

## **APPENDIX 2 TO ANNEX V**

### **ICELAND - SCHEDULE OF SPECIFIC COMMITMENTS**

#### **EXPLANATORY NOTES**

1. Specific commitments in this Schedule are prepared in accordance with the WTO Secretariat paper entitled “Scheduling of Initial Commitments on Trade in Services: Explanatory Note” (MTN.GNS/W/164). The classification of sectors in this Schedule is based on the 1991 provisional Central Product Classification (CPC) of the United Nations Statistical Office, while the ordering reflects the classification system used by the WTO Secretariat in MTN.GNS/W/120.
2. This schedule should be read in conjunction with Annex IV (List of Environmental and Environmentally Related Services), including horizontal and specific ex-outs.

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
<b>I. HORIZONTAL COMMITMENTS</b>			
ALL SECTORS INCLUDED IN THIS SCHEDULE	<p>3) All foreign currency transfers must be reported to the Central Bank of Iceland for statistical purposes.</p> <p>Service providers shall inform the Ministry of Economic Affairs 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>All foreign investment of a Foreign State or companies/organisations owned by a Foreign State requires a special concession.</p> <p>Non-residents cannot conclude an agreement on real-estate lease without the permission of the Ministry of Justice and Human Rights if the lease is for a period exceeding three years and not for use in conducting its normal business activities.</p>	<p>Managers and the majority of the members of the board of directors in all domestic enterprises must be resident in Iceland. unless exempted from this requirement by the relevant ministry. Citizens of other EEA and EFTA Member States are exempted from the residency requirement</p> <p>At least one of the auditors of an Icelandic limited liability company must be a resident in Iceland or a competent resident CPA company</p>	

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>Non-residents may only acquire real estate in conjunction to their business activities and can only obtain ordinary proprietary rights linked to the real estate. Non-residents are thus excluded from obtaining full property rights of real estate if unusual rights are linked to it, such as exploitation rights as regards waterfalls, geothermal energy, etc</p> <p>Contracts concerning ownership and long-term use of real-estate by non-residents are not valid until the relevant ministry has endorsed it in writing.</p>	
	<p>4) Unbound, except for the following categories A), B) and C):</p> <p>A) <u>Intra-corporate transferees</u>:</p> <p>Managers, executives and specialists as intra-corporate transferees, provided that the service supplier is the corporation to which these are attached, shall be permitted without</p>	<p>4) Unbound except for measures concerning the categories of natural persons referred to in the market access column.</p>	

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>requiring compliance with labour market tests for a maximum period of one year. Entry and stay shall be subject to a work permit that must be obtained before the natural person enters Iceland.</p> <p>Definitions:</p> <p><u>Executives</u>: persons who primarily direct the management of the organisation covered by this 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><u>Managers</u>: persons who direct the organisation covered by this Agreement or its department and are in a senior level responsible of the service providing functions of the organisation by supervising and controlling and having also authority to hire and fire personnel or recommend such and other personnel actions.</p>		

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><u>Specialists</u>: persons within the organisation who possess knowledge at an advanced level of expertise or otherwise essential or proprietary to the organisation's service, research equipment, techniques or management.</p> <p>B) <u>Business Visitors</u></p> <p>Entry and stay is subject to a notification requirement. Remuneration must be derived outside of Iceland. Stay is permitted for a maximum of 90 days in one calendar year.</p> <p><u>Service sellers</u>: persons who as representatives of a service provider covered by this 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>		

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><u>Installers and maintainers</u>: service providers possessing specialised knowledge essential to a seller's contractual obligation, supplying services or training workers to supply services pursuant to a warranty or other service contract incidental to the sale or lease of machinery or technical equipment purchased or leased from an enterprise located in their home country throughout the duration of the warranty or service contract. It is a condition that the need for such labour does not extend beyond three months.</p> <p>C) <u>Contractual Service Suppliers</u></p> <p>Natural persons employed by a foreign juridical person with no commercial presence in Iceland, and on the basis of a service agreement necessary to fulfil a contract. Access is subject to the following conditions:</p> <ul style="list-style-type: none"> <li>- A signed service contract must exist between the Service Supplier</li> </ul>		

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<b>Sector or Subsector</b>	<b>Limitations on Market Access</b>	<b>Limitations on National Treatment</b>	<b>Additional Commitments</b>
	<p>and a corporation engaged in substantive business in Iceland. The service contract must include a statement to the effect that a condition for the transaction under the contract is that an employee of the service supplier is to provide the service.</p> <ul style="list-style-type: none"> <li>- The person providing the service on behalf of the Service Supplier must have specialised skills or qualifications of direct relevance to the service activity which is the subject of the contract.</li> <li>- Stay shall not exceed a period longer than six months on the basis of the same service contract.</li> <li>- Entry and stay shall be subject to a work permit that must be obtained before the person enters Iceland.</li> </ul> <p>Access is granted to the following services sectors:</p> <ul style="list-style-type: none"> <li>- Engineering services (CPC 8673)</li> <li>- Integrated engineering services (CPC 8673)</li> </ul>		

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>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).</p>	<ul style="list-style-type: none"> <li>- Environmental consulting services (part of CPC 94)</li> <li>- Technical testing and analysis services (CPC 8676)</li> <li>- Related scientific and technical consulting services (CPC 8675)</li> </ul> <p>3) None</p> <p>4) None</p>	<p>3) Eligibility for subsidies may be limited to juridical persons established within the territory of Iceland. Subsidies related to research and development are unbound.</p> <p>4) Subsidies available only to natural persons may be limited to Icelandic citizens.</p>	
<p><b>II. SECTOR-SPECIFIC COMMITMENTS</b></p>			
<p>All sector-specific commitments apply solely for services as described in Annex IV (List of Environmental and Environmentally Related Services) and taking into account the exclusions mentioned under column “ex out”.</p>			
<p><b>1. BUSINESS SERVICES</b></p>			
<p><b>A. Professional services</b></p>			
<p>(d) Architectural services (part of CPC 86711-86714)</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in the horizontal section</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in the horizontal section</p>	



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

<b>Sector or Subsector</b>	<b>Limitations on Market Access</b>	<b>Limitations on National Treatment</b>	<b>Additional Commitments</b>
(e) Engineering services (part of CPC 8672)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(f) Integrated Engineering services (part of CPC 8673)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(g) Urban planning and landscape architectural services (part of CPC 8674)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
<b><u>B. Computer and Related Services (part of CPC 84)</u></b>	1) None  2) None 3) None 4) Unbound except as indicated in the horizontal section	1) Concession needed if personal-data is to be processed outside Icelandic jurisdiction 2) None 3) None 4) Unbound except as indicated in the horizontal section	
<b><u>C. Research and Development Services</u></b>			

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<b>Sector or Subsector</b>	<b>Limitations on Market Access</b>	<b>Limitations on National Treatment</b>	<b>Additional Commitments</b>
(a) R&D services on natural sciences (part of CPC 851)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(c) Interdisciplinary R&D services (part of CPC 853)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
<b>E. <u>Rental/Leasing Services without Operators</u></b> (part of CPC 831)	1) None 2) None 3) Leasing services must be provided either by corporation with a limited liability (leasing companies) or registered commercial banks or savings banks. 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None  4) Unbound except as indicated in the horizontal section	
<b>F. <u>Other Business Services</u></b>			
(e) Technical testing and analysis services (part of CPC 8676)	1) None 2) None 3) None	1) None 2) None 3) None	

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<b>Sector or Subsector</b>	<b>Limitations on Market Access</b>	<b>Limitations on National Treatment</b>	<b>Additional Commitments</b>
	4) Unbound except as indicated in the horizontal section	4) Unbound except as indicated in the horizontal section	
(f) Advisory and consulting services incidental to agriculture and forestry (parts of CPC 8811, CPC 8814)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(g) Advisory and consulting services related to fishing (part of CPC 882)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(i) Services related to manufacturing (CPC 88493)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
(m) Related scientific and technical consulting services (part of CPC 8675)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	

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<b>Sector or Subsector</b>	<b>Limitations on Market Access</b>	<b>Limitations on National Treatment</b>	<b>Additional Commitments</b>
(n) Maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment) (CPC 633 and CPC 8861-8864)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	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	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
<b>3. CONSTRUCTION AND RELATED ENGINEERING SERVICES</b>			
<b><u>A. General Construction Work for Buildings</u></b> (CPC 5121-5122, 5124, and 5126-5129)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
<b><u>B. General Construction Work for Civil Engineering</u></b> (part of CPC 5131-5136)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	

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Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<b>C. <u>Installation and Assembly Work</u></b> (part of CPC 5153, 5161-5162, 51641, 51649 and 51650)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
<b>D. <u>Building Completion and Finishing Work</u></b> (CPC 5171)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
<b>E. <u>Other</u></b> - Site formation and clearance for carbon capture and geothermal related services, including geothermal drilling (part of CPC 5113)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
<b>4. DISTRIBUTION SERVICES</b> (excluding trade in arms, alcoholic beverages, tobacco and pharmaceutical products)			
<b>A. <u>Commission Agents' Services</u></b> (part of CPC 621)	1) None 2) None	1) None 2) None	

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Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	3) None 4) Unbound except as indicated in the horizontal section	3) None 4) Unbound except as indicated in the horizontal section	
<b>B. <u>Wholesale Trade Services</u></b> (part of CPC 622)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
<b>C. <u>Retailing Services</u></b> (part of CPC 63232)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
<b>6. ENVIRONMENTAL SERVICES</b>			
For greater certainty, the commitments listed in this section do not apply to public service functions owned and operated or contracted out by local, regional or central government.			
<b>A. <u>Sewage Services</u></b> (CPC 9401)	1) None 2) None 3) None	1) None 2) None 3) None	

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Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	4) Unbound except as indicated in the horizontal section	4) Unbound except as indicated in the horizontal section	
<b>B. <u>Refuse Disposal Waste</u></b> (CPC 9402)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
<b>C. <u>Sanitation and Similar Services</u></b> (CPC 9403)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	
<b>D. <u>Other:</u></b> - Cleaning services of exhaust gases (CPC 9404) - Noise abatement services (CPC 9405) - Nature and landscape protection services (CPC 9406) - Other (CPC 9409)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section	

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Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p><b>7. FINANCIAL SERVICES</b></p> <p>1. Iceland undertakes commitments on financial services in accordance with the WTO “Understanding on Commitments in Financial Services” (the Understanding).</p> <p>2. 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.</p>			
<p><b>A. <u>Insurance and Insurance related Services</u></b></p>	<p>1) The supply of direct insurance is reserved for Icelandic insurance undertakings or authorized insurance undertakings from another EEA and EFTA Member State.</p> <p>The supply of insurance mediation is reserved for insurance intermediaries authorized by the Financial Supervisory Authority or insurance intermediaries authorized by competent authorities of another EEA Member State or an EFTA Member State.</p>	<p>1) None</p>	
	<p>2) None</p> <p>3) Insurance undertakings not established in an EEA Member State or an EFTA Member State require authorization to establish branch offices in Iceland.</p>	<p>2) None</p> <p>3) The majority of the founders of an insurance undertaking must be Icelandic residents or legal entities registered in Iceland, citizens of another EEA or EFTA Member State residing in an EEA or EFTA</p>	



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
		Member State or legal entities registered in an EEA or EFTA Member State.	
	<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 undertaking.</p> <p>4) Unbound except as indicated in the horizontal section</p>	<p>Branch offices of non-EEA insurance undertakings must be managed by a resident agent.</p> <p>Insurance intermediaries must be resident in Iceland or citizens or legal entities of another EEA Member State or an EFTA Member State residing in an EEA Member State or an EFTA Member State. The Minister of Economic Affairs may grant exemptions from this requirement.</p> <p>4) Unbound except as indicated in the horizontal section</p>	
<p><b>B. <u>Banking and Other Financial Services</u></b> (excluding insurance)</p>	<p>1) None</p> <p>2) None</p>	<p>1) Domestic financial institutions shall inform the Central Bank of Iceland of the balances of service providers' accounts held by non-residents.</p> <p>2) None</p>	

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

<b>Sector or Subsector</b>	<b>Limitations on Market Access</b>	<b>Limitations on National Treatment</b>	<b>Additional Commitments</b>
	<p>3) Credit institutions and undertakings engaged in securities services established in a non-EEA Member State or an EFTA Member State can establish a branch or a representative office, subject to authorization by the Financial Supervisory Authority.</p>	<p>3) A founder of a credit institution shall be a natural or legal person resident in Iceland. Citizens and legal persons of other EEA and EFTA Member States are exempted from the residency requirement</p>	
	<p>Credit institutions and undertakings engaged in securities services can only be established as companies with limited liability.</p> <p>Commercial banks and savings banks 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>Managers and the majority of the board members of credit institutions and undertakings engaged in securities services and UCITS shall be resident in Iceland. Citizens of other EEA and EFTA Member States are exempted from the residency requirement.</p> <p>Service providers shall inform the Ministry of Economic Affairs 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>	

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
	4) Unbound except as indicated in the horizontal section	4) Unbound except as indicated in the horizontal section	
<b>11. TRANSPORT SERVICES</b>			
<b>A. <u>Maritime Transport Services</u></b>			
(a), (b) International transport (freight and passengers) including cabotage transport (parts of CPC 7211 and 7212).	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: 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): Unbound except as indicated in the horizontal section	1) None 2) None 3) (a) Unbound  (b) None  4) (a) Unbound  (b) Unbound	
(e) Pushing and towing services related to offshore wind power (part of CPC 7214)	1) None 2) None 3) None	1) None 2) None 3) None	

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

<b>Sector or Subsector</b>	<b>Limitations on Market Access</b>	<b>Limitations on National Treatment</b>	<b>Additional Commitments</b>
	4) Unbound except as indicated in the horizontal section	4) Unbound except as indicated in the horizontal section	
<b>F. <u>Road Transport Services</u></b> (part of CPC 71211-14 and 71219)	1) None 2) None 3) Authorisation required for commercial land transport services. Numerical quotas may be imposed as well as exclusive licences for certain areas or routes. 4) Unbound except as indicated in the horizontal section	1) None 2) None 3) None  4) Unbound except as indicated in the horizontal section	