

EFTA (Services) Summary Fact Sheet

Table 1: Background Information

Parties	Iceland, Liechtenstein, Norway and Switzerland.	
Type of Agreement	Economic Integration Agreement	
Date of signature	21 June 2001	
Date of entry into force	1 June 2002	
Review envisaged	none	
Website or contact addresses	EFTA website: http://www.efta.int/content/legal-texts/efta-convention	
List of related WTO documents	S/C/N/207	Notification
	WT/REG154/1	Agreement
	S/C/M/64	Terms of Reference
	WT/REG154/2	Standard format
	WT/REG154/M/1-2	Minutes

Table 2: Scope and general aspects

Scope	Sectors	Provides for universal sectoral coverage of all services activities.
	Modes of supply	Provides for the liberalisation of trade through all modes of supply (Arts. 23 and 29 subject to conditions set out in Art. 29 (7)).
	Definitions	None.
Positive/negative list		Negative list approach.
Sector-specific rules		Land and air transport (Annex P and Annex Q).
Sectoral exclusions		No sectoral exclusion from the scope of the Agreement. Annexes L to O contain specific provisions and exemptions regarding the right to supply services.

Table 3: Provisions of the Agreement

Provision	Article	Additional information
MFN/National treatment	Art. 19.2, 19.3 23.5, 24, 29.5 and Art 30	Under the Investment Chapter, Member States shall grant treatment no less favourable than that accorded to their own companies or firms. Under the Services Chapter, Member States shall grant treatment no less favourable than that accorded to their own companies or firms providing services. n exempted sectors (in Annexes L to O), each Member State will accord to services or service suppliers of another Member State treatment no less favourable than that accorded to like services or service suppliers of third parties other than the European Community. Member States undertake to extend to each other, on the basis of reciprocity, the benefits of any new agreements concluded between themselves and the European Community, subject to a decision by the EFTA Council. National and MFN treatment also apply to intellectual property rights.
Elimination of discriminatory measures	Art. 29.3	Member States endeavour to gradually eliminate all the remaining discrimination which they may maintain in accordance with their lists of reservations in Annexes L to O. From the date of entry into force of the Agreement amending the EFTA Convention of 21 June 2001, no Member State shall adopt new, or more discriminatory, measures for services or service suppliers of another Member State, in comparison with the treatment accorded to its own like services or service suppliers.
Movement of natural persons	Chapter VIII	Freedom of movement of persons is ensured among Member States in accordance with Annex K, and between Liechtenstein and Switzerland under the Protocol to Annex K.
Treatment of third party suppliers	None	
Denial of benefits	None	
Standards/mutual recognition	Art. 22 and 32	Mutual recognition between the Member States of diplomas, certificates and other evidence of formal qualifications, and the

coordination of the provisions laid down by law, regulation or administrative action in the Member States concerning the taking up and pursuit of activities by natural persons, are governed by the relevant provisions of Article 22, of Annex K (including Appendix 3) and of the Protocol to Annex K between Liechtenstein and Switzerland. A Member State may also enter into an agreement or arrangement with a non-party providing for the recognition of standards, criteria for authorization, licensing or certification of services suppliers, in which case it would offer adequate opportunity for any other Member State to negotiate its accession to such an agreement or arrangement or to negotiate comparable ones with it. Where a Member State accords recognition autonomously, it would afford any other Member State adequate opportunity to demonstrate that it also fulfils these criteria, and thereby should be given the same recognition. Recognition may not be accorded in a discriminatory manner, or as a disguised restriction to trade in services.

Safeguard mechanisms (intra-trade)	Art. 40 and 41	A Member State may unilaterally take appropriate measures if serious sectoral or regional economic, societal or environmental difficulties that are liable to persist arise. The measures will be restricted in their scope and duration to that strictly necessary to remedy the situation and will apply to all Member States.
Domestic regulations	Art. 51	Member States commit to publish or otherwise make publicly available, their laws, regulations, procedures administrative rulings and judicial decisions of general application and the international agreements which may affect the operation of the Convention.
Subsidies and state aid	Art. 16.3	Member States will review annually the scope of the Chapter on state aid, with a view to extending its discipline to services, taking into account international developments in the field.
IPR	Chapter 7 + Annex J	Member States grant and ensure adequate and effective intellectual property protection and provide for measures to enforce such rights against infringement (Art. 19). The IPRs covered by the Agreement include: copyright, computer programmes and databases, neighbouring rights, trademarks, geographical indications, industrial designs, patents, plant varieties, topographies of integrated circuits and undisclosed information.
Government Procurement	Art. 34; Chapter XII, Annex R.	Nothing provided for in the progressive liberalisation of trade in services will be construed to impose any obligation with respect to government procurement. Member States reaffirm their rights and obligations under the WTO Agreement on Government Procurement (GPA) (Art. 37.1). They intend to secure non-discriminative, transparent and reciprocal access to their respective public procurement markets and ensure open and effective competition based on equal treatment (Art. 37.2).
Competition	Chapter VI	The following practices are incompatible with the Convention: agreements between enterprises, decisions by associations of enterprises and concerted practices between enterprises which have as their object or result the prevention, restriction or distortion of competition; and abuse by one or more undertakings of a dominant position in the territories of the Member States as a whole or a substantial part thereof (Art. 18).
Investment	Chapter IX	Member States agree to not impose restrictions on the right of establishment of 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 in the territory of the Member States. The right of establishment also applies to the setting up of agencies, branches or subsidiaries by companies or firms of any Member State established in the territory of any other Member State, including: the right to set up, acquire and manage

		undertakings, in particular companies or firms specified in paragraph 2, under the conditions laid down for its own undertakings by the law of the Member State where such establishment is affected (Art. 23.1). Member States commit to gradually eliminate remaining discrimination (Annexes L to O) and to review the provisions on investment within two years of the Agreement's entry into force, with a view to reducing, and ultimately eliminating, the remaining restrictions (Art.23.3).
General reservations	Art. 33 and 39	The provisions of the Services Chapter do not apply, in so far as any given Member State is concerned, to activities which in that Member State are connected, even occasionally, with the exercise of official authority (Art.33.1) and shall not prejudice the applicability of measures taken on grounds of public policy, public security, public health or the environment (Art.33.2). Nothing in the Convention prevents a Member State from taking measures for security reasons (Art. 39).
Level of Government	Art. 58	The Convention applies to the territories of the Member States except as provided for in Annex U.
Accessions	Art. 56 and Art. 57	Any State may accede to the Convention, provided that the Council decides to approve its accession, on terms and conditions as may be set out in that decision. Any Member State may withdraw from the Convention provided that it gives twelve months notice in writing to the Depositary, which shall notify all other Member States.
Dispute resolution	Chapter XVII, Annex T	Art. 47 stipulates that Member States should at all times endeavour to agree on the interpretation and application of the Convention. Every attempt shall be made through cooperation and consultations to arrive at a mutually satisfactory resolution of any matter that might affect its operation. In case a Member State considers that a measure applied by another Member State violates the Convention and the matter has not been resolved within 45 days of consultations pursuant to Art.47, Art. 48 provides for an arbitration procedure regulated in Annex T to the Convention.
Relations with other trade agreements	Art. 49	The Convention does not create any specific relations with other bilateral, plurilateral or multilateral agreements. In particular, it is without prejudice to the rules applicable to Member States governed by the Agreement on the European Economic Area, the Nordic cooperation and the regional union between Switzerland and Liechtenstein (paragraph 2).
Institutional provisions	Chapter XVI, Annex S	A Council for administering the Convention is set up in Art. 43 with each Member having one vote. The Council may decide to set up organs, committees and other bodies, as it considers necessary to assist it in its tasks. Annex S lists the current bodies, including an expert group on services, establishment and capital movements.

Other

Data on trade in services are not available.