

**EC – ACCESSION OF AUSTRIA, FINLAND AND SWEDEN (Services)**  
**Summary Fact Sheet**

**Table 1: Background Information**

Parties	Belgium, Denmark, Germany, France, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, the United Kingdom (EC12), and Austria, Finland and Sweden (new Member States)	
Type of Agreement	Economic Integration Agreement	
Date of signature	24 June 1994	
Date of entry into force	1 January 1995	
Review envisaged	none	
Website or contact addresses	European Union website: <a href="http://eur-lex.europa.eu/en/treaties/dat/11994N/htm/11994N.html">http://eur-lex.europa.eu/en/treaties/dat/11994N/htm/11994N.html</a>	
List of related WTO documents	WT/L/7 L/7614- Add.1 WT/REG3/M/1-2-3-4-5-6-7-8 WT/REG3/2-Add.1-2-3-4	Notification Agreement Minutes Questions and Replies

**Table 2: Scope and general aspects**

Scope	Sectors	All services sectors and activities are covered with services including activities of an industrial and commercial character; activities of craftsmen and of the professions; and services in the field of transport (Art. 50).
	Modes of supply	The measures on services apply to all modes of supply.
Positive/negative list		Positive list approach.
Sector-specific rules		Transport (Title V); movement of capital (Chapter IV of Title III).
Sectoral exclusions		Services supplied in the exercise of governmental authority (Art. 45).

**Table 3: Provisions of the Agreement**

Provision	Article	Additional information
MFN/National treatment	Art. 12, 48, and 49 (Treaty of Rome)	Any discrimination on grounds of nationality is prohibited under the Treaty of Rome. Companies or firms formed in accordance with the law of a Member State and having their registered office, central administration or principal place of business within the Community must be treated in the same way as natural persons who are nationals of Member States ("companies or firms" means those constituted under civil or commercial law, including cooperative societies, and other legal persons governed by public or private law, except those that are non-profit-making). Restrictions on the freedom to provide services within the Community are prohibited for nationals of Member States established in a State of the Community other than that of the person for whom the services are intended. These provisions also apply to new Member States.
Movement of natural persons and right of establishment	Art. 71, 87, and 114	The new Member States may maintain their existing legislation on secondary residences for five years from the date of accession.
Elimination of discriminatory measures	Art. 52 (Treaty of Rome)	The EC is built upon the principle of non-discrimination for all intra-Community trade. Liberalisation of services is based on the four freedoms of the Treaty of Rome: Right of Establishment, Supply of Services, Movement of Capital and Free Movement of Persons. The only transitional measure on services relates to land transport. Specific liberalization commitments and MFN exceptions are set out in the respective Schedule of each new Member State.
Treatment of third party suppliers	Art. 49 (Treaty of Rome)	The European Council may, acting through a qualified majority on a proposal from the Commission, extend the provisions of the services Chapter to nationals of a third country who provide services and who are established within the Community.
Denial of benefits	None	
Standards/mutual	Art. 47 and	New Member States will implement the directives for the mutual

recognition	94 (Treaty of Rome)	recognition of diplomas, certificates and other evidence of formal qualifications as well as the directives for the approximation of laws, regulations or administrative provisions of the Member States as directly affect the establishment or functioning of the common market issued by the European Council.
Safeguard mechanisms (intra-trade)	Art. 152	A new Member State was allowed to take protective measures to rectify the situation and adjust the sector concerned to the economy of the common market until 1 January 1996, if difficulties arose which were serious and liable to persist in any sector of the economy or which could have brought about serious deterioration in the economic situation of a given area. Similarly, any current Member State may apply for authorization to take protective measures with regard to one or more of the new Member States.
Domestic regulations	None	
Subsidies and state aid	Art. 87 (Treaty of Rome)	Any aid granted by a Member State or through State resources in any form which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods is, in so far as it affects trade between Member States, incompatible with the common market.
IPR	None	
Government Procurement	None	
Competition	Art. 71	The Republic of Austria is committed to progressively adjust, from the date of accession, its monopoly on manufactured tobacco of a commercial character to ensure that, at the latest three years from accession, no discrimination in the conditions under which goods are procured and marketed exists between Member State nationals.
Investment	None	
General reservations		Reservations to the Agreement are justified on the ground of public policy, public security or public health.
Level of Government	None	
Accessions	None	
Dispute resolution	Part II Title I	Actions may be taken between: Member States; the European Commission and a Member State; a service provider and a Member State or the EC. The latter can take place through national courts in each Member State, the Court of First Instance and European Court of Justice. The Courts of Justice and of First Instance, each within their jurisdiction, shall ensure that in the interpretation and application of the Treaty the law is observed. The composition of these organs has been modified taking into account the accession of the new Member States.
Relations with other trade agreements	Art. 5, 78, and 104	Under the Accession Agreement, the agreements or conventions concluded by any member of the Communities, with third States, international organizations or with a national of a third State, are, under the conditions laid down in the original Treaties and in the Act, binding on the new Member States. The new Member States commit to take appropriate measures, where necessary, to adjust their position in relation to international organizations and agreements to which one of the Communities or to which other Member States are also parties, to the rights and obligations arising from their accession to the Union. From 1 January 1995, Austria withdrew from the Convention establishing the European Free Trade Association (EFTA) signed on 4 January 1960; Finland and Sweden withdrew from the EFTA and from the Free Trade Agreements signed with Estonia, Latvia and Lithuania in 1992.
Institutional provisions	Part II Title I	The functions of the Community are carried out by the Parliament, the Council, the Commission, the Court of Justice and the Court of Auditors. A European system of central banks and a European Central Bank are also established, together with an European

		Investment Bank. Each institution, in which new Member States are equally represented, acts within the limits of the powers conferred upon it by the Agreement.
Other		The Agreement provides for financial assistance where a Member State faces difficulties caused by natural disasters or exceptional occurrences beyond its control (art. 100) or in its balance of payments (Art. 119). Areas of cooperation include: foreign and security policy (Title V); criminal and judicial matters (Title VI); social policy (Title XI); public health (Title XIII); development cooperation for developing countries (Title X) and economic, financial and technical cooperation with third countries (Title XXI).

**Table 4a EU Current Account – Trade in Services (partner World)**  
(Figures in Millions of ECU)

	1992	1993	1994	1995	1996
EU 12 Exports	326,807	343,755	362,463	367,977	
EU 15 Exports				411,776	434,607
EU 12 Imports	317,740	334,397	354,629	366,390	
EU 15 Imports				409,603	428,442
EU 12 Net	9,067	9,358	7,834	1,587	
EU 12 Net				2,173	6,165

Source: Standard format