



COMMUNICATION FROM THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

CERTIFICATION OF LIST OF ARTICLE II (MFN) EXEMPTIONS

The following communication has been submitted to the WTO Secretariat by the United Kingdom of Great Britain and Northern Ireland (hereafter the 'UK') with a request to initiate the certification procedure regarding the UK List of Article II (MFN) Exemptions under the GATS pursuant to the "Procedures for the Certification of Terminations, Reductions and Rectifications to Article II (MFN) Exemptions" (S/L/106). Accordingly, if no objections¹ are communicated to the Secretariat within 45 days from the date of this communication, the certification procedure shall be concluded and the enclosed UK List shall be certified.

The enclosed UK List of Article II (MFN) Exemptions (hereafter 'the UK List') has been submitted to the WTO Secretariat by the United Kingdom of Great Britain and Northern Ireland (hereafter 'the UK') with a request to initiate its certification in accordance with paragraph 3 of the Procedures for the Certification of Terminations, Reductions and Rectifications of Article II (MFN) Exemptions (S/L/106 of 11 June 2002).

This communication consists of four parts:

- Part I: Note requesting the initiation of the certification procedure and the legal basis of the certification procedure
- Part II: Explanatory note on the changes of a purely technical character reflected in the UK List (pursuant to paragraph 3 of S/L/106)
- Part III: UK List indicating the technical changes²
- Part IV: Clean version of the UK List³

¹ In accordance with paragraph 4 of S/L/106, any Member wishing to object to the certification shall submit a notification to that effect to the Secretariat for circulation to all Members, to the extent possible identifying the specific elements of the modifications which gave rise to that objection.

² In English only.

³ In English only.

PART I

NOTE REQUESTING THE INITIATION OF THE CERTIFICATION PROCEDURE AND THE LEGAL BASIS OF THE CERTIFICATION PROCEDURE

1 The UK triggered Article 50 of the Treaty on the European Union on 29 March 2017. As a result, the UK now seeks to separate its MFN exemptions from those of the EU and its Member States. This is the purpose of initiating this certification procedure.

2 As laid out in the joint letter of 11 October 2017 from the Permanent Representative of the United Kingdom and the Permanent Representative of the European Union to the Permanent Representatives of the WTO, this UK List replicates the concessions and commitments applicable to the United Kingdom included in the List of Article II (MFN) Exemptions of the European Communities and Their Member States (the 'EU List')¹.

3 Pursuant to paragraph 3 of S/L/106, an explanatory note on the changes of a purely technical character that do not alter the substance of the existing exemptions is annexed.

4 The UK is prepared, upon request, to enter into consultations with any WTO Member that makes an objection under paragraph 4 of S/L/106. With a view to ensuring effective consultations, the UK would ask that any such objecting member identifies, to the extent possible, the specific elements which give rise to their objection.

5 If no objections are communicated to the Secretariat within 45 days from the date of circulation of the UK List, this certification procedure shall be considered as concluded, and the UK List shall enter into force on a date to be specified by the UK².

¹ GATS/EL/31 of 15 April 1994.

² The date of application to be specified will not be earlier than the date of expiry of any transition period agreed between the European Union and the United Kingdom pursuant to Article 50 of the Treaty on the Functioning of the European Union, or in the absence of such period, 30 March 2019.

PART II

EXPLANATORY NOTE ON CHANGES OF A PURELY TECHNICAL CHARACTER (PURSUANT TO PARAGRAPH 3 OF S/L/106)

1 The authentic text reflecting the UK's current MFN exemptions is found in the EU List. Therefore, this is the document that has been used as a starting point for preparing the UK List. The principle underlying the preparation of the UK List is that the UK benefits from the exemptions that apply to it pursuant to the EU List. Therefore, this is a technical exercise, and the appropriate procedure to use is that set down in S/L/106.

2 Pursuant to paragraph 3 of S/L/106, the present note aims at indicating, for the UK List, the changes which are of a purely technical character (hereafter "the technical changes"), which do not alter the substance of the existing exemptions.

3 To facilitate examination, the present note describes in a systematic manner the technical changes which have been undertaken to separate the UK's MFN exemptions from those of the EU and its Member States.

4 The present note will describe successively: (I) technical changes of a general character; and (II) specific technical changes to particular exemptions. In order to ensure transparency, whenever possible, page references to the EU List are provided in the footnotes to this note. When page references to the UK List are provided, these are to the UK List indicating the technical changes.

5 The present note is not an annex to the UK List and does not prejudice the position of the UK with regard to the legal interpretation of GATS.

1 GENERAL TECHNICAL CHANGES

1.1 DELETION OR REPLACEMENT OF INAPPROPRIATE REFERENCES

1.1. Once the UK leaves the EU, it will no longer be appropriate for the UK List to make reference to the EU, the EU Treaties, EU legislation made under those Treaties, or to purport to provide exemptions for EU Member States. This is because the UK will no longer be a party to the EU Treaties or a Member of the EU, and will, therefore, be able to list exemptions only with respect to treatment accorded within its own territory.

1.2. As a result:

- references to the "EC" or to "Member States" have been deleted, or replaced with references to the "UK" (as appropriate);
- references to EU legislation have been deleted and replaced with a description of the UK measures concerned; and
- references to "third countries" have been replaced with references to "other WTO Members", as the former term is used in the EU List to draw a distinction between EU Member States and other countries.

1.3. The UK List indicating the changes clearly shows each instance where such amendments have been made and what text has been used to replace it.

1.2 DELETION OF EXEMPTIONS WHICH ONLY CONCERN OTHER EU MEMBER STATES

1.4. Some of the exemptions in the EU List do not apply to the UK. Therefore, they have been deleted. These include the following:

| Sector or Sub-Sector | Description of measure |
|---|---|
| Audiovisual services – distribution services | Waiver of requirement in Spain to obtain licences for the distribution of dubbed films of non-Community origin, granted to films of European origin which are especially recommended for children’s audiences. ¹ |
| Audiovisual services – television and radio broadcasting services | Foreign participation in companies in Italy exceeding 49% of the capital and voting rights, subject to a condition of reciprocity. ² |
| Audiovisual services – production and distribution of cinematographic works and television programmes in Nordic countries | Measures taken in Denmark that are adopted for the implementation of benefits in conformity with such support programmes as the NORDIC FILM and TV FUND in order to enhance production and distribution of audiovisual works produced in Nordic countries. ³ |
| Road transport services – freight (CPC 7123) | Authorization for the establishment of a commercial presence in Spain may be refused to service suppliers, whose country of origin does not accord effective market access to Spanish service suppliers. ⁴ |
| Transport services – internal waterways | Measures based upon existing or future agreements on access to inland waterways (including agreements following the Rhine-Main-Danube link), which reserve traffic rights for operators based in the countries concerned and meeting nationality criteria regarding ownership. ⁵ |
| Transport services – internal waterways | Regulations implementing the Mannheim Convention on Rhine shipping. ⁶ |
| Rental/leasing services without operators, relating to ships (CPC 83103). Rental of vessels with crew (CPC 7213, 7223). | Chartering in of foreign ships by consumers resident in Germany may be subject to condition of reciprocity. ⁷ |
| Publishing services (part of CPC 88442) | Foreign participation in companies in Italy exceeding 49% of the capital and voting rights, subject to condition of reciprocity. ⁸ |
| Newsagency services (part of CPC 962) | Foreign participation in companies in France publishing publications in the French language exceeding 20% of the capital or of voting rights in the company, subject to a condition of reciprocity. ⁹ |
| Press agency services (part of CPC 962) | Market access in France. Subject to condition of reciprocity. ¹⁰ |

¹ See page 3 of doc. GATS/EL/31 of 15 April 1994.

² *Ibid.*

³ *Ibid.*

⁴ See page 4 of doc. GATS/EL/31 of 15 April 1994.

⁵ See page 5 of doc. GATS/EL/31 of 15 April 1994.

⁶ See page 5 of doc. GATS/EL/31 of 15 April 1994.

⁷ See page 6 of doc. GATS/EL/31 of 15 April 1994.

⁸ *Ibid.*

⁹ *Ibid.*

¹⁰ *Ibid.*

| Sector or Sub-Sector | Description of measure |
|-----------------------------|--|
| Financial services | Measure granting favourable tax treatment (off-shore regime) in Italy to service suppliers trading with the countries to which the measure applies. ¹¹ |
| All sectors | Measures taken in Denmark aimed at promoting Nordic cooperation, such as: - 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). ¹² |
| All sectors | Authorization for purchase of real estate in Italy by foreign natural persons and juridical persons granted on the basis of reciprocity. ¹³ |
| All sectors | Waiver of nationality requirements for the exercise, in Portugal, of certain activities and professions by natural persons supplying services from the designated countries. ¹⁴ |
| All sectors | Facilitation of access procedures in France for the exercise of certain services activities and professions by natural and legal persons of certain third countries. ¹⁵ |
| All sectors | Measures based upon bilateral agreements between Italy and third countries guaranteeing work permits for seasonal workers. ¹⁶ |

2 TECHNICAL CHANGES TO SPECIFIC EXEMPTIONS

2.1. Under the exemption relating to **Audiovisual Services – production and distribution of cinematographic works and television programmes**¹⁷ (page 7), the illustrative list of countries with which the EU had agreed, or was negotiating, agreements on coproduction of audiovisual works, has been deleted. The scope of this exemption is determined by the words “All countries with whom cultural cooperation may be desirable”, with the list of countries provided in parentheses for the purposes of transparency. The illustrative list of countries has therefore been deleted to ensure that the UK List is not misleading once the UK leaves the EU.

2.2. Under the exemption relating to **CRS and sales and marketing of air transport services**¹⁸ (page 9), the reference to “Regulation (EC) No. 2299/89, as amended by Regulation (EC) No. 3089/93” has been deleted, as the UK will no longer be a party to the EU Treaties. This reference has been replaced by a reference to UK CRS rule.

¹¹ See page 7 of doc. GATS/EL/31 of 15 April 1994.

¹² See page 8 of doc. GATS/EL/31 of 15 April 1994.

¹³ *Ibid.*

¹⁴ See page 9 of doc. GATS/EL/31 of 15 April 1994.

¹⁵ *Ibid.*

¹⁶ See page 10 of doc. GATS/EL/31 of 15 April 1994.

¹⁷ See page 2 of doc. GATS/EL/31 of 15 April 1994.

¹⁸ See page 5 of doc. GATS/EL/31 of 15 April 1994.

PART III
UK LIST OF ARTICLE II (MFN) EXEMPTIONS INDICATING THE TECHNICAL CHANGES

UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND – LIST OF ARTICLE II (MFN) EXEMPTIONS

| Sector or subsector | Description of measure indicating its inconsistency with Article II | Countries to which the measure applies | Intended duration | Conditions creating the need for the exemption |
|--|--|--|---|---|
| Audiovisual services - Distribution of audiovisual works | Redressive duties which may be imposed in order to respond to unfair pricing practices, by certain third countries other WTO Members distributors of audiovisual works. | All Members | Indefinite | Unfair pricing practices may cause serious disruption to the distribution of European works |
| Audiovisual services | Measures taken to prevent, correct or counterbalance adverse, unfair or unreasonable conditions or actions affecting ECUK audiovisual services, products or service providers, in response to corresponding or comparable actions taken by other Members. | All Members | Indefinite The need for exemption will lapse together with corresponding exemption from other Members | Need to protect the European Communities and their Member States UK from adverse, unfair or unreasonable unilateral actions from other Members |
| Audiovisual Services - production and distribution of audiovisual works through broadcasting or other forms of transmission to the public. | Measures which define works of European origin, in such a way as to extend national treatment to audiovisual works which meet certain linguistic and origin criteria regarding access to broadcasting or similar forms of transmission. | Parties to the Council of Europe Convention on Transfrontier Television or other European countries with whom an agreement may be concluded. | Indefinite. Exemption needed, for certain countries, only until an economic integration agreement is concluded or completed. | The measures aim, within the sector, to promote cultural values both within EC Member States and with other countries in Europe, as well as achieving linguistic policy objectives |

| Sector or subsector | Description of measure indicating its inconsistency with Article II | Countries to which the measure applies | Intended duration | Conditions creating the need for the exemption |
|---|--|---|---|---|
| Audiovisual Services - Production and distribution of cinematographic works and television programmes | Measures based upon government-to-government framework agreements, and plurilateral agreements, on coproduction of audiovisual works, which confer National Treatment to audiovisual works covered by these agreements, in particular in relation to distribution and access to funding. | All countries with whom cultural cooperation may be desirable (agreements already exist, or are being negotiated, with the following countries: Algeria, Angola, Argentina, Australia, Brazil, Burkina Faso, Canada, Cape Verde, Chile, Côte d'Ivoire, Colombia, Cuba, Egypt, Guinea Bissau, India, Israel, Mali, Mexico, Morocco, Mozambique, New Zealand, São Tomé e Príncipe, Senegal, States in Central, Eastern and South Eastern Europe, Switzerland, Tunisia, Turkey, Venezuela). | Indefinite | The aim of these agreements is to promote cultural links between the countries concerned |
| Audiovisual Services - Production and distribution of television programmes and cinematographic works | Measures granting the benefit of any support programmes (such as <u>Action Plan for Advanced Television Services</u> , <u>MEDIA</u> or <u>EURIMAGES</u>) to audiovisual works, and suppliers of such works, meeting certain European origin criteria. | European countries | Indefinite. Exemption needed, for certain countries, only until an economic integration agreement is concluded or completed. | These programmes aim at preserving and promoting the regional identity of countries within Europe which have long-standing cultural links |
| Audiovisual Distribution services | Waiver of the requirement in Spain to obtain licences for the distribution of dubbed films of non-Community origin, granted to films of European origin which are especially recommended for children's audiences. | Parties to the Council of Europe | Indefinite. Exemption needed for certain countries, until an economic integration agreement is concluded or completed. | The measure aims at promoting European cultural values and linguistic policy objectives toward the youth. |

| Sector or subsector | Description of measure indicating its inconsistency with Article II | Countries to which the measure applies | Intended duration | Conditions creating the need for the exemption |
|---|--|--|---|--|
| <p>Audiovisual services: television and radio broadcasting services</p> <p>Audiovisual services: production and distribution of cinematographic works and television programmes in Nordic countries</p> | <p>Foreign participation in companies in Italy exceeding 49% of the capital and voting rights, subject to a condition of reciprocity.</p> <p>Measures taken in Denmark that are adopted for the implementation of benefits in conformity with such support programmes as the NORDIC FILM and TV FUND in order to enhance production and distribution of audiovisual works produced in Nordic countries.</p> | <p>All countries</p> <p>Finland, Norway, Sweden, Iceland</p> | <p>Indefinite</p> <p>Indefinite</p> | <p>Need to ensure effective market access and equivalent treatment for Italian service suppliers</p> <p>Preservation and promotion of the regional identity of the countries concerned</p> |
| <p>Road transport - passenger and freight</p> | <p>Provisions in existing or future agreements on international road haulage (including combined transport - road/rail) and passenger transport, concluded between the EC or their Member States<u>UK</u> and third countries<u>other WTO Members</u>, which:</p> <ul style="list-style-type: none"> -reserve or limit the provision of a transport service between the contracting parties or across the territory of the contracting parties to vehicles registered in each contracting party; -provide for tax exemption for such vehicles. | <p>Switzerland, States in Central, Eastern and South-Eastern Europe and all Members of the Commonwealth of Independent States, Albania, Turkey, Lebanon, Israel, Syria, Jordan, Egypt, Tunisia, Algeria, Morocco, Cyprus, Malta, Iran, Afghanistan, Iraq, Kuwait</p> | <p>Indefinite</p> | <p>The need for exemption is linked to the regional characteristics of the cross-border provision of road transport services</p> |

| Sector or subsector | Description of measure indicating its inconsistency with Article II | Countries to which the measure applies | Intended duration | Conditions creating the need for the exemption |
|---|--|---|--|---|
| Road transport services— Freight (CPC 7123) | Authorization for the establishment of a commercial presence in Spain may be refused to service suppliers, whose country of origin does not accord effective market access to Spanish service suppliers | All countries | Indefinite | Need to ensure effective market access and equivalent treatment for Spanish service suppliers |
| CRS and sales and marketing of air transport services | Provision of Article 7 of Regulation (EC) No. 2299/89, as amended by Regulation (EC) No. 3089/93, whereby the obligations of CRS system vendors or of parent and participating air carriers shall not apply where equivalent treatment to that applied under the Regulation <u>UK CRS rules</u> is not accorded in the country of origin of the parent carrier or of the system vendor. | All countries where a CRS system vendor or a parent air carrier is located. | Indefinite | The need for the exemption results from the insufficient development of multilaterally agreed rules for the operation of CRS. |
| Internal waterways transport | Measures based upon existing or future agreements on access to inland waterways (incl. agreements following the Rhine-Main-Danube link), which reserve traffic rights for operators based in the countries concerned and meeting nationality criteria regarding ownership. | Switzerland, States in Central, Eastern and South-Eastern Europe and all Members of the Commonwealth of Independent States. | Indefinite. Exemption needed, for certain countries, only until an economic integration agreement is concluded or completed. | To regulate transport capacity on inland waterways taking into account geographic specificity. |
| Internal waterways transport | Regulations implementing the Mannheim Convention on Rhine Shipping. | Switzerland | Indefinite | To regulate transport capacity on inland waterways taking into account geographic specificity. |

| Sector or subsector | Description of measure indicating its inconsistency with Article II | Countries to which the measure applies | Intended duration | Conditions creating the need for the exemption |
|---|--|--|-------------------|---|
| <p>Rental/leasing services — without operators, relating to ships (CPC 83103):</p> <p>Rental of vessels with crew (CPC 7213, 7223):</p> | <p>Chartering in of foreign ships by consumers resident in Germany may be subject to condition of reciprocity.</p> | <p>All countries</p> | <p>Indefinite</p> | <p>Need to ensure effective market access and equivalent treatment for German service suppliers.</p> |
| <p>Publishing (Part of CPC 88442)</p> | <p>Foreign participation in companies in Italy exceeding 49% of the capital and voting rights, subject to a condition of reciprocity.</p> | <p>All countries</p> | <p>Indefinite</p> | <p>Need to ensure effective market access and equivalent treatment for Italian service suppliers.</p> |
| <p>Newsagency Services (Part of CPC 962)</p> | <p>Foreign participation in companies in France publishing publications in the French language exceeding 20% of the capital or of voting rights in the company, subject to a condition of reciprocity.</p> | <p>All countries</p> | <p>Indefinite</p> | <p>Need to ensure effective market access and equivalent treatment for French service suppliers.</p> |
| <p>Press Agency Services (Part of CPC 962)</p> | <p>Market access in France. Subject to a condition of reciprocity.</p> | <p>All countries</p> | <p>Indefinite</p> | <p>Need to ensure effective market access and equivalent treatment for French service suppliers.</p> |

| Sector or subsector | Description of measure indicating its inconsistency with Article II | Countries to which the measure applies | Intended duration | Conditions creating the need for the exemption |
|-------------------------------|---|---|---------------------|--|
| Direct non-life insurance | Measures based on a bilateral agreement between the European CommunitiesUK and Switzerland on direct insurance other than life insurance. This agreement provides on a reciprocal basis for freedom of establishment and the right to take up or pursue non-life insurance business for agencies and branches of undertakings whose head office is situated in the territory of the other contracting party. | Switzerland | Indefinite | Need to remove obstacles to the taking up and pursuit of non-life insurance business in the framework of an agreement between the European CommunitiesUK and Switzerland on non-life insurance consistent with the provisions of paragraph 3 of the Annex of Financial Services |
| Financial services | Measure granting favourable tax treatment (off-shore regime) in Italy to service suppliers trading with the countries to which the measure applies. | States in Central, Eastern and South-Eastern Europe, and all Members of the Commonwealth of Independent States | 10 years | The need to aid the countries concerned in their transition to a market economy. |

| Sector or subsector | Description of measure indicating its inconsistency with Article II | Countries to which the measure applies | Intended duration | Conditions creating the need for the exemption |
|------------------------|--|---|-----------------------|---|
| All sectors | Measures taken in Denmark aimed at promoting Nordic cooperation, such as: -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). | Sweden, Finland, Iceland and Norway | Indefinite | To maintain and develop Nordic cooperation. |
| All sectors | Authorization for purchase of real estate in Italy by foreign natural persons and juridical persons granted on the basis of reciprocity. | All countries | Indefinite | The reciprocity requirement is put in place to ensure equivalent treatment for Italians in other countries. |
| All sectors | Waiver of nationality requirements for the exercise, in Portugal, of certain activities and professions by natural persons supplying services from the designated countries | Countries of Portuguese official language (Angola, Brazil, Cape Verde, Guinea-Bissau, Mozambique and São Tomé & Príncipe) | Indefinite | This measure reflects historical links between Portugal and these countries. |

*Applies to East European companies, which are cooperating with one or more Nordic companies.

| Sector or subsector | Description of measure indicating its inconsistency with Article II | Countries to which the measure applies | Intended duration | Conditions creating the need for the exemption |
|------------------------|---|--|---------------------|---|
| All sectors | Facilitation of access procedures in France for the exercise of certain services activities and professions by natural and legal persons of certain third countries | Francophone African countries, Algeria, Switzerland and Romania | 10 years | This measure reflects historical links between France and these countries. |
| All sectors | For citizens of Commonwealth countries with a grandparent born in the UK, the UK waives the requirement for a work permit in all services sectors | Countries members of the British Commonwealth of Nations | Indefinite | This measure reflects historical links between these countries and the UK. |
| All sectors | Measures based on bilateral agreements between the European Communities and/or their Member States UK and Switzerland with the objective of providing for the movement of all categories of natural persons supplying services | Switzerland | Indefinite | The agreements reflect a process of progressive trade liberalisation between the EC UK and its regional trading partner. |

| Sector or subsector | Description of measure indicating its inconsistency with Article II | Countries to which the measure applies | Intended duration | Conditions creating the need for the exemption |
|------------------------|---|---|-----------------------|--|
| All sectors | <p>Measures based on existing or future bilateral agreements between the European Communities and certain Member States UK and the countries and principalities concerned, providing for:</p> <p>a)the right of establishment for juridical and natural persons and;</p> <p>b)waiving the requirements of work permits for natural persons supplying services.</p> | San Marino, Monaco, Andorra, Vatican City State. | Indefinite | The geographical situation and historical, economic and cultural links between the Member States of the European CommunitiesUK and the countries and principalities concerned. |
| All sectors | Measures based upon bilateral agreements between Italy and third countries guaranteeing work permits for seasonal workers. | States in Central Eastern and South Eastern Europe and in the Mediterranean Basin. | Indefinite | Seasonal shortages of workers and to ensure the orderly movement of seasonal workers. |

| Sector or subsector | Description of measure indicating its inconsistency with Article II | Countries to which the measure applies | Intended duration | Conditions creating the need for the exemption |
|---|---|--|---|---|
| All sectors - principally construction and hotel and catering | Measures based upon bilateral agreements between Community Member <u>States</u> the UK and European and Mediterranean countries guaranteeing work permits, for the purposes of temporary contract work, on the basis of contracts between an employer of the third country concerned and a <u>UK</u> company in the Member State concerned , and which permit limited numbers of workers from the countries concerned to be employed in certain service sectors; the numbers are subject to variation according to criteria established in the agreement. | States in Central, Eastern and South-Eastern Europe, including Russia, Ukraine, Belarus and Georgia, and in the Mediterranean Basin. | Indefinite. Exemption needed, for certain countries, only until an economic integration agreement is concluded or completed. | The agreements form part of a broader initiative to assist the countries concerned in their process of economic transition and development. |

PART IV
CLEAN VERSION OF THE UK LIST UK LIST OF ARTICLE II (MFN) EXEMPTIONS

UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND – LIST OF ARTICLE II (MFN) EXEMPTIONS

| Sector or subsector | Description of measure indicating its inconsistency with Article II | Countries to which the measure applies | Intended duration | Conditions creating the need for the exemption |
|--|---|--|---|---|
| Audiovisual services - Distribution of audiovisual works | Redressive duties which may be imposed in order to respond to unfair pricing practices, by other WTO Members distributors of audiovisual works. | All Members | Indefinite | Unfair pricing practices may cause serious disruption to the distribution of European works |
| Audiovisual services | Measures taken to prevent, correct or counterbalance adverse, unfair or unreasonable conditions or actions affecting UK audiovisual services, products or service providers, in response to corresponding or comparable actions taken by other Members. | All Members | Indefinite The need for exemption will lapse together with corresponding exemption from other Members | Need to protect the UK from adverse, unfair or unreasonable unilateral actions from other Members |
| Audiovisual Services - production and distribution of audiovisual works through broadcasting or other forms of transmission to the public. | Measures which define works of European origin, in such a way as to extend national treatment to audiovisual works which meet certain linguistic and origin criteria regarding access to broadcasting or similar forms of transmission. | Parties to the Council of Europe Convention on Transfrontier Television or other European countries with whom an agreement may be concluded. | Indefinite. Exemption needed, for certain countries, only until an economic integration agreement is concluded or completed. | The measures aim, within the sector, to promote cultural values with other countries in Europe, as well as achieving linguistic policy objectives |

| Sector or subsector | Description of measure indicating its inconsistency with Article II | Countries to which the measure applies | Intended duration | Conditions creating the need for the exemption |
|---|--|--|---|---|
| Audiovisual Services - Production and distribution of cinematographic works and television programmes | Measures based upon government-to-government framework agreements, and plurilateral agreements, on coproduction of audiovisual works, which confer National Treatment to audiovisual works covered by these agreements, in particular in relation to distribution and access to funding. | All countries with whom cultural cooperation may be desirable. | Indefinite | The aim of these agreements is to promote cultural links between the countries concerned |
| Audiovisual Services - Production and distribution of television programmes and cinematographic works | Measures granting the benefit of any support programmes (such as <u>Action Plan for Advanced Television Services</u> , <u>MEDIA</u> or <u>EURIMAGES</u>) to audiovisual works, and suppliers of such works, meeting certain European origin criteria. | European countries | Indefinite. Exemption needed, for certain countries, only until an economic integration agreement is concluded or completed. | These programmes aim at preserving and promoting the regional identity of countries within Europe which have long-standing cultural links |

| Sector or subsector | Description of measure indicating its inconsistency with Article II | Countries to which the measure applies | Intended duration | Conditions creating the need for the exemption |
|---|--|--|-------------------|--|
| Road transport - passenger and freight | <p>Provisions in existing or future agreements on international road haulage (including combined transport - road/rail) and passenger transport, concluded between the UK and other WTO Members, which:</p> <ul style="list-style-type: none"> -reserve or limit the provision of a transport service between the contracting parties or across the territory of the contracting parties to vehicles registered in each contracting party; -provide for tax exemption for such vehicles. | <p>Switzerland, States in Central, Eastern and South-Eastern Europe and all Members of the Commonwealth of Independent States, Albania, Turkey, Lebanon, Israel, Syria, Jordan, Egypt, Tunisia, Algeria, Morocco, Cyprus, Malta, Iran, Afghanistan, Iraq, Kuwait</p> | Indefinite | <p>The need for exemption is linked to the regional characteristics of the cross-border provision of road transport services</p> |
| CRS and sales and marketing of air transport services | <p>The obligations of CRS system vendors or of parent and participating air carriers shall not apply where equivalent treatment to that applied under UK CRS rules is not accorded in the country of origin of the parent carrier or of the system vendor.</p> | <p>All countries where a CRS system vendor or a parent air carrier is located.</p> | Indefinite | <p>The need for the exemption results from the insufficient development of multilaterally agreed rules for the operation of CRS.</p> |

| Sector or subsector | Description of measure indicating its inconsistency with Article II | Countries to which the measure applies | Intended duration | Conditions creating the need for the exemption |
|---------------------------|--|--|-------------------|---|
| Direct non-life insurance | Measures based on a bilateral agreement between the UK and Switzerland on direct insurance other than life insurance. This agreement provides on a reciprocal basis for freedom of establishment and the right to take up or pursue non-life insurance business for agencies and branches of undertakings whose head office is situated in the territory of the other contracting party. | Switzerland | Indefinite | Need to remove obstacles to the taking up and pursuit of non-life insurance business in the framework of an agreement between the UK and Switzerland on non-life insurance consistent with the provisions of paragraph 3 of the Annex of Financial Services |
| All sectors | For citizens of Commonwealth countries with a grandparent born in the UK, the UK waives the requirement for a work permit in all services sectors | Countries members of the Commonwealth of Nations | Indefinite | This measure reflects historical links between these countries and the UK. |
| All sectors | Measures based on bilateral agreements between the UK and Switzerland with the objective of providing for the movement of all categories of natural persons supplying services | Switzerland | Indefinite | The agreements reflect a process of progressive trade liberalisation between the UK and its regional trading partner. |

| Sector or subsector | Description of measure indicating its inconsistency with Article II | Countries to which the measure applies | Intended duration | Conditions creating the need for the exemption |
|---|--|--|--|---|
| All sectors | <p>Measures based on existing or future bilateral agreements between the UK and the countries and principalities concerned, providing for:</p> <p>a) the right of establishment for juridical and natural persons and;</p> <p>b) waiving the requirements of work permits for natural persons supplying services.</p> | San Marino, Monaco, Andorra, Vatican City State. | Indefinite | The historical, economic and cultural links between the UK and the countries and principalities concerned. |
| All sectors - principally construction and hotel and catering | Measures based upon bilateral agreements between the UK and European and Mediterranean countries guaranteeing work permits, for the purposes of temporary contract work, on the basis of contracts between an employer of the country concerned and a UK company, and which permit limited numbers of workers from the countries concerned to be employed in certain service sectors; the numbers are subject to variation according to criteria established in the agreement. | States in Central, Eastern and South-Eastern Europe, including Russia, Ukraine, Belarus and Georgia, and in the Mediterranean Basin. | Indefinite. Exemption needed, for certain countries, only until an economic integration agreement is concluded or completed. | The agreements form part of a broader initiative to assist the countries concerned in their process of economic transition and development. |