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## **Negotiating Group on the Multilateral Agreement on Investment (MAI)**

### **Expert Group No.5 on “Financial Services Matters”**

#### **AGENDA**

#### **Meeting on 13-14 March 1997**



**6. Other Matters**

*a) Public Debt/State enterprise debt*

For reference:

Definition of investor and investment DAFFE/MAI(97)7

Note by one delegation DAFFE/MAI/EG5/RD(97)1

Contribution by one delegation DAFFE/MAI/RD(96)51

Report by EG5 to the Negotiating Group DAFFE/MAI/EG5(97)2

*b) Transfers*

Aide-Memoire of the January meeting of EG5 DAFFE/MAI/EG5/M(97)1

*c) Indirect Investment*

For reference:

Aide-Memoire of the January meeting of EG5 DAFFE/MAI/EG5/M(97)1

**7. Report to the Negotiating Group**

**8. Other Business**

## Notes to the Agenda

*The Chair encourages delegations to review all outstanding issues following the discussions at the January meeting of EG5 [see DAFFE/MAI/EG5/M(97)1]. Delegations should be prepared to consider these issues at the meeting in March with a view to reaching conclusions.*

*Delegations are also encouraged to review the Consolidated Texts and Commentary [DAFFE/MAI(97)1] as a whole to check whether there are any provisions which raise specific, or particularly important, issues for financial services which may not have been identified so far by the Group.*

**Item 3** The Group will be invited to consider a proposal for text for a balance-of-payments clause prepared by the Chair [DAFFE/MAI/EG5(97)3].

**Item 4** The Group will be invited to consider possible provisions relating to monetary and exchange rate policies and the role of monetary authorities, including issues relating to proprietary actions of government.

Mr. G. from one delegation, in his quality of coordinator, will report to the Group on the results of the preparatory work carried out in these issues. See Aide-Memoire annexed to the Summary Record of the last meeting [DAFFE/MAI/EG5/M(97)1].

**Item 5** The Group will be invited to continue its work on financial services with a view to concluding its consideration of the issues identified in the Aide-Memoire annexed to the Summary Record of the last meeting [DAFFE/MAI/EG5/M(97)1].

Regarding the issue relating membership of self-regulatory bodies and associations, Mr. S. from one delegation, in his quality of coordinator, will report to the Group on the results of the preparatory work carried out on this subject. Other delegations have also undertaken to prepare notes on other specific financial services issues. See Aide-Memoire annexed to the Summary Record of the last meeting [DAFFE/MAI/EG5/M(97)1].

**Item 6** a) The Group will be invited to carry forward the debate on the treatment of public debt in the MAI.

Mr. A. from one delegation, in his quality of coordinator, will report to the Group on the results of the preparatory work carried out on this matter. See Aide-Memoire annexed to the Summary Record of the last meeting [DAFFE/MAI/EG5/M(97)1].

DAFFE/MAI(97)7 reproduces the text on the definition of investment that the Negotiating Group, at its meeting on 29-31 January, agreed to use as a basis for its further work.

- b) The Group will be invited to finalise its proposed text for paragraph 4.6 of the Transfers Article of the MAI.

Mr. B. from one delegation, in his quality of coordinator, will report to the Group on the results of the preparatory work carried out on this subject. See Aide-Memoire annexed to the Summary Record of the last meeting [DAFFE/MAI/EG5/M(97)1].

- c) At the Group's last meeting, one delegation proposed to prepare a note on the appropriate treatment under the MAI of indirect investment in the financial services sector, for consideration by the Group at its March meeting.

**Item 7**

In accordance with the mandate given by the Negotiating Group, the Group needs to prepare a report on the results of its work for the Negotiating Group's consideration at its meeting on 24-27 March 1997. Elements of this report should include the proposed text on the balance-of-payments clause and attached commentary, and the outcome of the discussions under items 4 to 6 of the Agenda.

**MANDATE FOR EXPERT GROUP N° 5  
ON “FINANCIAL SERVICES MATTERS”**

1. The Expert Group, open to participation of all delegations, is charged with examining the treatment of financial services matters in the MAI, and making proposals, including proposals for text where appropriate..
2. The Group will:
  - a. finalise advice to Drafting Group N° 3 with respect to the definition of investment;
  - b. consider the need for general safeguard provisions, particularly with respect to the balance of payments, taking account of the role of the International Monetary Fund; and
  - c. complete its work with respect to issues specific to, or particularly important for, financial services.
3. The Group will meet in January and March 1997 and report to the Negotiating Group with respect to the topics in paragraph 2 a. and b. in January, and with respect to the topics in paragraph 2c. in March 1997.
4. The Group’s mandate will terminate after its report to the Negotiating Group, unless the Negotiating Group decides otherwise.