objectives in areas such as consumer protection, health and the environment.

The initial offer does not cover air transport services that are not covered by the GATS.

The attached list of MFN exemptions is based on the assumption that regional integration agreements in the meaning of GATS article V will not be subject to MFN obligations.

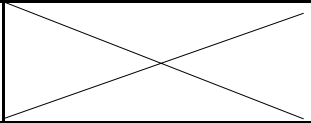
Unless otherwise indicated, the classification of services sectors are based on the 1991 Provisional Central Product Classification of the United Nations Statistical Office and the ordering reflects the services sectoral classification list used in the GATT document MTN.GNS/W/120, dated 10 July 1991.

As regards financial services, the offer is rendered under the proviso that an agreement is reached on an Annex or a Chapter on financial services in line with the Annex on Financial Services of the GATS. Furthermore, the offer on financial services indicates that Iceland is ready to offer commitments based upon the "Understanding on Commitments in Financial Services" of the GATS.

This offer is conditional and Iceland reserves the right to withdraw, amend or supplement all or part of this offer at any time prior to the conclusion of the negotiation.

ICELAND - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<p>PART I. HORIZONTAL COMMITMENTS Iceland undertakes its specific commitments in accordance with Part II of the Agreement</p>			
<p>SECTION A RESERVATIONS pursuant to Article II – 2:4</p>		<p>In accordance with Article II – 2:4, Iceland reserves the right to adopt or maintain any measure in the specific sectors, sub-sectors or activities listed below:</p>	
		<p>Subsidies</p> <ul style="list-style-type: none"> - For all mode 1 and 2 - Mode 3 for research and development, and may also be limited to juridical persons established within the territory of Iceland. - Subsidies for mode 4 may be limited to Icelandic citizens. <p>Commercial Presence: Mode 3</p> <ul style="list-style-type: none"> - Investment by non-residents in Iceland is subject to the following restrictions: Only Icelandic citizens and other Icelandic persons as defined by law may conduct fishing operations within the Icelandic fisheries jurisdiction or own or run enterprises engaged in fish processing. Only Icelandic citizens and other Icelandic persons as defined by law may own energy exploitation rights for hydro and geothermal energy for other than domestic use. The same applies to enterprises which produce or distribute energy. All foreign investment of a Foreign State or companies and organisations owned by a Foreign State requires authorisation by the responsible Ministry. Acquisition of real estate is subject to authorisation. - Leasing of real estate is subject to authorisation is the lease is for a period exceeding three years and not for use in conducting its normal business activities - Commercial presence other than public limited liability company and private limited liability company, except as otherwise indicated in Part II, Sector Specific Commitments. 	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
		<p>Presence of Natural Persons: Mode 4</p> <ul style="list-style-type: none"> - Mode 4, except for measures concerning the categories of natural persons referred to in the market access column. <p>Other</p> <ul style="list-style-type: none"> - The supply of services and activities that may involve ionizing radiation substances. - The supply of services involving the deliberate release and marketing of genetically modified organisms is subject to prior approval. - Services supplied in the exercise of government authority or considered as public utilities at a national or local level in Iceland. <p>1. Business Services</p> <p>A. Professional Services</p> <ul style="list-style-type: none"> - Legal services, except legal advice on international law and foreign legal consultancy (applicable parts of CPC 861) - Medical and dental services (CPC 9312) - Services provided by mid-wives, nurses, physiotherapists and para-medical personnel (CPC 93191) <p>E. Rental/Leasing Services without Operators</p> <ul style="list-style-type: none"> - Mode 3, to be registered in the ship register the ship must be owned by an Icelandic natural or juridical persons who are resident in Iceland. Further nationality restriction on fishing vessels (CPC 83103) - Mode 3, to be registered in the aircraft register the aircraft must be owned by an Icelandic natural or juridical persons who are resident in Iceland. (CPC 83104) <p>F. Other Business Services</p> <ul style="list-style-type: none"> - Services incidental to fishing (CPC 882) - Services incidental to mining (CPC 883+5115) - Investigation and security (CPC 873) - Other business services (CPC 8790) <p>2. Communications Services</p>	

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Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
		<ul style="list-style-type: none"> - Postal services (CPC 7511) - Courier services (CPC 7512) - Telecommunication services, except value added services <ul style="list-style-type: none"> - Electronic e-mail; voice mail; on-line information and data base retrieval; electronic data interchange (EDI); enhanced/value-added facsimile services, including store and forward, and store and retrieve; code and protocol conversion; on-line information and/or data processing (including transaction processing) - All audiovisual services <p>3. Construction and Related Engineering Services</p> <ul style="list-style-type: none"> - Other construction and related engineering services (CPC 511, 515 and 518) <p>4. Distribution Services</p> <ul style="list-style-type: none"> - Distribution services related to arms and explosives. - Distribution services related to import, trade, sale and promotion of alcoholic beverages. - Distribution services related to import, trade, sale and promotion of tobacco and tobacco products. - Distribution services related to import, trade and sales of pharmaceutical products. <p>5. Educational Services</p> <ul style="list-style-type: none"> - (CPC 921-924, and 929) <p>6. Environmental Services</p> <ul style="list-style-type: none"> - Sanitation and similar services (CPC 9403) <p>7. Financial Services</p> <ul style="list-style-type: none"> - Operations of mandatory pension schemes are reserved for pensions funds authorized in Iceland <p><i>All insurance and insurance-related services</i></p> <ul style="list-style-type: none"> - Mode 1, the supply of direct insurance is reserved for insurance undertakings authorized in Iceland. - Mode 1, the supply of insurance mediation is reserved for insurance intermediaries authorized in Iceland. 	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
		<ul style="list-style-type: none"> - <i>Banking and other financial services (excluding insurance)</i> - Mode 3, establishment of a branch by credit institutions and undertakings engaged in securities. - Mode 3, credit institutions have exclusive rights to accept deposits and other repayable funds from the public. - Mode 3, Public issue of securities shall be conducted by securities undertakings or other parties authorized to provide such services. <p>8. Health Related and Social Services</p> <ul style="list-style-type: none"> - (CPC 9311, 9319 - other than 93191- and 933). <p>10. Recreational, Cultural and Sporting Services (other than audiovisual services)</p> <ul style="list-style-type: none"> - Targeted financial support to specific local, regional or national activities (CPC 9619, 963 and 964) <p>11. Transport Services</p> <p>A. Maritime transport services</p> <p>Mode 3: Establishment of a registered company for the purposes of operating a fleet under Icelandic flag is prohibited for others than Icelandic citizens with domicile in Iceland or a legal entity registered and with domicile in Iceland.</p> <p>Mode 4: The master of an Icelandic vessel must be an Icelandic national.</p> <p>Maintenance and repair of vessels (Part of CPC 8868). Rental of vessels with crew (CPC 7213) Pushing and towing services (CPC 7214) Supporting services of maritime transport (CPC 745)</p> <p>B. Inland Waterway Transport</p> <ul style="list-style-type: none"> - (CPC 7221, 7222, 7223, 7224, parts of 8868 and 745) <p>D. Space transport</p> <p>E. Rail transport services</p> <ul style="list-style-type: none"> - (CPC 7111, 7112, 7113, parts of 8868 and 743) 	

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Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
		<p>F. Road transport services</p> <ul style="list-style-type: none"> - Mode 3, authorization required for commercial land transport services. Numerical quotas may be imposed as well as exclusive licenses for certain areas or routes (CPC 7121 and 7122) <p>H. Services auxillary to all modes of transport</p> <ul style="list-style-type: none"> - Cargo handling services, except for maritime cargo handling services and container and depot services. <p>12. Other services not included elsewhere</p> <ul style="list-style-type: none"> - Other services not included elsewhere (CPC 95+97+98+99) - New services and services not explicitly included in the WTO services classification list contained in the WTO document MTN.GNS/W/120 and services falling under other services in that list for which no corresponding CPC number is listed. 	
RESERVATIONS pursuant to Part II, Article 2.2		Iceland maintains limitations on national treatment in all sectors for:	
<p>Legal Sourcing¹</p> <p>Act on Private limited liability companies No 138/1994, article 111.</p> <p>Articles 3 and 66 of Act No. 2/1995 respecting Public Limited Companies.</p> <p>Articles 3 and 42 of Act No. 138/1994 respecting Private Limited Companies.</p> <p>Articles 7 and 97 of Act No. 3/2006 respecting Annual</p>		<p>Mode 3:</p> <p>The establishment of a branch is subject to authorization.</p> <p>The majority of the founders, the majority of the manager(s) and at least half the board of directors, of public and private limited liability companies must be resident in Iceland. The responsible Minister can grant exemptions from these restrictions.</p> <p>The manager and board members of a corporate applying for a license to operate an industry for professional purposes in Iceland must have been legally domiciled in Iceland for at least one year uninterrupted.</p>	

¹ All legal sourcing is for reference only and not legally binding.

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Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
Accounts. Art. 2 and 4 of Act No. 28/1998 on Professional Commerce		At least one of the auditors of an Icelandic limited liability company must be a resident in Iceland or a competent resident CPA company.	

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
ALL SECTORS INCLUDED IN PART II OF THIS SCHEDULE			
All sectors: Formation of legal entity – public or private limited liability company	3) None		
All sectors: Subsidies (the issue of a definition of subsidies remains to be determined in the context of negotiations under Article XV of the GATS)	1) Unbound 2) Unbound 3) None 4) None		
All sectors and modes: All services and activities that may involve ionizing radiation substances	1), 2), 3), 4) Unbound, including exclusive rights for the supply of such services for public purposes, and designation of institutions responsible for radiation surveillance for public purposes		
All sectors: foreign investment of a Foreign State or entities owned by a Foreign State	1) Unbound 2) Unbound 3) Unbound 4) Unbound		
All sectors: Movement of personnel	4) Unbound except the temporary entry of the following service providers, which Iceland shall permit without requiring compliance with labour market tests:		
	<p>A. Intra-Corporate Transferees [General definition of ICTs to be considered pending the outcome of MoNP and illustrative definitions proposals]</p> <p>Executives: persons who primarily direct the management of the organization covered by the agreement and establish its goals and generally have a wide decision-making authority. Executives would not necessarily perform tasks related to the actual provision of the service.</p> <p>Managers: persons who direct the organization covered by the agreement or its department and are in a senior level responsible of the service providing functions of the organization by supervising and controlling and having also authority to hire and fire personnel or recommend such and</p>		

	<p>other personnel actions.</p> <p>Specialists: persons within the organization who possess knowledge at an advanced level of expertise or otherwise essential or proprietary knowledge of the organization's service, research equipment, techniques or management.</p> <p>Access is subject to the following conditions:</p> <ul style="list-style-type: none"> - A temporary residence and work permit must be obtained. - Such a work permit which is granted for the first time shall not be granted for more than one year. A permit may be extended for up to one further year providing certain conditions are met - All other requirements regarding entry, stay, wages, working conditions and social security benefits shall continue to apply. 		
	<p>B. Service sellers</p> <p>Persons who as representatives of a service provider covered by the agreement are seeking temporary entry for purposes of negotiation for the sale of services or entering into agreements to sell services for that service provider, where this selling activity is not directed to the general public.</p> <p>Access is subject to the following conditions:</p> <ul style="list-style-type: none"> - Temporary entry, stay and work is limited to four weeks per year. 		

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
II. SECTOR SPECIFIC COMMITMENTS			
1. BUSINESS SERVICES			
A. <u>Professional Services</u>			
(a) Legal Services (Applicable parts of CPC 861)			
- Legal advice activities on host country law	1) None 2) None 3) Participation in a company operating a law office, or ownership of such a company, is prohibited for others than licensed attorneys ² . 4) Unbound except as indicated in the horizontal section. Members of the General Bar Association of Iceland have an exclusive right to represent clients before courts in Iceland.		
- Legal advice on international law and foreign legal consultancy	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		

² The term attorney refers to any person who is licensed as a representative in litigation before the Supreme Court or the district courts in Iceland.

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(b) Accounting, auditing and book-keeping services (CPC 862)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
- Auditing services by registered and licensed auditors		Auditing services in Iceland can only be provided by auditors accredited and licensed in Iceland. Permanent Residency in Iceland is required. The majority of votes in an auditing company shall be held by auditors or auditing firms recognised by the Ministry of Economic Affairs. <i>[Articles 2, 3, 4, 6 and 12 of Act No. 79/2008 on Auditors]</i>	
(c) Taxation services (CPC 863)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
(d) Architectural services (CPC 8671)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
(e) Engineering services (CPC 8672)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(f) Integrated Engineering services (CPC 8673)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
(g) Urban planning and landscape architectural services (CPC 8674)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
(i) Veterinary services (CPC 932)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section. Number of veterinarians in rural districts is limited.		
B. <u>Computer and Related Services</u>			
(a) Consultancy services related to the installation of computer hardware (CPC 841)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
(b) Software development (including software implementation) CPC 842)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(c) Data processing services (CPC 843)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	Authorisation needed if personal-data is to be processed outside Icelandic jurisdiction <i>[The Data Protection Act No. 77/2000]</i>	
(d) Data base services (CPC 844)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	Authorisation needed if personal-data is to be processed outside Icelandic jurisdiction <i>[The Data Protection Act No. 77/2000]</i>	
(e) Other - Maintenance and repair services of office machinery and equipment including computers (CPC 845) - Other computer services (CPC 849)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	Authorisation needed if personal-data is to be processed outside Icelandic jurisdiction <i>[The Data Protection Act No. 77/2000]</i>	
C. <u>Research and development Services</u>			

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(a) R&D services on Natural Sciences (CPC 851)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	A license is needed for the importation of research equipment. Natural history specimens must not be exported from the country unless permitted by the Icelandic Institute of Natural History (“Náttúrufræðistofnun Íslands”). <i>[Article 15 of Act No. 60/1992 on the Icelandic Institute of Natural History]</i> <i>[Article 3 of Act No. 51/1981 on Plant Disease and Pest Control]</i>	
(b) R&D services on social sciences and humanities (CPC 852)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	Archaeological finds must not be exported from the country unless permitted by the Museum Council (“Safnaráð”). All archaeological research is subject to a permit granted by the Archaeological Preservation <i>[The National Monuments Act No. 107/2001]</i> <i>[Act No. 105/2001 on the export of objects of cultural value and on the return of objects of cultural value to other countries]</i>	
(c) Interdisciplinary R&D services (CPC 853)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
D. <u>Real Estate Services</u>			

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Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(a) Real estate services involving own or leased property (CPC 821)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	Condition of one year previous residency in order to obtain licence to provide services in residential building and land sales, and other related intermediary services for purchase and sale of real-estate	
(b) On a Fee or Contract basis (CPC 822)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	Condition of one year previous residency in order to obtain licence to provide services in residential building and land sales, and other related intermediary services for purchase and sale of real-estate <i>[Articles 1, 2 and 5 of Act No. 99/2004, on Marine, Firms and Real Estate Agents]</i> <i>[Article 74 of the Rent Act No. 36/1994, with subsequent amendments]</i>	
E. <u>Rental/Leasing Services without Operators</u>	1) None 2) None 3) Leasing services must be provided either by corporations with limited liability (leasing companies) or registered commercial banks or savings banks 4) Unbound except as indicated in the horizontal section		

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(a) Relating to ships (CPC 83103)	1) None 2) None 3) To be registered in the ship register the ship must be owned by Icelandic natural or juridical persons who are resident in Iceland. Further nationality restrictions on fishing vessels. 4) Unbound except as indicated in the horizontal section		
(b) Relating to aircraft (CPC 83104)	1) None 2) None 3) To be registered in the aircraft register the aircraft must be owned by Icelandic natural or juridical persons resident in Iceland 4) Unbound except as indicated in the horizontal section		
(c) Relating to other transport equipment (CPC 83101 + 83102 + 83105)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
(d) Relating to other machinery and equipment (CPC 83106 - 83109)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(e) Other (CPC 832)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
F. <u>Other Business Services</u>			
(a) Advertising services (CPC 871)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
(b) Market research and public opinion polling services (CPC 864)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	Authorisation needed if personal data is to be processed outside Icelandic jurisdiction <i>[The Data Protection Act No. 77/2000]</i>	
(c) Management consulting services (CPC 865)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
(d) Services related to man. consulting (CPC 866)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(e) Technical testing and analysis services (CPC 8676)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
(f) Services incidental to agriculture, hunting and forestry (CPC 881)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
(g) Services incidental to energy (CPC 887)	1) Unbound, except for advisory services 2) None 3) Unbound, except for advisory services, And none for advisory services. 4) Unbound except as indicated in the horizontal section		
(i) Services incidental to manufacturing (CPC 884 + 885, except for 88442)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
(k) Placement and supply services of personnel (CPC 872)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(m) Related scientific and technical consulting services (CPC 8675)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
(n) Maintenance and repair of equipment (CPC 633+8861- 8866; not including maritime vessels, aircraft or other transport equipment)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
(o) Building-cleaning services (CPC 874)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
(p) Photographic services (CPC 875)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
(q) Packaging services (CPC 876)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(r) Printing and publishing (CPC 88442)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
(s) Convention services (CPC 87909)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section.		
2. COMMUNICATION SERVICES			
C. <u>Telecommunication Services</u>			
(a) Voice telephony (b) Packet-switched data transmission services (c) Circuit-switched data transmission services (d) Telex services (e) Telegraph services (f) Facsimile services (g) Leased circuit services (o) Other Mobile and personal communications services and systems	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Value-added services ³ Electronic mail, Voice mail, On-line information and Data Base Retrieval, EDI, Code and Protocol Conversion	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
3. CONSTRUCTION AND RELATED ENGINEERING SERVICES			
A. <u>General Construction Work for Buildings</u> (CPC 512)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section.		
B. <u>General Construction Work for Civil Engineering</u> (CPC 513)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		

³ Excludes voice telephony, telegraph, telex, packet and circuit switched data services, mobile radiotelephony, paging and satellite services.

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
C. <u>Installation and Assembly Work</u> (CPC 514+516)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
D. <u>Building Completion and Finishing Work</u> (CPC 517)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
4. DISTRIBUTION SERVICES (excluding trade in arms, alcoholic beverages, tobacco and pharmaceutical products)			
A. <u>Commissions Agents' Services</u> (CPC 621)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
B. <u>Wholesale Trade Services</u> (CPC 622)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
C. <u>Retailing Services</u> (CPC 631+632 + 6111 + 6113 + 6121)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	Services related to used vehicles: - An operating license is required to trade in or act as an agent with used vehicles. A condition of the license is residency. - In case of a legal person, all members of the board, as well as the manager or director, shall fulfill the condition regarding domicile. <i>[Articles 12 and 13 of Act No. 28/1998 on Professional Commerce]</i>	
D. <u>Franchising</u> (CPC 8929)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
6. ENVIRONMENTAL SERVICES With the exception of public service functions whether owned and operated or contracted out by local or central government			
A. <u>Sewage Services</u> (CPC 9401)	1) Unbound, except for advisory services 2) None 3) None 4) Unbound except as indicated in the horizontal section		

* Unbound due to lack of technical feasibility.

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B. <u>Refuse Disposal Waste</u> (CPC 9402)	1) Unbound, except for advisory services 2) None 3) None 4) Unbound except as indicated in the horizontal section		
C. <u>Sanitation and Similar Services</u> (CPC 9403)	1) Unbound, except for advisory services 2) None 3) None 4) Unbound except as indicated in the horizontal section		
D. <u>Other</u> (CPC 9409)	1) Unbound, except for advisory services 2) None 3) None 4) Unbound except as indicated in the horizontal section.		
7. FINANCIAL SERVICES (i) Iceland undertakes commitments on financial services in accordance with the "Understanding on Commitments in Financial Services" (the Understanding). (ii) Market access commitments with respect to modes 1) and 2) and bound in this Schedule to the extent of the obligations in B.3 and B.4 of the Understanding.			
A. <u>Insurance and Insurance related Services</u>	1) The supply of direct insurance is reserved for insurance undertakings authorized in Iceland. The supply of insurance mediation is reserved for insurance intermediaries authorized in Iceland.	The majority of the founders of an insurance undertaking must be Icelandic residents or legal entities registered in Iceland. Managers and board members of insurance undertakings shall be resident in Iceland. The responsible Minister may grant exemptions from this requirement.	

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Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>2) None</p> <p>3) Insurance undertakings require authorization to establish branch offices in Iceland.</p> <p>Any investor, whether resident or non-resident, who acquires or intends to acquire a qualifying holding in an insurance undertaking must give advance notice to the Financial Supervisory Authority. The Authority may refuse the acquisition or the exercise of ownership if it believes that the acquisition will affect the sound functioning of the enterprise.</p> <p>4) Unbound except as indicated in the horizontal section.</p>	<p>Branch offices of foreign insurance undertakings must be managed by a resident agent.</p> <p>Residency requirement for insurance intermediaries and persons authorised to carry out average adjustments</p> <p><i>[Act on Insurance Activities, No. 56/2010 Act No. 2/1995 on Public Limited Companies]</i></p> <p><i>[Article 15 and 16 of Act on Insurance Mediation, No.32/2005]</i></p>	
<p>B. <u>Banking and Other Financial Services</u> (excluding insurance)</p>	<p>1) None</p> <p>2) None</p> <p>3) Credit institutions and undertakings engaged in securities services established outside of Iceland can establish a branch or a representative office, subject to authorization by the Financial Supervisory Authority, FME.</p>	<p>A founder of a credit institution shall be a natural or legal person resident in Iceland. The responsible Minister may grant exemptions from this requirement.</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>Credit institutions and undertakings engaged in securities services can only be established as companies with limited liability.</p> <p>Credit institutions have exclusive rights to accept deposits and other repayable funds from the public.</p> <p>Public issue of securities shall be conducted by securities undertakings or other parties authorized to provide such services.</p> <p>4) Unbound except as indicated in the horizontal section.</p>	<p>Managers and the majority of the board members of credit institutions and undertakings engaged in securities services and UCITS shall be resident in Iceland.</p> <p>Service providers shall inform the responsible Ministry of investments made by non-residents in business enterprises in Iceland and the Central Bank of Iceland of investments made by non-residents in securities in Iceland.</p> <p><i>[Act No. 36/2001 on the CBI]</i> <i>[Act No. 161/2002 on Financial Undertakings]</i> <i>[Act No. 2/1995 on Public Limited Companies]</i> <i>[Act No. 108/2007 on Securities Activities]</i> <i>[Act No. 128/2011 on undertakings in collective investment and alternative investment funds.]</i></p>	
9. TOURISM AND TRAVEL RELATED SERVICES			
A. <u>Hotels and Restaurants (including catering)</u> (CPC 641-643)	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in the horizontal section</p>	<p>Condition of licences is residency.</p> <p><i>[Articles 5, 7, 8, 17 and 18 of Act No 85/2007 on Restaurants, Collective Accommodation Establishments and Entertainment Services]</i> <i>[Article 3 of the Alcohol Act No. 75/1998]</i></p>	
B. <u>Travel Agencies and Tour Operators</u> (CPC 7471)	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in the horizontal section</p>	<p>Condition of licences is residency</p> <p><i>[Articles 8, 9, 11, 12 and 14 of the Tourism Administration Act No. 73/2005]</i></p>	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
C. <u>Tourist Guides Services</u> (CPC 7472)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	The right to exercise the profession is reserved for resident tourist guides. Non-resident tourist guides may be granted temporary work permit on an ad hoc basis. <i>[The Tourism Administration Act No. 73/2005]</i>	
10. RECREATIONAL CULTURAL AND SPORTING SERVICES (other than audiovisual services)			
A. <u>Entertainment Services</u> (including theatre, live bands and circus services) (CPC 9619)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
B. <u>News Agency Services</u> (CPC 962)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
C. <u>Libraries, Archives, Museums and other Cultural Services</u> (CPC 963)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
D. Sporting and other Recreational Services (CPC 964)	1) None 2) None 3) Gambling, coin machines and like activities are subject to licensing. Professional boxing is prohibited by law. 4) Unbound except as indicated in the horizontal section		
11. TRANSPORT SERVICES			
A. <u>Maritime Transport Services</u>			
International transport (passengers and freight) CPC 7211 and 7212 <u>including</u> Cabotage transport 1).	1) None 2) None 3) (a) Establishment of a registered company for the purpose of operating a fleet under Icelandic flag: Unbound except as indicated in the horizontal section. (b) Other forms of commercial presence 2): None. 4) (a) Ships' crew: Unbound except as indicated in the horizontal section. (b) Key personnel employed in relation to a commercial presence as defined under mode 3(b) above: Unbound except as indicated in the horizontal section.		

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<u>Maritime Auxiliary Services</u> - Maritime Cargo Handling Services 3)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section		
- Storage and Warehousing Services (CPC 742); Customs Clearance Services 4); Container Station and Depot 5)	1) Unbound* 2) None 3) None 4) Unbound, except as indicated in the horizontal section		
- Maritime Agency Services 6); Freight Forwarding Services 7)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section		
- Other Supporting and Auxiliary Transport Services 8)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section		

* A commitment on this mode of delivery is not feasible.

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
Auxiliary Services as required by Maritime Transport Operators:			<p>The following services are made available to international maritime transport suppliers on reasonable and non-discriminatory terms and conditions:</p> <ol style="list-style-type: none"> 1. Pilotage 2. Towing and tug assistance 3. Provisioning, fuelling, watering 4. Garbage collecting, ballast waste disposal 5. Port Captain's services 6. Navigation aids 7. Shore-based operational services essential to ship operations, incl. communications, water, electrical supplies 8. Emergency repair facilities 9. Anchorage, berth, berthing services 10. Container handling, storage and warehousing, freight transport. <p>Where road, coastal shipping and related auxiliary services are not otherwise fully covered in this schedule, a multimodal transport operator shall have the ability to rent, hire or charter trucks and related equipment for the purpose of inland forwarding of international cargoes carried by sea, or have access to and use of such multimodal activities for the purpose of providing multimodal transport services.</p>

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
C. <u>Air Transport Services</u>			
Maintenance and repair of aircraft and parts thereof	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
Sales and marketing	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
Computer Reservations System	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
F. <u>Road Transport Services</u>			

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(a) Passenger transportation (CPC 7121 + 7122)	1) None 2) None 3) Authorization required for commercial land transport services. Numerical quotas may be imposed as well as exclusive licenses for certain areas or routes. 4) Unbound except as indicated in the horizontal section		
(b) Freight transportation (CPC 7123)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
(c) Rental of commercial vehicles with operator (CPC 7124)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
(d) Maintenance and repair of road transport equipment (CPC 6112+8867)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		
(e) Supporting services for road transport services (CPC 744)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
G. <u>Pipeline transport</u>			
Pipeline transportation of petroleum and natural gas. (CPC 7131)	1) Unbound 2) None 3) Unbound 4) Unbound except as indicated in the horizontal section		
Pipeline transportation of goods other than fuel (CPC 7139)	1) Unbound 2) None 3) None 4) Unbound except as indicated in the horizontal section		
H. <u>Services auxiliary to all modes of transport</u>			
(b) Storage and warehousing services (CPC 742)	1) Unbound* 2) None 3) None 4) Unbound except as indicated in the horizontal section	Residency requirement for board members of the legal person applying for a license. <i>[Articles 48, 91, 96, 101 and 105 of the Customs Act No. 88/2005]</i>	
(c) Freight transport agency services (CPC 748)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	Residency requirement for board members of the legal person applying for a license. <i>[Articles 48, 91, 96, 101 and 105 of the Customs Act No. 88/2005]</i>	

* Unbound due to lack of technical feasibility.

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
d) Other (CPC 749)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section		

ICELAND – LIST OF MFN EXEMPTIONS REFERRED TO IN ARTICLE [MFN]

Sector or Subsector	Description of measure indicating its inconsistency with Article [...]	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
ALL SECTORS	Measures aimed at promoting Nordic cooperation such as: - guarantees and loans to investment projects and exports (The Nordic Investment Bank) - financial support to R&D projects (The Nordic Industrial Fund) - funding of feasibility studies for international projects (The Nordic Fund for Project Exports) - financial assistance to companies* utilizing environmental technology (The Nordic Environment Finance Corporation).	Denmark, Finland, Iceland, Norway and Sweden (*) Applies to East European companies, which are co-operating with a Nordic company.	Indefinite	To maintain and develop Nordic Cooperation

Sector or Subsector	Description of measure indicating its inconsistency with Article [...]	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
Audiovisual services; transmission of audiovisual programmes	Measures that are adopted for the implementation and in conformity with the regulations such as the EC Television Broadcasting Directive (no. 89/552) and which define programmes of European origin in order to extend national treatment to audiovisual programmes meeting specific origin criteria	Parties to the Council of Europe Convention on Transfrontier Television or other European countries parties to the EEA Agreement with whom an agreement may be concluded	Indefinite	The promotion of cultural identity within the broadcasting sector in Europe, as well as achievement of certain linguistic policy objectives
Audiovisual services; production and distribution of cinematographic works and television programmes	Measures that are adopted for the implementation of benefits in conformity with such support programmes as MEDIA and EURIMAGES to audiovisual programmes and suppliers to these programmes, meeting specific European origin criteria	European countries	Indefinite	Preservation and promotion of the regional identity of the countries concerned
	<p>Support programmes for the production and distribution of cinematographic works and television programmes (The Nordic Film and TV Fund)</p> <p>Measures based upon government-to-government framework agreements, and plurilateral agreements, on co-production of audiovisual works, which confer National Treatment to audiovisual works covered by these agreements, in particular in relation to distribution and access to funding</p>	<p>Denmark, Finland, Norway and Sweden</p> <p>All countries with whom cultural cooperation may be desirable (agreements already exist, or are being negotiated, with the following countries: France, Canada)</p>	<p>Indefinite</p> <p>Indefinite (The promotion of cultural links between countries cannot be time bound)</p>	<p>To maintain and develop Nordic cooperation</p> <p>The aim of these agreements is to promote cultural links between the countries concerned</p>