

# WORLD TRADE ORGANIZATION

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Council for Trade in Services  
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## PAKISTAN

### Conditional Initial Offer on Services

The following communication, dated 24 May 2005, from the delegation of Pakistan, is being circulated to the Members of the Council for Trade in Services.

1. The initial offer follows the editorial conventions as contained in the Secretariat document JOB (02)/88, dated 16 July 2002, vis-à-vis:

- **BOLD** – New text
- ~~STRIKE-OUT~~ – Deleted text
- *ITALICS* – Where any new or deleted text constitutes merely a technical refinement that does not alter the scope or substance of an existing commitment.

2. Pakistan also reserves the right to modify, extend, reduce and withdraw in whole or in part its initial conditional offer at any time prior to the conclusion of the current services negotiations. Furthermore, Pakistan reserves the right to make technical amendments to this offer and make corrections to rectify any errors or inaccuracies as well as to clarify and interpret the terms and conditions of this offer.

3. This offer is not offering in any way the privatization of public undertakings or as preventing Pakistan from regulating public and private services in order to meet national policy objectives. Neither will this offer hinder Pakistan's right to establish, maintain, and fully enforce its domestic laws protecting, *inter alia*, consumers, health, safety, and the environment, as well as take actions that it considers necessary for the protection of its essential security interests.

4. The classification of service sectors in this initial offer is based on the 1991 Provisional Central Product Classification (CPC) of the United Nations Statistical Office, *unless otherwise specified*. The *listing order* of the sectors in the schedule is based on the Services Sectoral Classification list contained in document MTN.GNS/W/120 dated 10 July 1991.

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
<b>I. HORIZONTAL COMMITMENTS</b>			
ALL SECTORS INCLUDED IN THIS SCHEDULE	<p>3) (i) Except in the case of representative offices where specifically provided for in this Schedule, commitments under 'commercial presence' are subject to incorporation in Pakistan with maximum foreign equity participation of <del>fifty one</del> <b>sixty</b> per cent unless a different percentage is inscribed against a particular sector or subsector</p> <p>(ii) All expenses of representative offices where specifically provided for in this Schedule, shall be met by remittances from abroad. Such offices shall restrict their activities to the undertaking of liaison work or of representing the interest of the parent company abroad.</p> <p>4) <del>Unbound, except for measures concerning the entry or temporary stay of natural persons up to a maximum of fifty per cent in superior categories (namely, Executives and Specialists) in an undertaking. These natural persons shall have been employed by juridical persons of another Member for a period of not less than one year prior to the date of application for entry into Pakistan, and shall be transferred to render services to the juridical person in Pakistan.</del></p>	<p>3) <del>Acquisition of real estate by non-Pakistani entities and/or persons is subject to authorization on a case-by-case basis keeping into account the purpose and location of the undertaking</del></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>(i) <del>Executives</del> are:            persons within an organization who primarily direct the management of the organization or establish goals and policies for the organization or a major component or function of the organization, exercise wide latitude in decision making, and receive only general supervision or direction from higher level executives, or the Board of Directors.</p>		
	<p>(ii) <del>Specialists</del> are:            persons within the organization who possess knowledge at an advanced level of expertise and who possess proprietary knowledge of the organization's product, service, research equipment, techniques and management</p>		
	<p><b>Unbound, except for measures concerning the entry or temporary stay of natural persons falling in following categories:</b>  <b>A. Intra-corporate transferees:</b>            Specific categories of natural persons listed below who are in the employment of a juridical entity of another member country of the WTO for a period of at least one year and who enter for temporary stay to render services for (i) the same juridical entity engaged in substantive business operations in Pakistan or (ii) a juridical entity constituted in Pakistan and engaged in substantive business operations in Pakistan which is owned by or controlled by or affiliated with the aforementioned foreign juridical entity:</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><b>a. Managers are:</b> Persons who direct a branch office or one or more departments as their head, or supervise or control the work of other supervisory, professional or managerial personnel and have the authority to appoint or remove the personnel and power to exercise discretionary authority over day-to-day operations. Stay 30 days to three years, with possibility of extension</p> <p><b>b. Executives are:</b> Persons within an organization, who primarily direct the management, have wide decision making power and are either members of the board of directors or receive directions from the board or the general body of shareholders. Stay 30 days to three years, with possibility of extension</p> <p><b>c. Specialists are:</b> Persons within the organization who possess knowledge at an advanced level of expertise and who possess proprietary knowledge of the organization's product, service, research equipment, techniques and management. Stay 30 days to three years, with possibility of extension</p> <p><b>B. Business visitors are natural persons listed below who enter for temporary stay in Pakistan after obtaining a work visa for time periods as indicated against each category:</b></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>a) <b>Business persons are natural persons who stay in Pakistan without acquiring remuneration from within Pakistan and engage in making direct sales to the general public or supplying services, for the purpose of, sales and leasing; to supply after-sales and after-lease services; for the purpose of participating in business meetings or developing business contacts including negotiations; for the sale of services and/or similar activities, including those to prepare for establishing a commercial presence in Pakistan. Stay 30 days to 180 days</b></p> <p>b) <b>Service Sales Persons are: Installers, repairers and maintenance personnel and supervisors possessing specialized knowledge essential to a seller's contractual obligation, performing services or training workers to perform services, pursuant to a warranty or other service contract incidental to lease of commercial or industrial equipment or machinery, including computer software, purchased from an entity located outside the territory of Pakistan, during the life, the warranty or service agreement of the same. Stay 30 days to one year</b></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><b>C. Professionals are:</b>            Natural persons who seek to engage, as part of a services contract granted by a juridical entity engaged in substantive business in Pakistan, in an activity at a professional level included in the specific commitments of Pakistan. Stay 30 days to one year</p> <p><b>D. Independent Professionals are natural persons, who meet the necessary educational requirements and/or alternative credentials of that profession in Pakistan; whose visit has been sponsored by a juridical person in Pakistan for temporary stay for imparting training. Stay 30 days to one year</b></p> <p><b>E. Other skills:</b>            Natural persons having skills inter alia in information technology, construction engineering, tourism, educational services, health related services, selected sporting services; who enter for temporary stay to impart training. Stay 30 days to one year, subject to labour market test</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
<b>II. SECTOR SPECIFIC COMMITMENTS</b>			
<p>1. BUSINESS SERVICES</p> <p>A. Professional services</p> <p>a) Legal Services ** (CPC 861)</p> <p>[Excluding representation/pleading]</p>	<p>1) Unbound</p> <p>2) None</p> <p>3) ENT based on inquiry to gauge if direct or indirect govt. subsidy being provided*</p> <p>4) Unbound, except as indicated in the horizontal commitments</p>	<p>1) Unbound</p> <p>2) None</p> <p>3) a) Residency required for non Pakistani Nationals under the legal practioners and Bar Councils Act 1973 and its Rules and any other relevant law for the time being in force</p> <p>b) Subject to fulfilment of all requirements and conditions applicable only to foreign investors/juridical entities</p> <p>4) Unbound except as indicated in the horizontal commitments</p> <p>1,2,3,4 ) Subsidies unbound</p>	

\* (This is to ensure a level playing field for competition between local ventures/ SMEs and foreign ventures. The issue of disciplines on subsidies remains to be determined in the context of negotiations under Article XV of the GATS)

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>b) <b>Accounting and Book keeping Services (Part CPC 862)** excluding auditing services</b></p> <ul style="list-style-type: none"> <li>- <b>86212 Accounting Review Services</b></li> <li>- <b>86213 Compilation of Financial Statements Services</b></li> <li>- <b>86219 Other Accounting Services</b></li> <li>- <b>8622 Book-keeping services except tax returns</b></li> </ul>	<ol style="list-style-type: none"> <li>1) <b>Unbound</b></li> <li>2) <b>None</b></li> <li>3) <b>a) Foreign equity not to exceed 51 percent</b>  <b>b) None except that service must be supplied by a natural person or by a registered firm having local partners in majority or in case of a company, 70% holding of Pakistani Nationals</b></li> <li>c) <b>ENT based on inquiry to gauge if direct or indirect govt. subsidy being provided</b></li> <li>4) <b>Unbound, except as indicated in the horizontal commitments</b></li> </ol>	<ol style="list-style-type: none"> <li>1) <b>Unbound</b></li> <li>2) <b>None</b></li> <li>3) <b>a) Residency requirement for natural persons as prescribed by the ACCA (the Association of Chartered Certified Accountants) and any other relevant law for the time being in force</b></li> <li>4) <b>Unbound except as indicated in the horizontal commitments</b></li> </ol> <p>1, 2, 3, 4) unbound for subsidies</p>	
<p>d) <b>Architectural Services (CPC 8671)</b></p>	<ol style="list-style-type: none"> <li>1) <b>Unbound</b></li> <li>2) <b>None</b></li> <li>3) <b>a) Foreign equity shall not exceed 51%</b>  <b>b) Service shall be supplied by a natural person or by a registered firm having local partners in majority or in case of a company, 70% holding of Pakistani Nationals</b></li> <li>c) <b>ENT based on inquiry to gauge if direct or indirect govt. subsidy being provided</b></li> <li>4) <b>Unbound, except as indicated in the horizontal commitments</b></li> </ol>	<ol style="list-style-type: none"> <li>1) <b>Unbound</b></li> <li>2) <b>None</b></li> <li>3) <b>Subject to fulfilment of all requirements and conditions applicable only to foreign investors/juridical entities</b></li> <li>4) <b>Unbound except as indicated in the Horizontal commitments</b></li> </ol> <p>4) <b>Unbound except as provided in the horizontal section.</b></p> <p>1,2,3,4) unbound for subsidies.</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
e) Engineering services for building infrastructures: harbours, dams, hydel power, and airports, only (CPC No. 8672)	1) Unbound 2) <del>Unbound*</del> <b>None</b> 3) (i) Maximum of <del>40</del> <b>fifty one</b> per cent foreign shareholding in engineering consultancy companies; (ii) Subject to partnership and/or joint venture with Pakistani engineers or engineering companies. 4) Unbound except as indicated <i>in the</i> <del>under horizontal measures</del> <b>commitments</b>	1) Unbound 2) <del>Unbound*</del> <b>None</b> 3) None 4) Unbound	
f) Integrated engineering services (CPC No. 8673)	1) Unbound 2) Unbound* 3) (i) Maximum of <del>40</del> <b>fifty one percent</b> foreign shareholding in engineering consultancy companies; <b>other than those registered with the securities and exchange commission of Pakistan</b> (ii) Subject to partnership and/or joint venture with Pakistani engineers or engineering companies. ; <b>other than those registered with the securities and exchange commission of Pakistan</b> 4) Unbound except as indicated <i>in the</i> <del>under horizontal measures</del> <b>commitments</b>	1) Unbound 2) Unbound* 3) None 4) <b>Unbound, except as indicated in the horizontal commitments</b>	
h) <i>Medical and dental services (CPC No 9312)</i>	1) <i>Unbound</i> 2) <i>None</i> 3) (a) <i>As in measures applicable to all sectors</i> (b) <i>Subject to Pakistan Medical and Dental Council Regulations</i> 4) <i>Unbound except as indicated under horizontal measures.</i> <b>commitments</b>	1) <i>Unbound</i> 2) <i>None</i> 3) <i>None</i> 4) <i>Unbound except as indicated under horizontal measures</i> <b>commitments</b>	

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>i) <b>Veterinary Services (CPC 9320)</b></p> <p>The offer does not include services provided by public institutions whether owned and operated by federal, provincial, district, Tehsil or municipal Authorities</p>	<p>1) <b>Unbound</b>                  2) <b>None</b>                  3) a) <b>Market Access subject to transparent ENT</b>                  b) <b>ENT based on inquiry to gauge if direct or indirect govt. subsidy being provided</b>                  4) <b>Unbound, except as indicated in the horizontal commitments</b></p>	<p>1) <b>Unbound</b>                  2) <b>None</b>                  3) a) <b>Residency requirement essential for natural persons.</b>                  b) <b>Subject to fulfilment of all requirements and conditions applicable only to foreign investors/juridical entities</b>                  4) <b>Unbound except as indicated in the horizontal commitments</b></p> <p><b>1,2,3,4) Subsidies unbound</b></p>	
<p>(j) <b>Services provided by midwives, nurses, physiotherapists, and Para-medical personnel (CPC 93191)</b></p> <p>The offer does not include services provided by public institutions whether owned and operated by federal, provincial, district, Tehsil or municipal Authorities</p>	<p>1) <b>Unbound</b>                  2) <b>None</b>                  3) <b>None</b>                  4) <b>Unbound except as under horizontal commitments</b></p>	<p>1) <b>Unbound</b>                  2) <b>None</b>                  3) <b>Subject to fulfilment of all requirements and conditions applicable only to foreign entities</b>                  4) <b>Unbound except that qualifications for foreign service suppliers will be set by the Pakistan Nursing Council and any other relevant law for the time being in force</b></p>	
<p>B. <u>Computer and Related Services</u></p> <p>Consultancy services related to the installation of computer hardware (CPC 841)</p>	<p>1) <del>Unbound</del> <b>None</b>                  2) <del>Unbound</del> <b>None</b>                  3) <b>None</b>                  4) <b>Unbound except as indicated in the under horizontal measures commitments</b></p>	<p>1) <del>Unbound</del> <b>None</b>                  2) <del>Unbound</del> <b>None</b>                  3) <b>None</b>                  4) <b>Unbound except as indicated in the under horizontal measures commitments</b></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
Software implementation services (CPC 842)	<ol style="list-style-type: none"> <li>1) <del>Unbound</del> <b>None</b></li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated <i>in the</i> <del>under horizontal measures</del> <b>commitments</b></li> </ol>	<ol style="list-style-type: none"> <li>1) <del>Unbound</del> <b>None</b></li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated <i>in the</i> <del>under horizontal measures</del> <b>commitments</b></li> </ol>	
Data processing services (CPC 843)	<ol style="list-style-type: none"> <li>1) <del>Unbound</del> <b>None</b></li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated <i>in the</i> <del>under horizontal measures</del> <b>commitments</b></li> </ol>	<ol style="list-style-type: none"> <li>1) <del>Unbound</del> <b>None</b></li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated <i>in the</i> <del>under horizontal measures</del> <b>commitments</b></li> </ol>	
Data base services (CPC 844)	<ol style="list-style-type: none"> <li>1) <del>Unbound</del> <b>None</b></li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated <i>in the</i> <del>under horizontal measures</del> <b>commitments</b></li> </ol>	<ol style="list-style-type: none"> <li>1) <del>Unbound</del> <b>None</b></li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated <i>in the</i> <del>under horizontal measures</del> <b>commitments</b></li> </ol>	
<p><b><u>C) R&amp;D services</u></b></p> <p>a) R&amp;D Services on natural Sciences (CPC 851)</p>	<ol style="list-style-type: none"> <li>1) <del>Unbound</del> <b>None</b></li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated <i>in the</i> <del>under horizontal measures</del> <b>commitments</b></li> </ol>	<ol style="list-style-type: none"> <li>1) <del>Unbound</del> <b>None</b></li> <li>2) None</li> <li>3) <del>None</del> <b>None</b></li> <li>4) Unbound except as indicated <i>in the</i> <del>under horizontal measures</del> <b>commitments</b></li> </ol>	
<p>b) <b>R&amp; D services on social sciences and humanities.</b> (CPC 852)</p>	<ol style="list-style-type: none"> <li>1) <b>None</b></li> <li>2) <b>None</b></li> <li>3) <b>None</b></li> <li>4) <b>Unbound except as indicated in the horizontal commitments</b></li> </ol>	<ol style="list-style-type: none"> <li>1) <b>None</b></li> <li>2) <b>None</b></li> <li>3) <b>Minimum foreign investment shall be US \$ 0.15 million</b></li> <li>4) <b>Unbound except as indicated in the horizontal commitments</b></li> </ol> <p><b>1,2,3,4) Subsidies unbound</b></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
c) <b>Inter disciplinary R&amp;D Services (CPC 853)</b>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the horizontal commitments</li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) Minimum foreign investment shall be US \$ 0.15 million</li> <li>4) Unbound except as indicated in the horizontal commitments</li> </ol> <p>1,2,3,4) Subsidies unbound</p>	
E. <b>Rental/Leasing Services without operators. Relating to other transport equipment (CPC 83101)</b>	<ol style="list-style-type: none"> <li>1) Unbound</li> <li>2) Unbound</li> <li>3) Foreign share in equity not to exceed 51 percent</li> <li>4) Unbound except as indicated in the horizontal commitments</li> </ol>	<ol style="list-style-type: none"> <li>1) Unbound</li> <li>2) Unbound</li> <li>3) Minimum investment US \$ 0.3 million</li> <li>4) Unbound except as indicated in the horizontal commitments</li> </ol> <p>1,2,3,4) Subsidies unbound</p>	
F. <u>Other business Services</u> e) Technical testing and analysis services (CPC 8676)	<ol style="list-style-type: none"> <li>1) <del>Unbound</del>* None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated under horizontal measures</li> </ol>	<ol style="list-style-type: none"> <li>1) <del>Unbound</del>* None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated under horizontal measures</li> </ol>	
f) Services incidental to agriculture and forestry (excluding fishing and hunting) (CPC 881+882)	<ol style="list-style-type: none"> <li>1) Unbound</li> <li>2) Unbound*</li> <li>3) None</li> <li>4) Unbound except as indicated under horizontal measures</li> </ol>	<ol style="list-style-type: none"> <li>1) Unbound</li> <li>2) Unbound*</li> <li>3) None</li> <li>4) Unbound except as indicated under horizontal measures</li> </ol>	

\* Unbound due to lack of technical feasibility.

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
h) Services incidental to mining (CPC 883+5115)	1) Unbound 2) Unbound* 3) None 4) Unbound except as indicated under horizontal measures.	1) Unbound 2) Unbound* 3) None 4) Unbound except as indicated under horizontal measures.	
(r) Printing, Publishing (CPC 88442)	1) None 2) None 3) ENT based on inquiry to gauge if direct or indirect govt. subsidy being provided 4) Unbound except as indicated in the horizontal commitments	1) None 2) None 3) Subject to fulfilment of all requirements and conditions applicable only to foreign entities 4) Unbound except as indicated in the horizontal commitments  1, 2, 3, 4) Subsidies Unbound	
(t) Agricultural Storage Facilities Services (Others)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal commitments	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal commitments.  1, 2, 3,4) Subsidies unbound	
t) Range Land Services (Others)	1) Unbound 2) None 3) Unbound 4) Unbound except as indicated in the horizontal commitments	1) Unbound 2) None 3) Unbound 4) Unbound except as indicated in the horizontal commitments  1,2,3,4) Subsidies unbound	

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><b>2. COMMUNICATION SERVICES</b></p> <p><b>B. Courier Services (CPC 7512)**</b></p> <p>(75121 multimodal courier services)</p> <p>(The offer does not include services provided by public institutions whether federal or provincial)</p>	<p>1) None</p> <p>2) None</p> <p>3) ENT based on inquiry to gauge if direct or indirect govt. subsidy being provided.</p> <p>4) Unbound except as provided in horizontal commitments</p>	<p>1) None</p> <p>2) None</p> <p>3) Subject to fulfilment of all requirements and conditions applicable only to foreign entities</p> <p>4) Unbound except as provided in horizontal commitments</p> <p>1,2,3,4) Subsidies unbound</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>2. <del>COMMUNICATION SERVICES</del></p> <p>C. Telecommunications services</p> <p><u>General conditions of this schedule: This offer is subject to the following general conditions:</u></p> <ul style="list-style-type: none"> <li>- <del>Policy, regulatory and operation functions are separate and compliance is necessary.</del></li> <li>- <del>All services to be provided in Pakistan shall require a licence from the Regulatory authority established under the law.</del></li> <li>- Operators and Service providers may be granted licence in accordance with the local legislation.</li> <li>- The number of operators, service providers and licensees may be limited due to technical constraints.</li> <li>- The confidentiality of International Total Accounting Rate (TAR) shall be maintained.</li> <li>- The bilateral agreements on accounting rates shall be in accordance with ITU guidelines.</li> <li>- Up to 100% foreign investment on licensed services may be permitted.</li> <li>- This schedule on basic telecommunications does not include any broadcasting services.<sup>1</sup></li> </ul>			

<sup>1</sup> Broadcasting service is defined as a radiocommunication service in which the transmissions are intended for direct reception by the general public. This service may include sound transmission, television transmissions or other types of transmissions. In Pakistan Telecom Law, like many other countries, broadcasting is not part of basic telecommunication services.

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>Local, domestic long distance and international services, for public:</p> <p>a) Voice telephone services (CPC 7521)</p>	<p>Until 2003, no bypass<sup>2</sup> of PTCL network and PTCL shall have exclusivity.</p> <p>None as of 1.1.2004.</p> <p>1) <b>None</b> All telecommunication services shall be provided by licensed operators subject to the exclusivity period of 7 years for basic telephony services under the law in favour of PTCL. This exclusivity shall expire by the year 2003. None as of 1.1.2004.</p> <p>2) Alternative practices such as call back are not allowed. Country direct card service can only be permitted by mutual agreement with the licensed operator.</p> <p><del>3) None Unbound</del></p> <p><b>3) None</b></p> <p>4) Unbound except as indicated in horizontal <del>section</del> <b>commitments</b></p>	<p>1) <del>Unbound</del> <b>None</b></p> <p>2) <del>Unbound</del> <b>None</b></p> <p>3) <del>Unbound</del> <b>None</b></p> <p>4) Unbound except as indicated in horizontal <del>section</del> <b>commitments</b></p>	<p>Pakistan endorses the reference paper as attached in the schedule with minor alteration that cost oriented interconnection rates shall be implemented by year 2008.</p> <p><del>About 12 per cent stake of the Pakistan Telecommunication Corporation (PTC), the sole operator for all basic Telecommunication Services was sold to the national and international buyers in 1994-95 through two different offers of PTC vouchers in national and international financial markets--</del></p> <p><del>The offers were many times over subscribed. The Corporation has been, inter alia, converted into a limited company namely Pakistan Telecommunication Company Ltd (PTCL) with effect from 1 January, 1996 through the promulgation of a law. Bond with US\$ 150 million have been floated with an option to convert them into PTCL shares.</del></p>

<sup>2</sup> The GMPCCS/Satellite operators shall be reputed to pass traffic via Pakistan PSTN through transit and Gateway exchanges, specially in case of overseas communication from Pakistan. Any operation contrary to this shall be termed as 'bypass'.

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>(b) Packet-switched data, E-mail, Internet and Intranet services <b>(CPC 7523)</b></p> <p>(c) Circuit-switched data transmission services <b>(CPC 7523)</b></p>	<p>1) <del>Until 2003, except for domestic VSAT, only through network facilities of PTCL. The regulatory authority to grant licences and authorizations to private companies for operation of data, E-mail, Internet and Intranet services in addition to the licences already granted.</del></p> <p><del>2) None</del></p> <p>1) <b>None</b></p> <p>2) <b>None</b></p> <p>3) <del>Subject to technical constraints, the regulatory authority to grant licences and authorizations to private companies for operation of domestic VSAT, data, E-mail, Internet &amp; Intranet services in addition to the licences already granted.</del></p> <p>3) <b>None</b></p> <p>4) Unbound except as indicated in <i>the horizontal section commitments</i></p>	<p>1) <del>Unbound None</del></p> <p>2) None</p> <p>1) None except for technical constraints</p> <p>4) Unbound except as indicated in <i>the horizontal section commitments</i></p>	<p>Privatization of PTCL is on the anvil. The management of the Company shall be transferred to the selected strategic operator. Exclusive licence for operation of basic telephony services for a period of 7 years granted to the PCTL.</p> <p>The Pakistan Telecommunications (Re-organisation) Law has been passed as an Act of Parliament in October 1996. An independent Regulatory Authority and a Frequency Allocation Board have been established. Chairman, members and other essential staff of these bodies is already in place. The Authority and Board are already functional. To support effective regulation and spectrum management GOP is undertaking of PTA &amp; FAB.</p>
<p>(d) VSAT for domestic data services <b>(CPC 7523)</b></p>	<p>1) The regulatory authority to grant licences and authorizations to private companies for operation of VSAT for domestic data, E-mail, Internet and Intranet services in addition to the licences already granted</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in <i>the horizontal section commitments</i></p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in <i>the horizontal section commitments</i></p>	<p>The Pakistan Telecommunication Authority established under the law as an independent body is responsible to: Regulate telecommunication services. Grant and renew licences. Promote and protect the interests of consumers</p>
<p>(e) Telex services <b>(CPC 7523)</b></p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in <i>horizontal section commitments</i></p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in <i>horizontal section commitments</i></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
(f) Telegraph services (CPC 7522)	<ol style="list-style-type: none"> <li>1) <del>The regulatory authority shall grant licences and authorizations to private companies for operation of Telegraph services using PTCL infrastructure until 2003. None.</del></li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in <i>the horizontal section commitments</i></li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in <i>the horizontal section commitments</i></li> </ol>	<del>Prescribe standards Determine terms of interconnection agreements. Investigate and adjudicate on complaints. Enforcement on valuation International traffic and accounting settlements. Issue regulations. Receive applications for frequency allocation.</del>
(g) Facsimile services (CPC 7521+7529)	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in <i>the horizontal section commitments</i></li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in <i>the horizontal section commitments</i></li> </ol>	
(h) Private leased circuit services (7522+7523)	<ol style="list-style-type: none"> <li>1) <del>Pakistan Telecommunication Company Limited except for domestic VSAT, is the exclusive service provider for seven years. This exclusivity shall expire by the year 2003. None</del> <del>None as of 1.1.2004.</del></li> <li>2) None</li> <li>3) <del>Pakistan Telecommunication Company Limited except for domestic VSAT, is the exclusive service provider for seven years. This exclusivity shall expire by the year 2003. None</del></li> <li>4) Unbound except as indicated in <i>the horizontal section commitments</i></li> </ol>	<ol style="list-style-type: none"> <li>1) <del>Unbound None</del></li> <li>2) None.</li> <li>3) <del>Unbound None</del></li> <li>4) Unbound except as indicated in <i>the horizontal section commitments</i></li> </ol>	<del>The frequency allocation Board established under the law is responsible to allocate and assign frequency spectrum for telecommunication, broadcasting public and private wireless services and classify radio telecommunication services. Appeals against the decisions of the Authority may be filed in the High Court Following services have been licensed to the private operators and further licensing could be possible:</del>

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
(n) On-line information and/or data processing (CPC 843**)	<ol style="list-style-type: none"> <li>1) Unbound</li> <li>2) Unbound</li> <li>3) (a) As in horizontal section. (b) Subject to use of Pakistan Telecommunication Corporation network</li> <li>4) Unbound except as indicated in the horizontal commitments</li> </ol>	<ol style="list-style-type: none"> <li>1) Unbound</li> <li>2) Unbound</li> <li>3) None</li> <li>4) Unbound except as indicated in the horizontal commitments</li> </ol>	
(j) On-line information and data base retrieval (CPC 7523)	<ol style="list-style-type: none"> <li>1) None</li> <li>2) Unbound</li> <li>3) (a) As in measures applicable to all sectors (b) Subject to use of Pakistan Telecommunication Corporation network</li> <li>4) Unbound except as indicated <del>under in</del> <i>the horizontal measures commitments</i></li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) Unbound</li> <li>3) None</li> <li>4) Unbound except as indicated <del>under in the</del> <i>horizontal measures commitments</i></li> </ol>	
(o) Trunked radio service <u>(Others)</u>	<ol style="list-style-type: none"> <li>1) <del>The regulatory authority to grant licences and authorizations to private companies for operation of Trunked Radio service in addition to the licences already granted using PTCL network until 2003. None</del></li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the horizontal <del>section</del> <i>commitments</i></li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in <i>the horizontal section commitments</i></li> </ol>	<p>Regulatory Authority shall grant licences on competitive basis as per telecom law and regulations.</p> <p>Regulatory Authority may grant licences for satellite based services on following conditions:</p> <ol style="list-style-type: none"> <li>(a) Frequency clearance by Board</li> <li>(b) Security and sovereignty regulations</li> <li>(c) Availability of ITUT/R standards</li> <li>(d) resolution of cross-border communication issues and</li> <li>(e) resolution of Customs procedures</li> </ol>

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
(i) Video conferencing telemedicine and tele-education terminal end services <b>(others)</b>	<del>1) The regulatory authority shall grant licences and authorizations to private companies for operation of video-conferencing, tele-education and telemedicine services, using PTCL network until seven years. <b>None</b></del> 2) None 3) None 4) Unbound except as indicated in <i>the</i> horizontal section <i>commitments</i>	1) None 2) None 3) None 4) Unbound except as indicated in <i>the</i> horizontal section <i>commitments</i>	<del>Cellular Mobile telephone services. Card pay phones services. Paging Data network operation. Voice Mail Service. Audio Tex Service. Trunk Radio service. Electronic Mail and internet services. Use of domestic satellites for provision of telecom services. Manufacture of telex, fax, all PABXs/Digital exchanges and modems</del>
(o) <u>Mobile Communication Services</u> <b>(Others)</b>	1) <b>None subject to technical constraints of availability of frequency</b> 2) <b>None</b> 3) <b>None</b> 4) <b>Unbound except as indicated in the horizontal commitments</b>	1) <b>None</b> 2) <b>None</b> 3) <b>None</b> 4) <b>Unbound except as indicated in the horizontal commitments</b>	
(k) Satellite based telephony services including value added services operating over satellite <b>(others)</b>	<del>1) Maintaining PTCL exclusivity for seven years on basic and international telephony services and safeguarding PSTN bypass licences shall be granted <b>None</b></del> 2) None 3) None 4) Unbound except as indicated in <i>the</i> horizontal section <i>commitments</i>	1) None 2) None 3) None except for technical, sovereignty, security constraints and safeguarding PSTN bypass 4) Unbound except as indicated in <i>the</i> horizontal section <i>commitments</i>	

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>3. CONSTRUCTION AND RELATED ENGINEERING SERVICES</p> <p>B. Construction Work for Civil Engineering for bridges, elevated highways, tunnels and subways (CPC 5132)</p> <p>Construction Work for Civil Engineering for waterways, harbours, dams and other waterworks (CPC 5133)</p>	<p>1) <del>None Unbound*</del></p> <p>2) <del>None Unbound*</del></p> <p>3) (i) As in measures applicable to <del>horizontal commitments all sectors;</del> (ii) Subject to partnership and/or joint venture with Pakistani engineers or engineering companies.</p> <p>4) Unbound except as indicated under horizontal <del>measures</del> <b>commitments</b></p> <p>1) <del>None Unbound*</del></p> <p>2) <del>None Unbound*</del></p> <p>3) i) As in measures applicable to <del>horizontal commitments all sectors;</del> (ii) Subject to partnership and/or joint venture with Pakistani engineers or engineering companies.</p> <p>4) Unbound except as indicated <b>in the</b> <del>under-horizontal measures</del> <b>commitments</b></p>	<p>1) <del>None Unbound*</del></p> <p>2) <del>None Unbound*</del></p> <p>3) None</p> <p>4) Unbound</p> <p>1) <del>None Unbound*</del></p> <p>2) <del>None Unbound*</del></p> <p>3) None</p> <p>4) Unbound</p>	

\* Unbound due to lack of technical feasibility.

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><b>4. <u>DISTRIBUTION SERVICES</u></b></p> <p><b>B. <u>Wholesale Trade Services** (CPC 622)</u></b></p> <p>Excluding Commission agents' services (CPC 62226 [except beers, wines, liquors, alcoholic beverages, etc], 62242, 62247, 62263, 62264, 62281)</p> <p><b>C. <u>Retailing Services</u></b> (CPC 631, 632, 6111, 6113, 6121)</p> <p><b>D. <u>Franchising</u> (CPC 8929)</b></p>	<p>1) Unbound 2) None 3) a) Subject to Economic Needs Test. Criteria include need assessment of proposed locality being catered to by supplier b) Foreign equity limited to 51 percent 4) Unbound except as indicated under horizontal commitments</p> <p>1) Unbound 2) None 3) a) Subject to economic needs test. ENT criteria include density of supermarkets determined on the basis of population in urban areas b) Foreign equity limited to 51 percent. 4) Unbound except as indicated in the horizontal commitments</p> <p>1) Unbound 2) None 3) Subject to Economic needs test (ENT) based on density of establishments 4) Unbound except as indicated in the horizontal commitments</p>	<p>1) Unbound 2) None 3) None 4) Unbound except as indicated in the horizontal commitments</p> <p>1) Unbound 2) None 3) None 4) Unbound except as indicated in the horizontal commitments</p> <p>1) Unbound 2) None 3) None 4) Unbound except as indicated in the horizontal commitments</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><b>5. <u>EDUCATIONAL SERVICES</u></b></p> <p><b>C. <u>Higher Education Services</u> (CPC 923)</b></p> <p>excludes public funded institutions</p> <p><b>D. <u>Adult Education</u> (CPC 924)</b></p> <p><b>E. <u>Other Education Services</u> (CPC 929)</b></p>	<p>1) None 2) None 3) None 4) Unbound except as indicated in the horizontal commitments</p> <p>1) None 2) None 3) None 4) Unbound except as indicated in the horizontal commitments</p> <p>1) None 2) None 3) None 4) Unbound except as indicated in the horizontal commitments</p>	<p>1) None 2) None 3) None 4) Unbound except as indicated in the horizontal commitments</p> <p>1,2,3,4) subsidies unbound</p> <p>1) None 2) None 3) None 4) Unbound except as indicated in the horizontal commitments</p> <p>1,2,3,4) subsidies unbound</p> <p>1) None 2) None 3) None 4) Unbound except as indicated in the horizontal commitments</p> <p>1,2,3,4) subsidies unbound</p>	
<p><b>6. <u>ENVIRONMENTAL SERVICES</u></b></p> <p><b>B. <u>Refuse disposal services</u> (CPC 9402)</b></p> <p>Does not include public works functions owned and operated by federal, provincial, district, tehsil level government or municipalities or contracted out by them</p>	<p>1) Unbound 2) Unbound 3) (a) Foreign Equity not to exceed 51% (b) ENT based on inquiry to gauge if direct or indirect govt. subsidy being provided 4) Unbound except as indicated in the horizontal commitments</p>	<p>1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in the horizontal commitments</p> <p>1,2,3,4) subsidies unbound</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><b>C. <u>Sanitation and similar services (CPC 9403)</u></b></p> <p><b>Does not include public works functions owned and operated by federal, provincial, district, tehsil level government or municipalities or contracted out by them</b></p>	<p>1) Unbound                  2) Unbound                  3) i) Foreign Equity not to exceed 51%                      ii) ENT based on inquiry to gauge if direct or indirect govt. subsidy being provided                  4) Unbound except as indicated in the horizontal commitments</p>	<p>1) Unbound                  2) Unbound                  3) None                    4) Unbound except as indicated in the horizontal commitments                    1,2,3,4) Unbound for subsidies</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>7. FINANCIAL SERVICES</p> <p><del>Pakistan undertakes the Commitments on Financial Services in terms of the provisions of Part III of the Agreement. These commitments are based on the understanding outlined in Article XIX of the Agreement, and are subject to the availability of similar commitments from large number of countries of significance to Pakistan. For these reasons, Pakistan does not consider itself to be prevented from adopting or enforcing non-discriminatory measures aiming at protecting the soundness and integrity of banking and insurance industry.</del></p>			
<p>A. <u>Insurance and Insurance-related Services</u></p> <p>Insurance</p> <p>- Life (CPC 8121)</p> <p>- Non-life</p>	<p>1) Unbound</p> <p>2) Unbound</p> <p>3) (a) Bound for the existing foreign insurance services providers as to their scope of operations and equity structure</p> <p>(b) Maximum of 25% of foreign shareholding in existing life insurance companies</p> <p>(c) Foreign equity in new life insurance companies permitted up to 51%</p> <p>4) Unbound except as indicated <i>in the under horizontal measures commitments</i></p> <p>1) Unbound</p> <p>2) Unbound</p> <p>3) Bound for the existing foreign insurance services providers as to their scope of operations and equity structure</p> <p>4) Unbound except as indicated <i>in the under horizontal measures commitments</i></p>	<p>1) Unbound</p> <p>2) Unbound</p> <p>3) Unbound</p> <p>4) Unbound except as indicated <i>in the under horizontal measures commitments</i></p> <p>1) Unbound</p> <p>2) Unbound</p> <p>3) Unbound</p> <p>4) Unbound except as indicated <i>in the under horizontal measures commitments</i></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>Reinsurance services Reinsurance services and retrocession (CPC 81299)</p> <p>B. <b><u>Banking and other Financial Services</u></b> (excl. insurance)</p>	<p>1) None 2) Unbound 3) Unbound 4) Unbound except as indicated under horizontal measures</p> <p>The commitments in Financial Services are given to the nationals and financial institutions of the Members whose laws and policies do not bar the provision of similar commitments to the Pakistani nationals and financial institutions</p>	<p>1) Unbound 2) Unbound 3) Unbound 4) Unbound except as indicated under horizontal measures</p> <p>Provisions of all banking and financial services in Pakistan are subject to the injunctions regarding Islamic banking as pronounced by the competent courts in Pakistan</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>I. Banking</p> <p>(a) Acceptance of deposits and other repayable funds from the public in Pakistan</p>	<p>1) Unbound            2) Unbound            3) <del>(i) Bound for the volume of deposits and other repayable funds mobilised by foreign banks in Pakistan as at the time of conclusion of the Negotiations on 12 December 1997.</del></p> <p>3) (i) <b>No limit on volume of deposits and other repayable funds mobilized by Foreign Banks subject to prudential regulations of the central bank</b></p> <p>(ii) (a) <b>The entry through Branch mode is allowed only to those foreign banks having tier one capital of US \$5 billion or more, net losses as per last published audited accounts, subject to fulfilment of other regulatory requirements, and to banks belonging to countries of regional bodies at governmental level e.g. ECO and SAARC etc</b></p> <p>(ii) Foreign banks (other than those already operating their branches in Pakistan as on 12 December 1997) permitted to accept deposits and other repayable funds from public by setting up locally incorporated limited companies with foreign equity ownership up to 49%.</p>	<p>1) Unbound            2) Unbound            3) <del>The shares held by foreign nationals and foreign financial institutions in their locally incorporated subsidiaries not transferable without the prior written approval of the Central Bank.</del></p> <p>3) <b>The shares held by locals and foreigners as sponsors' shares are transferable only if the incumbent meet the prescribed Fit &amp; Proper criteria/ requirements stipulated in guidelines for setting up commercial banks</b></p> <p>4) <b>Employment of foreign nationals in banks and financial institutions operating in Pakistan require compliance of prescribed Fit and Proper test for chief executive/country head and key executives applicable across the banking industry</b></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>(b) Licence to undertake commercial banking business required from the Central Bank. The Licence to foreign banks will be issued on the basis of same eligibility criteria as applicable to domestic commercial banks.</p> <p>(c) The minimum paid-up capital required to undertake banking business by foreign banks shall not be more than what is required by the domestic commercial banks, i.e. <b>US\$11.5 million. . PKR 2.0 billion (USD33.70 million at current rate of exchange)</b></p> <p><b>d) The existing foreign banks as well as those formed under (a) above will be allowed to open up to 25 branches as per their branch expansion plan approved by the central bank</b></p> <p><b>e) ATMs installed at non-branch premises not to be treated as a separate branch</b></p> <p><del>(iii) Bound for the number of branches of foreign banks operating in Pakistan as at the conclusion of the Negotiation on 12 December 1997. Change in the controlling shareholders of the foreign banks operating their branches in Pakistan may require new licence. Other foreign banks will be allowed up to three branches at the place of their choice. ATM's installed at the branch premises not treated as a separate branch.</del></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>(b) Lending of all types including consumer credit, mortgage, factoring, credit and financing commercial transaction</p>	<p><del>(iv)</del>(iii) Prior permission in writing of the Central Bank is required by any person for holding beneficial ownership of 5% or more of the paid-up capital of any bank/financial institution</p> <p><del>(v)</del> (iv) Representation of foreign nationals on the Board of Directors allowed in proportion to their share holding</p> <p>4) <del>Unbound</del> <b>Employment of foreign nationals in banks and financial institutions operating in Pakistan require compliance of prescribed Fit and Proper test for chief executive/country head and key executives applicable across the banking industry</b></p> <p>1) Unbound 2) Unbound 3) <del>(i) Bound for the total volume of foreign banks' assets in Pakistan at the time of the conclusion of the Negotiations on 12 December 1997.</del></p> <p><b>In addition to the limitations described under sub sector (a) for market access:</b> <b>(i) Lending of all types allowed by local and foreign banks subject to applicable laws and prudential measures issued from to time</b></p>	<p>4) Unbound</p> <p>1) Unbound 2) Unbound 3) <del>Lending by banks to companies controlled by non-residents is subject to the borrowing entitlements of the foreign companies as determined by foreign exchange rules applicable from time to time</del></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>(e) (d) All payment and money transmission services including traveller cheques and banker's draft(excluding credit, charge and debit cards) (CPC 81339) **</p>	<p>(ii) Investments in shares of existing domestic banks permitted to foreign nationals/foreign financial institutions for trading purposes. Acquisition of management control of existing public sector banks considered on case-by-case basis under specific Sale-Purchase Agreements to be approved by the Central Bank.</p> <p>4) Unbound except as indicated under horizontal <del>measures</del> <i>commitments</i></p> <p>Employment of foreign nationals in banks and financial institutions operating in Pakistan requires prior clearance of the Central Bank.</p> <p>1) Unbound 2) Unbound <del>3) Foreign banks branches operating in Pakistan at the conclusion of the Negotiation on 12 December 1997 and banks incorporated in Pakistan permitted to undertake all payment and money transmission services.</del></p> <p>3) <b>Transmission of permissible funds, including foreign currency, can be effected through banks having authorized dealers' license and through exchange companies set up with the permission of SBP, subject to applicable foreign exchange rules and regulations</b></p> <p>4) Unbound except as indicated under horizontal <del>measures</del> <i>commitments</i></p>	<p>3) <b>None except that the lending by banks in foreign currency is subject to foreign exchange rules and regulations applicable from time to time</b></p> <p><del>4) Unbound except as indicated under horizontal measures</del></p> <p>4) <b>Employment of foreign nationals in banks and financial institutions operating in Pakistan require compliance of prescribed Fit and Proper test for chief executive/country head and key executives applicable across the banking industry</b></p> <p>1) Unbound 2) Unbound <del>3) Unbound</del></p> <p>3) <b>The transmission of money would be subject to Foreign Exchange regulations and instructions under FER issued from time to time for both local and foreign financial institution providing the money transmission service</b></p> <p>4) Unbound except as indicated under horizontal <del>measures</del> <i>commitments</i></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>(f) (g) Participation in issues of all kinds of securities including only public underwriting and placement as agent and provision of services related to such issues <b>(CPC 8132)</b></p>	<p>1) Unbound 2) Unbound 3) Branches of foreign banks in operation as on 12 December 1997 and banks (including investment banks) incorporated in Pakistan permitted to arrange and participate in any public issue and underwriting of securities up to 30% of the total paid-up capital of the issuer or 30% of their respective paid-up capital whichever is less.</p> <p>All investments in shares made as a consequence of underwriting commitments must be reported forthwith to the Central Bank, and is required to be disinvested within 30 days of the investments as approved by the Central Bank.</p> <p>4) Unbound except as indicated under horizontal <del>measures</del> <b>commitments</b></p>	<p>1) Unbound 2) Unbound 3) Unbound</p> <p>4) Unbound except as indicated under horizontal <del>measures</del> <b>commitments</b></p>	
<p>(e) (j) Settlement and clearing services for negotiable instruments (cheques, bills and promissory notes only) <b>(CPC 81339)</b></p>	<p>1) Unbound 2) Unbound 3) All commercial banks are required to be members of the clearing system operated/approved by Central Bank to effect interbank settlements. 4) Unbound except as indicated under horizontal <del>measures</del> <b>commitments</b></p>	<p>1) Unbound 2) Unbound 3) Unbound</p> <p>4) Unbound except as indicated under horizontal <del>measures</del> <b>commitments</b></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>III. Asset Management: the following only:</p> <p>(a) Cash or portfolio management;</p> <p>(b) All forms of collective investment management; and</p> <p>(c) Custodial and depository services. <b>(CPC 81323*)</b></p>	<p>1) Unbound</p> <p>2) Unbound</p> <p>3) <del>(i) Entities licensed by the Central Bank and banks incorporated in Pakistan can undertake portfolio management services through their locally incorporated subsidiaries set up for the purpose with shareholding in such subsidiaries up to 51%.</del></p> <p>i) <b>Financial institutions licensed and/or regulated by the Central Bank and banks incorporated in Pakistan can undertake portfolio management services through their locally incorporated subsidiaries set up for the purpose, subject to the rules and regulations prescribed by the central bank</b></p>	<p>1) Unbound</p> <p>2) Unbound</p> <p>3) None</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>IV. Financial and investment advisory services <b>(CPC 8133)</b></p>	<p>(ii) Management of foreign currency assets will be governed by the foreign exchange regulations applicable from time to time.</p> <p>4) Unbound except as indicated under horizontal <del>measures</del> <b>commitments</b></p> <p>1) Unbound 2) Unbound 3) <del>Banks incorporated in Pakistan will be permitted to undertake financial and advisory services through subsidiary companies set up for this purpose with shareholding up to 100% provided that transactions undertaken/services provided by such subsidiaries do not create any financial obligations whether contingent or otherwise on the balance sheet of the holding company or otherwise.</del> 3) <b>Financial Institutions licensed and/or regulated by State Bank of Pakistan including branches of foreign banks are permitted to undertake financial and investment advisory services through subsidiary companies set up for this purpose subject to the rules and regulations prescribed by the central bank</b></p> <p>4) Unbound</p>	<p>4) Unbound except as indicated under horizontal <del>measures</del> <b>commitments</b></p> <p>1) Unbound 2) Unbound 3) None</p> <p>4) Unbound except as indicated under horizontal <del>measures</del> <b>commitments</b></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>V. Provision and transfer of financial information and financial data</p> <p>8. <u>HEALTH AND RELATED SOCIAL SERVICES</u></p> <p>A. <u>Hospital services</u> (CPC 9311)</p> <p><i>Medical and dental services</i> (CPC 9312)</p>	<p>1) Unbound, except for the provision of publicly available data and financial information on corporate entities by institutional providers having commercial presence in Pakistan.</p> <p>2) Unbound</p> <p>3) Unbound</p> <p>4) Unbound except as indicated under horizontal <del>measures</del> <b>commitments</b></p> <p>1) Unbound*</p> <p>2) None</p> <p>3) <del>(a) As in measures applicable to all sectors</del> <del>(b) Subject to Pakistan Medical and Dental Council Regulations. None</del></p> <p>4) Unbound except as indicated under horizontal <del>measures</del> <b>commitments</b></p> <p><del>1) Unbound*</del></p> <p><del>2) None</del></p> <p><del>3) (a) As in measures applicable to all sectors</del> <del>(b) Subject to Pakistan Medical and Dental Council Regulations. None</del></p> <p><del>4) Unbound except as indicated in the under horizontal measures commitments</del></p>	<p>1) Unbound</p> <p>2) Unbound</p> <p>3) Unbound</p> <p>4) Unbound except as indicated under horizontal <del>measures</del> <b>commitments</b></p> <p>1) Unbound*</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated under horizontal <del>measures</del> <b>commitments</b></p> <p><del>1) Unbound*</del></p> <p><del>2) None</del></p> <p><del>3) None</del></p> <p><del>4) Unbound except as indicated in the under horizontal measures commitments</del></p>	

\* Unbound due to lack of technical feasibility.

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>9. <u>TOURISM AND TRAVEL RELATED SERVICES</u></p> <p>A. <u>Hotels and restaurants</u> (including catering) (CPC 614-643)</p> <p>B. <u>Travel agencies and tour operator services</u> (CPC 7471)</p>	<p>1) <del>Unbound</del>*None</p> <p>2) <del>Unbound</del>—None</p> <p>3) None</p> <p>4) Unbound except as indicated <i>in the</i> <del>under-horizontal measures</del> <i>commitments</i></p> <p>1) <del>Unbound</del>—None</p> <p>2) <del>Unbound</del>—None</p> <p>3) None</p> <p>4) Unbound except as indicated <i>in the</i> <del>under-horizontal measures</del> <i>commitments</i></p>	<p>1) <del>Unbound</del>* None</p> <p>2) <del>Unbound</del>—None</p> <p>3) None</p> <p>4) Unbound except as indicated <i>in the</i> <del>under-horizontal measures</del> <i>commitments</i></p> <p>1) <del>Unbound</del>—None</p> <p>2) <del>Unbound</del>—None</p> <p>3) None</p> <p>4) Unbound except as indicated <i>in the</i> <del>under-horizontal measures</del> <i>commitments</i></p>	

ATTACHMENT TO PAKISTAN'S SCHEDULE  
(Reference Paper)

1. Transparency of Regulations

1.1 Laws and regulations pertaining to provisions of basic telecom services shall be published.

1.2 Advanced public notice and a fair opportunity will be provided for interested parties to comment on proposed measures affecting the provision of basic telecom services.

1.3 The Regulatory Authority consists of three members, one is a professional telecom engineer and the other two are technical and financial experts appointed by the Government for a term of four years and eligible for appointment for a similar term.

1.4 Any member of the Authority shall not have any direct or indirect financial interest in, or have business connection with any person, any establishment or firm which renders telecom services in Pakistan or abroad. For the above purpose, any involvement of the spouse or blood relation of any member of the Authority with any telecom firm shall be considered as a direct financial interest or connection with such firm.

1.5 The Authority shall ensure that:

- (a) Rights of licensees are duly protected
- (b) Decisions and determinations are made promptly in open, equitable, non-discriminatory, consistent and transparent manner
- (c) The persons affected by its decisions or determinations are given a due notice and provided opportunity of being heard

1.6 A person aggrieved by any decision or order of the Authority can within thirty days of the receipt of order, appeal to the High Court and the Court shall decide such appeal within ninety days.

1.7 A person aggrieved by any decision or order of any officer of the Authority may, within thirty days of the order, appeal to the Authority and the Authority shall decide such appeals within thirty days.

2. Interconnection and Numbering

2.1 In the event that a service supplier is unable to reach agreement with any or dominant service supplier or interconnection, following a reasonable amount of time, either party may refer the dispute to the Regulator in Pakistan.

2.2 Service suppliers shall be required to disclose information concerning technical measures/parameters that will affect use of such facilities for other service suppliers.

2.3 The Regulatory Authority shall exercise all powers to enable it to effectively provide guidelines for and determine the terms of interconnection arrangements between licensees where the parties are unable to agree.

2.4 Authority shall develop/assign non-discriminatory national telecommunication numbering plans.

3. Competition Safeguards and Standards

3.1 When facilities-based service supplier with dominant market position is found engaged in unfair or anti-competitive practices, remedial measures will be available.

3.2 When dominant service supplier provides a competitive service he shall establish separate accounting procedure for the competitive service. Cross subsidy is not permitted.

3.3 The Authority shall notify and publish regulations for establishing national standards for telecom equipment and services. The Authority can specify different standards for different classes of telecom equipment/services and establish procedure for testing.

3.4 The Authority shall not restrict the type of telecom equipment that may be used for the establishment, maintenance or operation of telecom systems or services.

4. Tariff Regime

The level of tariffs for telecom services including basic telephone service shall be regulated by the Authority in accordance with the regulations including following principles:

4.1 The regulations shall apply equally to comparable provider/users of any regulated telecom service

4.2 The criteria used for the establishment of tariff shall regularly be published three months before the criteria is adopted

4.3 Tariffs shall be at a level which provides a reasonable rate of return on investments taking into account the cost of operation

4.4 There shall be no cross-subsidization of other telecom services by basic telephone service.

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**PAKISTAN – FINAL 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
Banking and other financial services	Foreign service promoters are granted licenses on the basis of reciprocity.	All countries	The reciprocity requirement will remain in place until similar measures maintained by other countries in this sector are removed.	The reciprocity requirement is put in place to ensure that Pakistani banks are accorded equivalent market access in places outside Pakistan.
	Favourable treatment of financial institutions set up to undertake Islamic financing transactions.	All countries	Indefinite	The financing transactions are determined and governed by Religious Boards set up for the purpose by each Islamic financial institution.
	Separate regulations may be laid down for banks which are required to undertake and finance treasury function and other non-profitable commodity operation programmes and other price support schemes of the Government.	All countries	Indefinite	Commodity operation programme is an essential government function undertaken through banks. Treasury function is performed by National Bank of Pakistan on behalf of the Central Bank. These are non-profitable transactions of the banks.
	Favourable treatment of financial institutions set up as joint ventures under the framework of ECO or other protocols signed amongst the ECO Member countries.	ECO member countries	Indefinite	The Treaty of Izmir and the Istanbul Summit held in July 1993 amongst others decided for the establishment of financial institutions by the governments of ECO Member States with the obligation of meeting the goals of regional economic integration.

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
Telecommunications	Bilateral agreements in the field of telecommunication services on reciprocity requirements	ECO member countries and Bangladesh	Indefinite	The exemption is linked to commitments arising out of bilateral agreements
2.C Telecommunication Services- International service	Measures including the application of different accounting rates for different operators/countries covered by International Telecommunication Services Agreements between Pakistan Telecommunication Company Ltd and various foreign operators.	Countries covered by International Telecommunication Services Agreements between Pakistan Telecommunication Company Ltd and foreign operators.	Indefinite	On account of bilateral agreements between Pakistan Telecommunication Company Ltd and various foreign operators dealing with various aspects of cooperation.
2.C. Telecommunication Services - International service	Measures including the application of different accounting rates for different neighbouring countries covered by Telecommunication Agreements entered into by the Government of Pakistan with governments of neighbouring countries.	Neighbouring countries	Indefinite	On account of bilateral agreements with governments of neighbouring countries.