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Multilateralising Regionalism: How Preferential Are Services Commitments in Regional Trade Agreements?

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MULTILATERALISING REGIONALISM: HOW PREFERENTIAL ARE SERVICES COMMITMENTS IN REGIONAL TRADE AGREEMENTS?

OECD Trade Policy Working Paper No. 106

by Sébastien Miroudot, Jehan Sauvage and Marie Sudreau

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ABSTRACT

This report examines services schedules of commitments in 56 regional trade agreements (RTAs) where an OECD country is a party. The preferential content of RTAs is assessed through an analysis of market access and national treatment commitments at the level of the 155 sub-sectors of the General Agreement on Trade in Services (GATS) Sectoral Classification List. Partial commitments are broken down according to nine categories of non-conforming measures. The report confirms that on average RTAs in services go beyond GATS with commitments in about 72% of sub-sectors, among which 42% correspond to preferential bindings (GATS-plus commitments). In addition, the report provides an overview of rules of origin for services providers and MFN clauses in services chapters in order to see whether commitments granted might be extended to non-parties to minimise discrimination among foreign services suppliers. Despite the heterogeneity found in schedules of commitments, there is a certain degree of commonality in new and improved commitments that suggests that multilateralising RTAs is achievable. The multilateralisation of services commitments would however imply a more symmetric and systematic liberalisation than what is seen in the schedules of RTAs. In the end, this is a matter of political will and negotiations.

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JEL Classification: F13, F15, L8.

Keywords: services, multilateralisation, regional trade agreements, RTAs, preferential trade agreements, free trade agreements, GATS, commitments, market access, national treatment, rules of origin, MFN.

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EXECUTIVE SUMMARY

This report provides background analysis for the project on the multilateralisation of deep RTA commitments by examining services schedules of commitments in 56 regional trade agreements where an OECD country, including the recently acceded Members, and the enhanced engagement economies, is a party. In addition, the report provides an overview of rules of origin for services providers and MFN clauses in services chapters in order to see whether commitments granted in RTAs might be extended to non-parties to minimise discrimination among foreign services suppliers.

The preferential content of RTAs is assessed through an analysis of market access and national treatment commitments at the level of the 155 sub-sectors of the GATS Services Sectoral Classification List. For each sub-sector, each mode of supply and each type of commitment (market access or national treatment), it is indicated whether the RTA provides for additional commitments, as compared to GATS. When a sub-sector is "unbound" or when the commitments are the same as in GATS, this is the status quo and the RTA is not preferential. A preferential "binding" is granted in the agreement when there are GATS-plus commitments with either an improvement in existing commitments or new sectors scheduled. We cannot assume that there is always a preferential *treatment* as actual trade barriers in services are known often to be different from the bound level of non-discrimination and countries can in practice apply the same treatment to non-parties despite the existence of the RTA. Additionally, the report provides a breakdown of partial commitments (where limitations are listed) according to nine categories of non-conforming measures.

Because RTAs take different forms and grant market access and national treatment in different ways, the percentages of sub-sectors with improved or new commitments are given as estimates and the report indicates the caveats associated with such analysis. Nonetheless, there are interesting results to report, confirming that on average RTAs in services go beyond GATS and have introduced preferential bindings in a significant number of new sub-sectors. In the whole dataset, 72% of services sub-sectors have market access and national treatment commitments and in 42% of the sub-sectors the RTA commitments are preferential (going beyond GATS). The level of commitments differs across modes of supply with mode 1 and mode 2 having fewer commitments but more often in new sectors, while mode 3 and mode 4 cover more sub-sectors but mainly with improved commitments. The sectors that offer the highest degree of preferential treatment are distribution and business services. The number of new commitments is particularly high in transport services, recreational, cultural and sporting services, and health and related services. In the case of construction services and financial services, RTAs provide improved commitments more often than new commitments.

When looking at the more disaggregated results, differences in services commitments appear at multiple levels: (i) in the overall sectoral coverage of agreements; (ii) in the preferential content of RTAs, including among parties to the same RTA; (iii) across countries and the different RTAs they have signed. This can be explained by the fact that GATS schedules of commitments are in the first place heterogeneous. Countries with extensive commitments in GATS can only have a limited preferential treatment in their RTAs while countries with very few multilateral commitments can sign more preferential RTAs. This is however not a sufficient explanation to the differences observed in the RTAs analysed (in particular this does not explain why the same countries sign agreements with different commitments). Asymmetries in commitments suggest that reciprocity is not sought in the case of services trade

liberalisation and that the outcome for each RTA depends on the negotiation and the kind of bilateral trade relationship envisaged by parties.

Despite this apparent heterogeneity, there is however a certain degree of commonality in the sub-sectors where preferential bindings are introduced. By calculating a coefficient of similarity indicating to what extent the same sub-sectors (and for the same modes of supply) have GATS-plus commitments, it is possible to show that about half of improved and new commitments in RTAs have taken place on average in the same sub-sectors. This suggests a potential for the multilateralisation of services commitments and, on the basis of the database created for this project, this could be further investigated in the course of the project on the multilateralisation of deep RTA commitments.

Two other types of provisions that are relevant for the discussion of the multilateralisation of services commitments are analysed in the report. First, a typology of rules of origin for services suppliers is provided in order to see to what extent non-parties can indirectly benefit from a RTA through commercial presence or presence as a natural person in the territory of a party. GATS Article V conditions the rules applying to juridical persons (enterprises) and suggests that in order to limit the discrimination introduced by a RTA between services providers of different countries, liberal rules of origin are applied so that a service supplier from a non-party can through commercial presence in a party benefit from the provisions of RTAs signed by this country. For natural persons (individuals), rules of origin rely on the country definition of "nationals" and "residents".

While RTAs are exceptions to the MFN treatment which is a core obligation of GATS, they have also MFN provisions that can play a positive role in the multilateralisation of their commitments. MFN provisions in RTAs that grant a treatment no less favourable than the one offered to any party of the agreement can guarantee in plurilateral agreements a level playing field among services providers within the RTA. But this is when MFN provisions grant the "best" treatment in comparison to any non-party that there is a potential mechanism for RTAs to extend the more favourable treatment of new RTAs to all parties of former RTAs. This is the case in about 60% of the RTAs reviewed. In other agreements, either there is no MFN provision or there is an exception to the non-party MFN rule for all RTAs.

A future report will discuss the challenges of multilateralising services provisions found in RTAs. Key findings from the analysis presented in this background report are the following:

- Services RTAs go further than GATS and highlight that there may be a large potential for further multilateral liberalisation. Despite the heterogeneity found in RTA schedules of commitments, there is a certain degree of commonality in new and improved commitments that suggests that multilateralising RTAs is achievable.

- MFN provisions with respect to non-parties can provide a mechanism to extend the preferential treatment of the most ambitious agreements to more parties and to increase the coherence of regional trade liberalisation in services. But not all agreements have such provisions.

- Services trade liberalisation resembles unilateral liberalisation that is bound through bilateral agreements. The multilateralisation of services commitments would imply a more symmetric and systematic liberalisation than what is seen in the schedules of RTAs. There will be challenges in dealing with the heterogeneity of RTAs but differences among agreements do not preclude efforts to harmonize services RTAs. In the end, this is a matter of political will and negotiations.

MULTILATERALISING REGIONALISM: HOW PREFERENTIAL ARE SERVICES COMMITMENTS IN REGIONAL TRADE AGREEMENTS?

1. Since the mid-1990s, regional trade agreements (RTAs) have proliferated and most agreements entered into by OECD Members include provisions on trade in services that are part of the "deep" commitments that characterize new regionalism and go beyond the removal of tariffs and border barriers on goods. According to the WTO database,[1] 75 RTAs covering services have been notified under GATS Article V and were in force at the end of 2009.

2. A number of studies have described key features of services RTAs, in particular Marchetti and Roy (2008) and Fink and Molinuevo (2008a). Studies generally highlight that services obligations are found in comprehensive agreements that deal with a variety of trade-related areas, such as investment, competition, intellectual property or government procurement. While there are important architectural differences in these agreements, they usually go beyond GATS with additional specific commitments on market access and national treatment, as well as complementary sets of disciplines in sectors such as telecoms or financial services.

3. There is a sense that RTAs in the area of services include GATS-plus commitments that could be seen as "testing grounds" for further liberalisation. Some countries have used RTAs to lock-in domestic reforms or to reiterate obligations under the GATS. But most agreements are more ambitious and provide market access commitments in new sectors.

4. Against this backdrop, the Trade Committee has launched a project on the "multilateralisation" of deep RTA provisions to examine how RTAs can become "building blocks" for the multilateral trading system. This report constitutes background work for this project.

5. The report is divided into four parts and covers all RTAs where an OECD country, including the four new Members, and enhanced engagement economies, is a party. Section I provides a detailed analysis of services schedules of commitments in these RTAs at the level of the 155 sub-sectors of the GATS Sectoral Classification List. Section II provides a brief overview of rules of origin for services providers and how they prevent RTAs from introducing economic distortions. Section III examines most-favoured-nation clauses and their role in the multilateralisation of RTA commitments. Section IV concludes.

I. Market access and national treatment commitments: the preferential content of services RTAs

6. In order to identify where RTAs go deeper than GATS and to what extent their provisions can be "multilateralised", an analysis of market access and national treatment commitments has been carried out in 56 RTAs[2] that correspond to all RTAs in force at the end of 2009 where an OECD country (or enhanced engagement economy) is a party and that include preferential treatment for trade in services. Part I first discusses the methodology used to study schedules of commitments and then presents the results of the analysis.

1. *http://rtais.wto.org*

2. The list appears in Table A1 in Annex I.

Methodology to study schedules of commitments

7. The methodology used to analyse schedules of commitments in services RTAs follows Hoekman (1995), Roy *et al.* (2007), Marchetti and Roy (2008) and Fink and Molinuevo (2008b) by looking at specific market access and national treatment commitments in the 155 sub-sectors of the Services Sectoral Classification List (MTN.GNS/W/120). For each sub-sector, it is indicated whether there is no commitment, a partial commitment (*i.e.* a commitment but with limitations listed) or full commitment (*i.e.* a commitment with no limitations).

8. The methodology departs from previous studies in the following way:

- The information is provided for each signatory of the RTA, by sub-sector and by mode of supply, for both market access and national treatment commitments.[3] For each schedule, this implies 1,240 commitments (155 sub-sectors multiplied by 4 modes of supply and 2 categories – market access and national treatment).

- Additionally, we have broken down partial commitments into 9 categories accounting for different types of trade restrictive measures (4 for market access and 5 for national treatment). Table 1 below describes the categories.

9. The classification follows the definition of limitations to market access and national treatment in GATS but is compatible with the disciplines established in negative lists agreements modelled after NAFTA. For market access, a first category of non-conforming measures includes cases where countries have limited the sectoral scope of their commitments as compared to the definition of services sub-sectors in the W/120 classification. Then, a specific category of limitations deals with foreign ownership restrictions that affect Mode 3 trade in services. Quantitative restrictions on the service or service suppliers are among those listed in GATS Article XVI and constitute our third category of restrictive measures (for modes 1, 2 and 3). Quotas or economic needs tests are part of this category. The last market access category covers all market restrictions on the movement of people (mode 4).

10. Regarding national treatment, we have classified discriminatory measures maintained by countries in their RTAs in 5 categories: (i) nationality and residency requirements for boards of directors and managers[4] and discriminatory licensing requirements; (ii) national treatment restrictions to the movement of people; (iii) discriminatory measures with regard to subsidies or taxes; (iv) discriminatory restrictions on ownership of property and land; and (v) other discriminatory measures. The typology is based on WTO guidelines for the scheduling of specific commitments under the GATS (S/L/92). Table 1 provides examples of discriminatory measures belonging to these different categories.

11. To assess how preferential regional trade agreements are, a comparison with GATS is carried out. We analyze GATS schedules of commitments with the same typology of limitations to market access and national treatment described above. We look both at horizontal commitments and commitments in the 155

3. Only Hoekman (1995) covers the 4 modes of supply and distinguishes between market access and national treatment commitments. However, his paper is only about GATS schedules. Roy *et al.* (2007) and Marchetti and Roy (2008) analyse 40 RTAs but focus on mode 1 and mode 3. Fink and Molinuevo (2008b) look at the 4 modes of supply but merge market access and national treatment commitments. Moreover, their study is limited to East Asian agreements. The dataset from Marchetti-Roy has been made available on the WTO website: *http://www.wto.org/english/tratop_e/serv_e/dataset_e/dataset_e.htm*. They also analyse to what extent RTA commitments go beyond services offers in the Doha Development Agenda.

4. Nationality and residency requirements for boards of directors and managers concern only mode 3. For cross-border trade, residency requirements are reported as a barrier to market access.

sub-sectors of the W/120 classification. Then, we compare the results with the commitments found in RTAs.[5] The 9 categories of limitations presented in Table 1 correspond to "partial" commitments, where countries decide to take market access and/or national treatment commitments but maintain non-conforming measures. The two other cases are: "unbound" sub-sectors (where no commitments are made) and "full" commitments (that is no limitation to market access and/or national treatment).

Table 1. Classification of reservations and non-conforming measures

Category	Name	Mode of supply	Examples
Market access			
MA1	**Scope of sub-sector limited (as compared to W/120 classification)**	**All**	Commitment limited to a list of activities. Commitment in sub-sector *x* but not including *y*.
MA2	**Restrictions on foreign ownership or on the type of legal entity**	**Mode 3**	Foreign equity limits Only joint ventures are allowed Restrictions on mergers and acquisitions for foreign firms
MA3	**Quantitative restrictions on the service or service suppliers (not including Mode 4)**	**Mode 1, 2 & 3**	Limitations on the number of service suppliers (e.g., quota or economic needs test) Limitations on the total value of transaction or assets Limitations on the quantity of services output
MA4	**Market access restrictions to the movement of people**	**Mode 4**	Limitations on the number of natural persons Nationality requirements for suppliers of services
National treatment			
NT1	**Nationality and residency requirements for boards of directors and managers, discriminatory licensing requirements**	**Mode 1 & 3**	Nationality and residency requirements for boards of directors and managers Discriminatory licensing requirements
NT2	**National treatment restrictions on the movement of people**	**Mode 4**	Discriminatory qualification or licensing requirements
NT3	**Discriminatory measures with regard to subsidies or taxes**	**Mode 1, 2 & 3**	Eligibility to subsidies reserved for nationals A tax is imposed on non-residents
NT4	**Restrictions on ownership of property or land**	**Mode 1, 2 & 3**	Foreigners may not acquire direct ownership of land Non-residents are excluded from the acquisition of real estate
NT5	**Other discriminatory measures**	**Mode 1, 2 & 3**	Discriminatory measures with respect to competition Prohibition on the hire of local professionals Local content requirements Technology transfer/training requirements

12. RTAs grant a preferential binding only when there are improved commitments as compared to GATS (from "partial" to "full" or from "partial" to "partial" but with a more limited list of restrictions) or new commitments (from "unbound" to "partial" or "full"). We use the expression "preferential binding" because commitments in services schedules do not describe the actual trade regime but the bound level of discrimination permitted within the legal framework of the agreement. While an RTA can improve access *vis-à-vis* GATS, there is no guarantee that parties benefit from a preferential *treatment* as compared to non-parties. A country may apply a more liberal trade regime offered to all trade partners on an MFN basis. RTAs give an opportunity to discriminate between partner countries but countries do not have an incentive to do so as this would create economic distortions that can translate into a productivity loss. Moreover, certain types of barriers to trade in services are not prone to be implemented in a different way for services suppliers from different countries (for example, promoting a competitive market in telecoms through regulations facilitating new entrants will benefit all companies).

13. A lot of information was processed during the analysis and there are important caveats to be mentioned related to the methodology and the way we have reported commitments. Box 1 lists the main caveats to keep in mind when looking at the results. In Annex 2, we further discuss some of the issues in the analysis and how we have dealt with them. Readers interested in the technical details can refer to this Annex.

5. See Annex 2 for the technical details of the analysis of schedules of commitments.

Box 1. Important caveats with regard to the methodology used to assess the preferential content of RTAs

While the methodology used to assess how preferential are services commitments in RTAs has been widely used before and seems appropriate to compare RTAs with GATS, there are important caveats to keep in mind when reading the results:

1. ***Legal bindings versus the actual trade regime***: RTAs include commitments with respect to non-discrimination principles. Even when many limitations are listed, the actual trade regime can be fairly liberal. These limitations do not mean that the country actually has trade restrictive measures in place but only that it has the possibility to maintain some within the legal framework of the agreement. Of course, the more commitments a country has taken (and the more binding they are), the more difficult it is to restrain trade. The schedules of commitments give an indication of a "bound" level of trade restrictiveness, but one should keep in mind that there is a difference between limitations listed and trade restrictive measures actually applied.

2. ***Trade restrictive measures not listed or not taken into account***: not all RTAs give an exhaustive list of trade restrictive measures still maintained. In GATS-like agreements, there are unbound commitments while in NAFTA-like agreements some reservations are listed for future measures. Trade restrictive measures at the sub-national, *i.e.* the local or regional level, are also not always listed. To facilitate the comparison between RTAs, the same rules have been applied. The analysis ignores restrictions at the sub-federal or sub-national level and treats equally unbound commitments and limitations on future measures. In some cases, some horizontal limitations that were regarded as not significantly trade restrictive are not reported for all sectors (*e.g.*, screening of investment not used to restrain market access or discriminate against foreign services suppliers).

3. ***Errors and misinterpretation***: extreme care has been taken in constructing the database but, given the number of commitments reviewed, there is always the possibility of errors. Moreover, the analysis often requires interpreting provisions, in particular for comparison purposes (for example when countries use a sector classification different from the W/120 classification or with no CPC correspondence). The results should be regarded as an "approximation" of existing commitments rather than a perfect representation of the content of RTAs.

Because of the above mentioned issues, caution is advised when looking at the results of the analysis. As when working with any data comparing different countries and based on heterogeneous sources, there is a certain approximation in the measurement. We do not regard this approximation as significant so as to prevent drawing useful conclusions, but one should be aware that percentages of unbound, partial, full and improved commitments are indicative and not always fully comparable across countries and agreements.

Overall degree of preferential bindings in the RTAs analysed

The database constituted on the basis of the 56 RTAs analysed offers rich and interesting results. We start with an analysis of commitments for the whole dataset, before distinguishing among agreements and partners. To summarize commitments, we rely on the following typology.[6]

Status quo

1. The sub-sector is unbound in the RTA as it was in GATS ("Unbound")

2. There are partial commitments or full commitments for the sub-sector in the RTA and this was already the case in GATS ("GATS-Full or Partial")

6. The typology is the same than in Fink and Molinuevo (2008b).

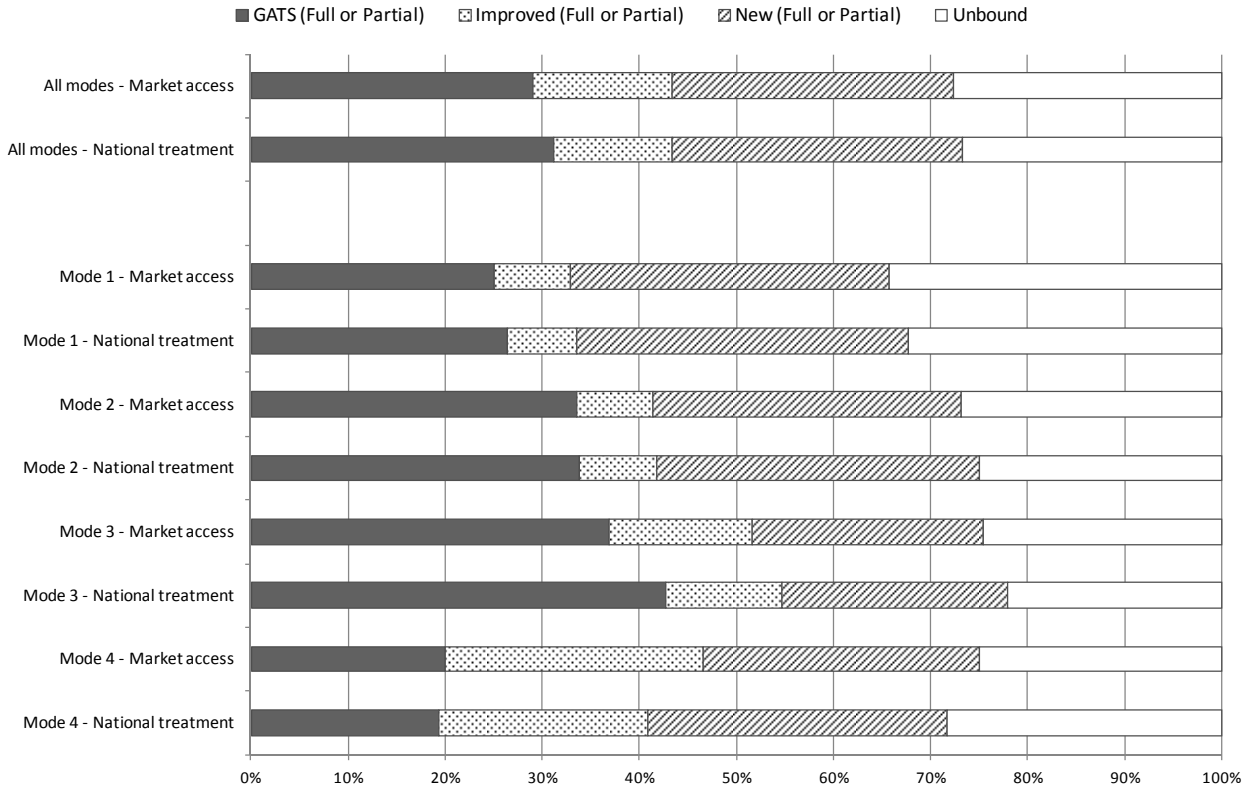
GATS+

1. There are partial commitments in the RTA but with an improved treatment or the sub-sector is now fully committed, while it was partially so in GATS ("Improved-Full or Partial")

3. The sub-sector was unbound in GATS and has partial or full commitments in the RTA ("New-Full or Partial")

14. Figure 1 first decomposes commitments (where all RTAs are pooled together) by type and by mode of supply. Looking first at all modes of supply, one can see that on average countries have commitments in about 72% of the sub-sectors listed in the W/120 classification (both for market access and national treatment). This is an average and the classification includes all kinds of services that do not have the same economic importance. Nevertheless, overall sectoral coverage is relatively high.

Figure 1. Market access and national treatment commitments in the sample of RTAs, all modes and by mode of supply



15. The second interesting finding illustrated in Figure 1 is that RTAs in services are quite preferential. Out of the 72% of sub-sectors with non-discrimination commitments, 30% have commitments similar to GATS. This means that in 42% of the sub-sectors, parties to RTAs have improved their commitments or offered market access or national treatment in sectors previously unbound. These 42% can be further decomposed into 13 percentage points attributed to improved commitments and 29 percentage points

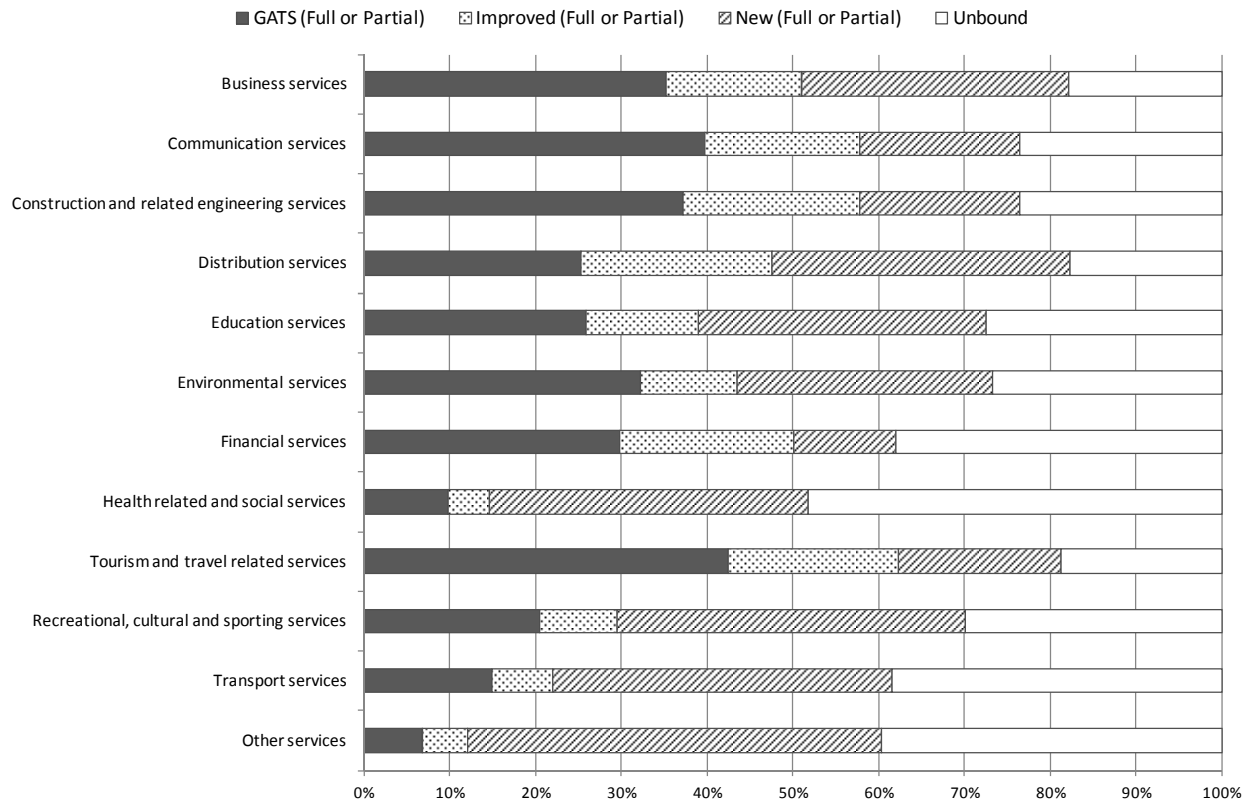
explained by commitments in new sectors. Among these new commitments, the majority (about 20 percentage points) corresponds to full commitments.[7]

16. There is therefore evidence that RTAs signed by OECD Members, including the four new Members and enhanced engagement countries, have introduced preferential bindings and have achieved a higher sectoral coverage. From this analysis, we cannot conclude that preferential *treatment* is actually offered, as we do not know about the *de facto* trade regime, but at least the legal framework is more favourable to services trade bilaterally with non-discrimination disciplines in more sectors.

17. Comparing market access and national treatment commitments in Figure 1, there is generally symmetry between the two types of commitments. On average, commitments on national treatment represent a higher percentage, but one should not over-estimate this result as barriers reported in the market access column of GATS or RTAs may also have an implied national treatment impact.

18. Among modes of supply, there are differences in the ambition of commitments. Mode 1 and mode 2 cover a slightly lower percentage of sub-sectors but have predominantly new commitments, while mode 3 and mode 4 have more commitments but more often of the improved type (some limitations have been removed in RTAs in sectors where there were already GATS commitments). This is especially the case with mode 4 where most commitments are horizontal and thus apply to all sectors scheduled.

Figure 2. Market access commitments by sector



7. Tables 7 and 8 in Annex 3 give more details on the breakdown between market access and national treatment commitments.

19. Figure 2 provides another breakdown, by sector, and looks at the 11 broad sectors defined in the W/120 classification. This time, only market access commitments are reported. The level of commitments varies across sectors. Distribution services, business services and tourism are the three sectors with the highest level of commitments (above 80% for all RTAs in the dataset), while health related and social services, financial services and transport services have the lowest (leaving aside the "other services" category which is marginal in the W/120 classification).

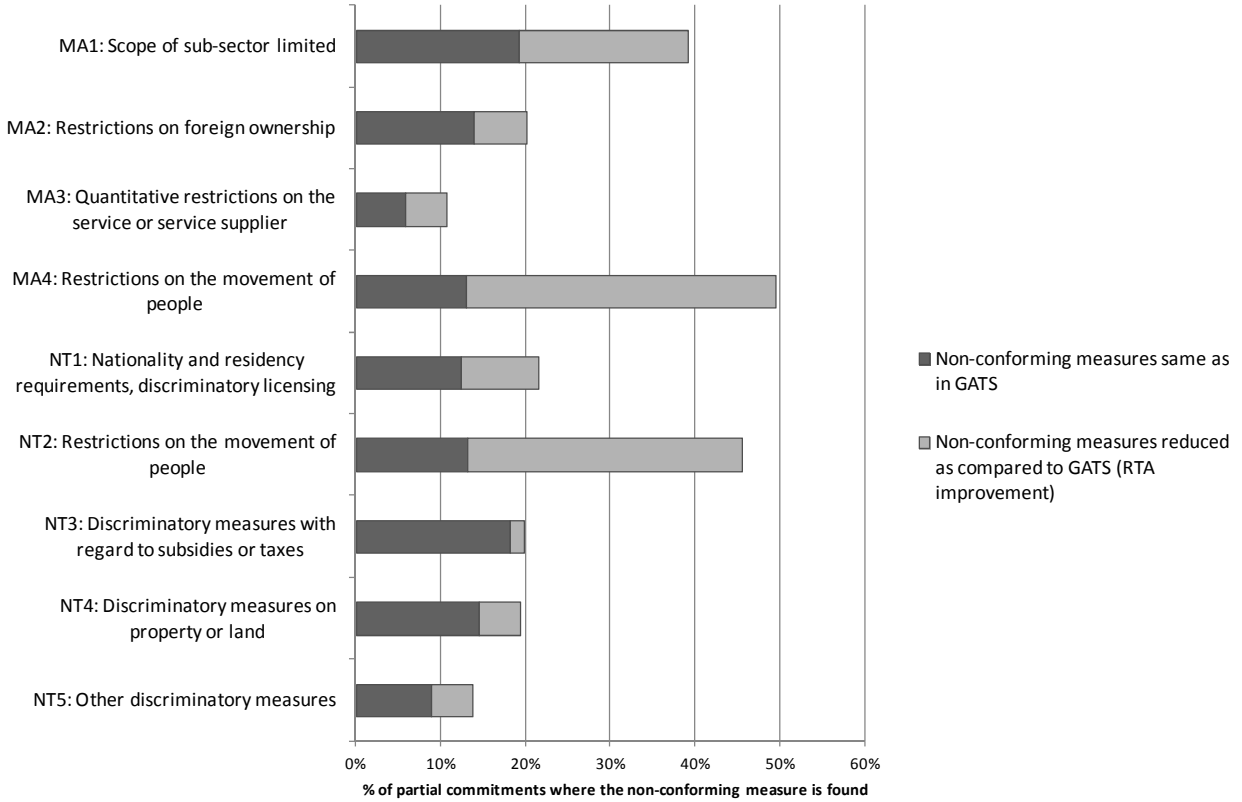
20. The sectors that offer the highest degree of preferential treatment (improved and new commitments) are distribution and business services. The number of new commitments is higher for transport services, recreational, cultural and sporting services, and health and related services. In the case of construction services and financial services, RTAs provide improved commitments more often than new commitments. Figure 2 illustrates the fact that RTAs have both deepened commitments in sectors already covered in GATS and extended non-discrimination disciplines to new sectors (such as health-related and social services or transport services). Figure 2 also confirms that RTAs have achieved a higher degree of liberalisation (at least in terms of legal bindings) and that all sectors are concerned.

21. Lastly, in Figure 3, we analyse partial commitments according to different categories of restrictive measures (using the typology described in Table 1). With respect to *market access*, partial commitments mainly concern restrictions on the movement of people. This is not surprising as barriers to Mode 4 are generally in the horizontal section of schedules of commitments and relevant for all sub-sectors listed. Commitments in the case of mode 4 generally include a list of categories of natural persons that may be granted temporary stay. In half of the cases, there is an improvement in the RTA with regard to Mode 4 commitments. The second most important category of non-conforming measures regarding market access is when the scope of the sub-sector is limited. For example, among legal services, a country can take commitments only on a specific category of legal services, such as advice in international law. The rest of the sector is then "unbound" and the country can maintain restrictive measures or even not allow foreign lawyers to provide any other service than advice in international law. In some cases, the sector limitation may be marginal. For example, commitments in the retail activity can exclude beverages and tobacco. The severity of the restriction depends on the size of the part of the sub-sector where commitments are taken as compared to the part left out of the RTA bindings.

22. There are still a certain number of restrictions on foreign ownership in RTAs. These restrictions are the main barriers for mode 3 trade in services, which is the main mode of supply in many sectors. We find however this type of restriction more often in OECD trading partners rather than in OECD countries. Quantitative restrictions on the service or service supplier are found in 10% of partial commitments. This category includes economic needs tests and licenses that limit the number of suppliers.

23. Concerning *national treatment*, barriers to mode 4 are again prevalent in partial commitments. As with market access, RTAs seem however to improve the treatment of natural persons. Most commitments are still partial but to an improved extent. The second category of restrictive measures is nationality/residency requirements and discriminatory licensing requirements. Right after, discriminatory measures with regard to taxes and subsidies represent also a significant share of national treatment limitations. Unlike the mode 4 barriers, there is little improvement for this category in RTAs. Restrictions on the ownership of property and land (of a discriminatory nature – otherwise they would not be listed as limitations to national treatment) are also quite frequent but this is because they tend to be horizontal and to apply to all sub-sectors.

Figure 3. Breakdown of partial commitments, by category of restrictive measures



24. The overall picture emerging from the dataset is that services RTAs tend to be GATS-plus in so far as they have achieved a higher degree of market access and national treatment commitments. This is good news if RTAs are to be seen as a "testing ground" for future multilateral liberalisation. There would appear already to be sufficient progress in the extension of market access and national treatment commitments to new services sectors, as well as reductions in restrictive barriers, to consider the multilateralisation of RTA commitments.

25. In this section, we have examined average commitments across all agreements. A key question remains: to what extent these general conclusions apply to all agreements and to what extent improved commitments are similar in terms of sectors and modes of supply across agreements so that the multilateralisation of commitments could be a smooth process.

Heterogeneity of commitments across RTAs

26. Results for specific agreements and parties to these agreements are presented in Tables 6 to 9 in Annex 3. The objective of the discussion in this section is not to point to particular countries or to pass judgement on specific RTAs but rather to gather facts to help to identify the issues and challenges with respect to a potential multilateralisation of services commitments in RTAs.

27. Table 6 in the Annex gives an overview of the commitments in each RTA and indicates the percentage that are "GATS-plus", "GATS-equal" (*i.e.* similar to GATS) and "GATS-minus". The last category does not imply that the agreement is not compatible with GATS or that services providers receive a less favourable treatment. It corresponds to cases where the comparison between GATS commitments and commitments in the RTA suggests that GATS bindings are potentially more stringent.

28. From Table 6, one can see that not all RTAs have achieved the overall high level of coverage found on average in the previous section. There are marked differences among agreements. Some RTAs, such as the Australia-New Zealand CER liberalise trade in almost all services sectors with very few exceptions listed. Some other agreements, on the contrary, can be associated with a very low level of commitments with most sectors being "unbound" (such as Thailand in the Thailand-Australia agreement). Agreements with a lower sectoral coverage generally include developing economies that already have relatively fewer commitments in GATS. This implies a certain asymmetry in commitments in the case of "North-South" RTAs, with the OECD party taking commitments in a higher number of sectors. This asymmetry is not limited to the case of "North-South" RTAs. A striking characteristic of services RTAs is that unlike what is seen for trade in goods, there is no reciprocity in services commitments. Within the same agreement, one can see quite different percentages of full, partial and unbound commitments.

29. The second finding in Table 6 is that the percentage of GATS-plus commitments also varies across RTAs. Differences among parties to the same RTA are even more pronounced when looking at the preferential content of the RTA and not only the overall level of commitments. This can to a certain extent be explained by the heterogeneity in GATS commitments. Countries that already have a high share of sub-sectors with partial or full commitments in GATS cannot offer much more in RTAs, while countries with a low level of commitments in GATS can more easily improve their commitments in RTAs. For example, in most agreements where Chile is a party there is a high percentage of GATS-plus commitments because Chile's GATS schedule has many unbound sectors.

30. The third stylised fact from Table 6 is that there are GATS-minus commitments in a certain number of RTAs. Again, there are several interpretative issues with respect to these GATS-minus commitments, but there are clear cases where RTA schedules of commitments include barriers that do not appear in GATS.[8] This is where RTAs can be "foes" rather than "friends" of multilateral obligations, by introducing provisions where parties are less bound than under the GATS. This is also a relevant issue when looking at the multilateralisation of services commitments.

31. Tables 7 and 8 in Annex 3 give a more detailed analysis, respectively, of market access and national treatment commitments with a breakdown of partial commitments according to the category of restrictive measures. Remarks made earlier on the whole dataset do apply here. One can note that the type of barrier reported tends to be specific to countries. The breakdown of commitments according to categories of non-conforming measures is useful to highlight some heterogeneity in regulations restricting trade in services and barriers maintained in sectors with partial commitments.

32. Lastly, Table 9 summarises the results for specific countries on the basis of all the RTAs we have analysed where they are a party. It provides an average percentage of unbound commitments, commitments similar to GATS and GATS-plus "preferential" commitments. The heterogeneity of commitments among RTAs is also confirmed across countries. There are marked differences in the average preferential content of RTAs signed by different countries. Again, this is first a consequence of the heterogeneity of commitments in GATS. Countries that already have commitments in a large number of sub-sectors at the multilateral level cannot offer a strong preferential treatment in RTAs.

33. In reading Table 9, one should also take into account the number of RTAs analysed for each country. The average percentages calculated are significant only when a sufficient number of RTAs have been analysed and less so when the dataset includes only one RTA (as it is often the case for non-OECD countries in the Table). For example, the RTA analysed for Albania is the EU-Albania agreement where commitments are taken in all sectors.

8. On GATS-minus provisions in RTAs, see Adlung and Morrison (2010).

34. To further characterize the heterogeneity of services commitments in RTAs, Table 9 introduces a "coefficient of similarity" in commitments among RTAs negotiated by the same party.[9] This coefficient, unlike the average percentages previously discussed, compares commitments sub-sector by sub-sector. The more similar are commitments in all RTAs, the higher is the coefficient. The coefficient provides meaningful results only when enough agreements are compared; this is why it has been calculated only for countries with three RTAs or more in the database.

35. The results obtained nuance the overall impression of heterogeneity previously pointed out on the basis of percentages of unbound, partial and full commitments. For most OECD countries, the coefficient of similarity is quite high, close to 60% or above. The coefficient is expressed as a share of improved and new commitments and can be interpreted as the share of similar GATS-plus commitments. Canada, the European Union, Australia, Chile and the United States have the highest shares of similar commitments among OECD economies. EFTA countries (Norway and Switzerland) have the smallest shares with preferential bindings more heterogeneous in their RTAs.

36. We have also calculated the coefficient of similarity across all RTAs in the dataset and the value is 0.49, which is fairly high and indicates a potential for multilateralisation. About half of the preferential bindings granted in RTAs tend to be in the same sub-sectors. An important conclusion of the analysis is therefore that despite differences in the percentage of sub-sectors with GATS-plus commitments, there is a certain level of commonality in the sub-sectors where these GATS-plus commitments are taken. The dataset created for this project can indicate which sub-sectors are concerned and this could be further analysed.

II. Rules of origin for services providers: who benefits from RTAs?

37. Rules of origin in services are generally not at the centre stage of RTA concerns. Whereas in the case of goods, rules of origin are crucial in determining the provenance of a product and, thus, its right to benefit from the preference granted under the RTA, this proves more difficult by the very nature of services. In the case of services, rules of origin apply more often to the service providers than to the "service" itself.

38. Moreover, GATS Article V(6) provides the framework for the application of rules of origin to juridical persons in regional trade agreements.[10] Under this Article, a juridical person who is constituted or organized under the laws of a country and carries out substantive business activity in its territory can benefit from the advantages of any RTA signed by this country with another party. Concretely, this means that, once established, a foreign-owned company can provide services to other parties under the treatment granted in the RTA.. As RTAs are exceptions to the most-favoured-treatment guaranteed by GATS Article II,[11] WTO Members have imposed a condition on rules of origin for services providers in order to limit the discriminatory impact of RTAs on companies from different countries.

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9. The coefficient of similarity is calculated as a share of the number of sub-sectors with improved or new commitments. For each commitment, a ratio is calculated with a value of zero when only one RTA has the commitment and the number of RTAs with an improved commitment divided by the total number of RTAs otherwise. The coefficient is then the sum of these ratios as a percentage of all improved or new commitments. The value is one if all commitments are the same in all RTAs, zero if there is no single sub-sector with the same commitment in any pair of RTAs. See Fink and Molinuevo (2008b) who calculate a similar coefficient.

10. GATS Art. V(6) "*a service supplier* [juridical person] *that is constituted under the laws of a party to an* [economic integration] *agreement shall be entitled to treatment granted under such agreement provided it engages in substantive business operations in the territory of the parties to such agreement*".

11. On MFN treatment and MFN provisions in GATS and RTAs, see the next section.

39. As a consequence, rules of origin for services providers are generally portrayed as liberal (Baldwin *et al.*, 2009; Fink and Jansen, 2007) and not regarded as an important issue in the analysis of services RTAs. It is nonetheless useful to study more carefully rules of origin for services providers in the context of the multilateralisation of RTAs, as these rules potentially enable non-parties to indirectly benefit from the more favourable treatment granted in RTAs to services providers of the parties.

Analysing rules of origin for services providers in RTAs

40. Following the framework given in GATS Article V(6), RTAs deal with rules of origin for juridical persons (that is, companies, as opposed to individuals) through two requirements to benefit from the provisions of a RTA. The first requirement is to be constituted or organized under the laws of one of the parties. This part of the test requires having a legal existence as a juridical person in the territory of a party such as being incorporated (but the legal form is not specified). The second requirement is to have substantive business operations in the territory of the party (or in some cases of any party to the agreement). In the case of natural persons (who are individuals and can be foreign nationals providing services through Mode 1, 2 or 4), there is no provision in GATS influencing the rules of origin in RTAs. To benefit from the provisions of a RTA, natural persons have to comply with the definition of the natural person in the party.

41. With respect to juridical persons, there are differences between the EU, NAFTA and hybrid types of agreements in terms of the legal structure of their rules of origin. The EU approach is to provide a definition of juridical persons encompassing both incorporation and the substantive business operations test. NAFTA types of agreements, on the other hand, have a wide definition of a juridical person mentioning the incorporation test only, but then have the possibility to deny benefits on the basis of lack of substantive business operations. Hybrid agreements include both a restrictive definition and a denial of benefit clause.

42. Providing a ranking to illustrate the restrictiveness of RTAs' rules of origin in services is a difficult task as the practical impact of legal provisions differs according to national interpretations of legal terms and concepts. However, on the basis of the RTAs reviewed in this report, a typology can be created with three categories for natural persons (Table 2) and four categories for juridical persons (Table 3). The categories are ranked to a certain extent from the most liberal provisions to the least liberal, but bearing in mind the above caveat and acknowledging that rules of origin are overall quite liberal and few differences exist amongst RTAs. Each category is illustrated with an example of RTA; the detailed results of the analysis for all OECD RTAs are presented in Annex 4.

Table 2. Typology of rules of origin for natural persons

Natural Persons		
	Requirements	**Example of agreement**
I	Definition requiring at least permanent residency	NAFTA "National means a natural person who is a citizen or permanent resident of a Party and any other natural person referred to in Annex 201.1" [Annex 201.1 Country-Specific Definitions For purposes of this Agreement, unless otherwise specified: national also includes: a) with respect to Mexico, a national or a citizen according to Articles 30 and 34, respectively, of the Mexican Constitution; and b) with respect to the United States, "national of the United States" as defined in the existing provisions of the Immigration and Nationality Act;]
II	Definition requiring at least permanent residency with substantially the same treatment as nationals	EFTA-SINGAPORE " 'natural person of a Party' means a natural person who resides in the territory of that Party or elsewhere and who under the law of that Party: (i) is a national of that Party; or (ii) has the right of permanent residence in that Party and is accorded substantially the same treatment as nationals in respect of measures affecting trade in services."
III	Definition requiring nationality	EU-CHILE "A 'natural person' means a national of one of the Member States or of Chile according to their respective legislation."

43. With regard to natural persons, all RTAs refer to "nationals" or "permanent residents". The legal definition of such terms is generally provided by the concerned party's national legislation. From the point of view of the extension of RTA commitments to non-parties, permanent residency is less stringent than nationality. "Nationals" refer to citizens and therefore entail, in most instances, a lengthy procedure to acquire the nationality of the selected country. Obtaining permanent residency can be equally challenging but appears more flexible than the nationality requirement in the context of foreign service suppliers whose presence is motivated by business opportunities on a short-term basis.

44. The least restrictive provisions are therefore those where the definition of natural persons requires at least permanent residency, such as in NAFTA (Category I). Agreements, such as EU-Chile, that only consider nationality as relevant to enjoy the benefit of the RTA (Category III), thereby raise the obstacles for non-party individuals to benefit from the more favourable treatment granted in the RTA. In between, we find agreements (Category II) where permanent residency is required but where the permanent residency should entail the same treatment as nationals in respect of measures affecting trade in services (e.g., EFTA-Singapore FTA).

45. For juridical persons, the two most important criteria to comply with in order to benefit from an RTA are: (i) to be constituted in a party of the RTA; (ii) to be engaged in substantive business operations. Nuances in these provisions lead to four categories of agreements, as shown in Table 3 below.

Table 3. Typology of rules of origin for juridical persons

Juridical Persons		
	Definitions and/or Denial of Benefits clause requirements	**Example of Agreements**
I	a. constitution or organisation of juridical persons in the country of an RTA party; or b. ownership and control by natural or juridical persons of one of the parties	ANZCERTA Definitions Person of a Member State means: (b) a body corporate established under the law of that State; (c) an association comprising or controlled by: (i) persons described in one or both of sub-paragraphs (a) or (b); or (ii) persons described in one or both of sub-paragraphs (a) or (b) and persons so described in relation to the other Member State. Denial of benefits […] a Member State may deny the benefits of this Protocol to persons of the other Member State providing a service if the Member State establishes that the service is indirectly provided by a person, not being a person of either Member State.
II	a. constitution or organisation of juridical persons in the country of an RTA party; + b. substantive business operation in the country of ***one of the parties*** if non-party ownership and control.	NEW ZEALAND-SINGAPORE FTA Definitions "legal person" means any legal entity duly constituted or otherwise organised under applicable law, whether for profit or otherwise, and whether privately-owned or governmentally-owned, including any corporation, trust, partnership, joint venture, sole proprietorship or association; Extension of Benefits A service supplier of a non-Party that is a legal person constituted under the laws of a Party shall be entitled to treatment granted under this Part provided that it engages in substantive business operations in the territory of one or both Parties.
III	a. constitution or organisation of juridical persons in the country of an RTA party; + b. substantive business operation in the country of the party of presence if non-party ownership and control (commercial or local). *Note that in some cases the benefit can be denied also on the basis of lack of diplomatic relations with the non party or for measures prohibiting transactions with the non party but in any case, if the juridical person is not party-owned and controlled, it has to undertake the substantive business operation (this also applies to category II).*	US-BAHRAIN FTA Definitions of General Application "enterprise of a Party" means an enterprise constituted or organized under the law of a Party; Denial of Benefits 1. A Party may deny the benefits of this Chapter to a service supplier of the other Party if the service is being supplied by an enterprise owned or controlled by persons of a non-Party, and the denying Party: (a) does not maintain diplomatic relations with the non-Party; or (b) adopts or maintains measures with respect to the non-Party or a person of the non-Party that prohibit transactions with the enterprise or that would be violated or circumvented if the benefits of this Chapter were accorded to the enterprise. 2. A Party may deny the benefits of this Chapter to a service supplier of the other Party if the service is being supplied by an enterprise that has no substantial business activities in the territory of the other Party and persons of a non-Party, or of the denying Party, own or control the enterprise.

Juridical Persons		
	Definitions and/or Denial of Benefits clause requirements	**Example of Agreements**
IV	a. constitution or organisation of juridical persons in the country of an RTA party; + b. ownership and control by natural or juridical persons of one of the parties + c. substantive business operation in the country of the party of establishment.	THAILAND-AUSTRALIA FTA Definitions "juridical person of the other Party" means a juridical person which is either: i) constituted or otherwise organised under the law of the other Party and is engaged in substantive business operations in the territory of that Party; or ii) in the case of the supply of a service through commercial presence, owned or controlled by: natural persons of the other Party; or juridical persons of the other Party identified under subparagraph (i) Denial of Benefits […] a Party may deny the benefits of this Chapter to a service supplier of the other Party where the Party establishes that the service supplier is owned or controlled by persons of a non-Party

46. The most liberal types of rules of origin are those, like in the Australia-New Zealand Closer Economic Relations Trade Agreement (I), which regard constitution or incorporation as a sufficient factor to identify the juridical person as "a person of the party". This does not preclude the possibility of being denied the benefits of the agreement if the service is provided by a non-party. However, there is no substantive business operation test to comply with.

47. With respect to the categories including a substantive business operation test, the degree of restrictiveness can be determined by the conditions of constitution of the juridical person. The constitution of a juridical person entails the adoption of a legal identity that extends beyond a mere local presence. By way of example, a representative office of a Japanese bank in Montreal could be denied NAFTA benefits in the US but not a subsidiary of the same bank (Marconini, 2009). Some provisions (Category II) are deemed more liberal than others (Category III) since they allow non-parties' juridical persons to be constituted in one party and carry out substantive business operations in another party. Hence, a French subsidiary established in New Zealand could take advantage of the preferences granted under New Zealand-Singapore FTA by conducting substantive business operations in Singapore. This would not be possible in the context of rules of origin of an agreement in Category III, such as US-Bahrain FTA, where the substantive business has to be conducted in the territory of the party where the juridical person is established.

48. In all previous categories, a non-party can own and control a juridical person in the territory of a party to a RTA and enjoy the benefits of the RTA. When as an additional requirement, the juridical person has to be owned by a natural person or juridical person of the parties, then foreign-owned companies from non-parties are excluded from the benefit of the RTA. As shown by Fink and Jansen (2007), the Thailand-Australia FTA exemplifies this type of restriction (Category IV). Here, Thailand permits full foreign ownership in construction and distribution services, but restricts this benefit to companies that are owned and controlled by Australian persons. Non-party services suppliers still are subject to a 49% foreign equity limitation on investments in this sector and cannot control any Thai company.

49. The interpretation of "substantive business operations" poses difficulties as it could imply different tests and degrees of restrictiveness according to countries. A study by Fink and Nikomborirak (2007) states that it could include the possession of a business or service license, the payment of local profit taxes, the owning or renting of premises, a minimum sales requirement, a minimum number of years of establishment and a requirement that the export of services within the RTA territory be of the same nature

as the service supplied in the exporting RTA member. The Closer Economic Partnership Arrangements of China with Honk Kong and Macao use criteria along the same lines to define substantive business operation (Emch, 2006). But in all other RTAs, "substantive business operations" are not defined.

How does the imposition of restrictions concerning the ability to take advantage of RTA preferences translate in terms of business costs?

50. Although it is understood that RTAs are not concluded with the express purpose of granting preferences to everyone outside the RTA parties, it is useful to assess to what extent the rules of origin contained in RTAs constitute an obstacle towards this goal in the context of the multilateralisation of regionalism. Indeed, adopting liberal rules of origin can be viewed as a way of reintroducing some degree of the MFN principle back into the RTAs in accordance with GATS Article V.

51. Being part of an RTA implies the reduction of trade costs. Third party suppliers are generally hurt by these preferences since their ability to compete with the countries enjoying the preferential benefits of the RTA is impaired. In these circumstances, a third party supplier might be tempted to establish itself under the laws of one of the parties to the agreement in order to gain access to the preferential treatment granted under the RTA. A well-known example is the case of EU banks offering their services to Mexican consumers and benefiting from NAFTA provisions on financial services (Fink and Mattoo, 2002). Several Spanish and Dutch Banks established in Mexico through their US subsidiaries following the adoption of NAFTA in 1994. When the EU-Mexico agreement entered into force in 2000, offering similar provisions as NAFTA for financial services, some of these companies transferred back the ownership of their Mexican subsidiary to the parent company established in Europe. In the context of NAFTA, as long as these European banks are established under US law and are subsidiaries with "substantive business" in the country, they are regarded as any other US firm, when it comes to investing in Mexico.

52. There is, however, an additional cost for the parent company when it invests through its foreign affiliate and for this reason it could be argued that there is still a preference granted to domestic companies. Third party suppliers are then left with the option of having to incur the costs of incorporation, authorization requests for licenses to practice, etc., and benefiting from lower trade costs within the RTA, or, of continuing to incur higher trade costs by providing the service from outside the RTA (including through a more costly incorporation in the destination market). For example, the RTA might remove nationality requirements for board of directors and managers. Then, establishing in the consumer foreign market through the "MFN" regime (direct establishment with nationality requirements) or through the preferential treatment of the RTA (indirect establishment through a subsidiary in another party of the RTA, with no nationality requirement for directors and managers) would make a difference.

53. The rationale for liberal rules of origin in services RTAs is that by letting less competitive firms settle in their market on a preferential basis, the parties incur productivity and income losses. Moreover, because of sunk costs and the advantage given to the first mover, the entry of the more competitive firms at a later stage can also be compromised. Even if the parties subsequently liberalise on an MFN basis, the firms who have first entered the market will have invested time and capital to limit the competition with other firms. Hence, restrictive rules of origins could conceivably entail a high level of concentration in RTA markets.

54. To conclude, while RTAs share similar basic requirements to be recognized as a company or natural person of the party, the restrictiveness of rules of origin can be assessed by the interpretation and interaction of these basic requirements. As already mentioned, the degree of restrictiveness with respect to natural persons largely depends on RTA members' domestic legislation. However, it can be said that RTAs that provide the option of either being a national of the country or a permanent resident are less restrictive than those requesting that natural persons be nationals of the party only.

55. For juridical persons, the most important source of restrictiveness is the obligation to be owned and controlled by a person of the party but this is very rare (only two agreements involving Thailand have such restrictions in OECD RTAs). The large majority of RTAs include the substantive business operation test so as to determine whether a non-party company will benefit from the RTA. In theory, the degree of restrictiveness could vary according to the meaning given to substantive business operations. But in practice, countries have adopted a liberal approach (Fink and Jansen, 2007; Baldwin *et al.*, 2009) and do not use it to prevent non-parties from benefitting from RTAs when they are recognised as juridical persons on their territory. Agreements are deemed even less restrictive when substantive business operations can occur in the territory of any party. Finally, the most liberal type of rules of origin (found in two agreements[12]) does not even mention substantive business operations as a requirement. But to the extent that this criterion has no practical consequences in terms of implementation, most RTAs apply a similar treatment to companies owned and controlled by non-parties.

III. MFN provisions in RTAs: a mechanism to multilateralise services commitments?

56. The most-favoured-nation (MFN) treatment is one of the oldest standards of international economic relations and can be traced back to the twelfth century (OECD, 2005). MFN clauses spread with the growth of commerce in the fifteenth and sixteenth century and were included in most bilateral trade agreements signed in the eighteenth and nineteenth century, called Friendship, Commerce or Navigation treaties at the time.

57. After World War II and having learned from the protectionist mistakes of the Great Depression, the MFN clause became a pillar of multilateral trade liberalisation. Due to its importance as a principle in liberalising trade on a non-discriminatory basis to the benefit of all countries, an unconditional MFN clause was stipulated in the first Article of the General Agreement on Tariffs and Trade (GATT) in 1947. When trade in services was finally covered by a multilateral agreement in 1994, the MFN principle became Article II of the General Agreement on Trade in Services (GATS) as a general obligation to be accorded "immediately and unconditionally". However, in contrast to the GATT, countries can maintain measures inconsistent with this obligation.[13]

58. While the term "most-favoured-nation" suggests a special treatment, the aim of the MFN clause is to achieve non-discrimination and to offer to all WTO Members the same "best" treatment so that every country is "most-favoured". In GATS, Article II says that each Member shall accord "to services and service suppliers of any other Member treatment no less favourable than that it accords to like services and service suppliers of any other country". Concretely, this means that countries cannot discriminate between their trading partners. If a service supplier from country A is granted a special favour, such as the easing of some licensing requirement or the removal of barriers to foreign ownership in a given service sector, the same favour should be extended to all WTO Members. The difference with national treatment is that the MFN clause is about treating all trading partners equally while national treatment means that foreign companies and domestic companies should be treated equally (*i.e.* according to foreign providers the same treatment as nationals).

12. This only concerns the supply of cross border services for the concerned agreements

13. To the extent that these measures are listed according to the conditions indicated in the Annex on Article II Exemptions. In particular, the Annex states that "in principle, such exemptions should not exceed a period of 10 years". But the practice of WTO Members has been to introduce "indefinite" exemptions. Eliminating these exemptions is part of the mandate of the services negotiations in the Doha Development Agenda.

RTAs as an exception to multilateral MFN treatment

59. An important exception to the multilateral MFN principle found in GATS is however the possibility of entering into an agreement liberalising trade in services among its parties for the purpose of economic integration. Under certain conditions listed in GATS Article V, countries can sign RTAs and grant preferential treatment to services providers of the parties on a discriminatory basis. As the risk is to undermine the multilateral trade liberalisation, Article V has introduced conditions and safeguards to ensure that RTAs facilitate trade between parties but do not raise barriers to trade in services with respect to non-parties.

60. The conditions are the following. First, RTAs should have a "substantial sectoral coverage". There is no clear definition of this substantial sectoral coverage but a footnote indicates that "this condition is understood in terms of number of sectors, volume of trade affected and modes of supply" and that "in order to meet this condition, agreements should not provide for the *a priori* exclusion of any mode of supply". The second condition is that the agreement should provide for "the absence or elimination of substantially all discrimination (…) between the parties (…) through: (i) elimination of existing discriminatory measures, and/or (ii) prohibition of new or more discriminatory measures". Again, no criterion is provided to assess whether RTAs achieve this substantial elimination of all discriminatory barriers but the spirit is that agreements departing from the MFN principle should be RTAs that aim at freeing trade in services between countries. This is emphasised in Paragraph 2 of GATS Article V that points out that "in evaluating whether the conditions (…) are met, consideration be given to the relationship of the agreement to a wider process of economic integration or trade liberalization among the countries concerned".[14]

61. Two other conditions are stipulated in the rest of Article V. The first one concerns rules of origin for services providers as explained in the previous Section. Non-parties with commercial presence in the territory of a party to the RTA and "substantive business operations" should benefit from its provisions. The second one stresses that the agreement shall not "in respect of any Member outside the agreement raise the overall level of barriers to trade in services (…) compared to the level applicable prior to such an agreement". Should this happen, GATS requests the notification of any withdrawal or modification of prior commitments and WTO Members concerned can seek compensation as they would do for any modification of schedules of commitments under Article XXI.

62. RTAs are therefore exceptions to the multilateral MFN treatment and GATS has provisions to control the extent to which they can depart from the fundamental principle of non-discrimination among WTO Members. The recent proliferation of RTAs with services provisions questions the extent to which MFN treatment has been preserved among WTO Members as the norm and RTAs as an exception for specific regional integration agreements. From the analysis presented in Section I, we can see that services providers within RTAs and outside RTAs are, from the point of view of market access and national treatment commitments, not treated equally. Differences in legal bindings do not mean that services providers are actually treated on a discriminatory basis but the legal framework of services trade liberalisation in RTAs allows for such discrimination.

63. There are several reasons for the emphasis of international trade agreements on MFN treatment. First, there is a strong economic rationale in avoiding distortions in the treatment of trading partners. Trade gains come from the efficient allocation of resources in sectors where countries have a comparative advantage. Asymmetric protectionism is even worse than uniform protectionism in the sense that not only consumers pay a higher price for their services but in addition some foreign producers that are not the most efficient are favoured over other foreign producers. The whole allocation of resources among producers is distorted, with important productivity losses in the end. The second advantage of MFN treatment is from a

14. On the interpretation and implementation of GATS Article V, see Adlung and Morrison (2010).

political economy point of view to minimize negotiating costs. Under the MFN principle, information asymmetries and differences among countries in terms of negotiating leverage are minimized. What is negotiated by one country is offered to all others and this prevents bilateral negotiations from being costly and to the detriment of some countries over others.[15] Following non-economic considerations, some countries can on the contrary depart from the MFN approach and deliberately grant preferences to specific partners that are not meant to be extended to other countries.

MFN treatment within a RTA and with respect to non-parties

64. So far, we have only discussed the multilateral MFN treatment of GATS. But certain RTAs also include MFN provisions and provide for "regional MFN treatment", adding a further layer of complexity to the analysis of MFN treatment. While acknowledging preferential trade liberalisation between their parties as opposed to non-parties (and thus breaching the multilateral MFN treatment), RTAs can introduce MFN treatment between parties. Such a provision means that parties to the agreement should receive treatment no less favourable than that granted to other parties.

65. This provision is of little interest in the case of a bilateral agreement as each party is automatically the most favoured in the case of only two parties in the agreement (and with reference only to the treatment granted to the other party). There are however services trade agreements that are plurilateral such as NAFTA, the Trans-Pacific Strategic Economic Partnership Agreement or the ASEAN-Korea Free Trade Area, where ensuring MFN treatment among parties makes sense. In particular, the provision guarantees a level playing field among parties to the agreements with services providers from all parties benefiting from the same liberalising commitments.

66. Where MFN treatment becomes more interesting in a RTA is, however, when it extends to non-parties (also referred to as "third parties", that is simply countries that are not part of the agreement). Some agreements state that the parties should be granted treatment no less favourable than that granted to *any non-party*. In this case, the comparison of the "most-favoured" treatment is not limited to the parties of the agreement but includes all other countries. In particular, if a party has signed (or will sign in the future) another RTA with more preferential treatment, the MFN provision with respect to "any non-party" implies that this more favourable treatment will be granted to the parties of the initial RTA.

67. Through the non-party MFN provision (or "third-party MFN") RTAs can therefore play a positive role in the multilateralisation of RTA commitments. If all RTAs were to include a MFN provision with respect to non-parties, the proliferation of services RTAs would mean that progressively all partners in RTAs benefit from the most-favoured treatment and MFN treatment could become again a strong international standard. In practice, however, a certain number of RTAs prevent this multilateralisation from happening and introduce a specific exception for RTAs signed with other parties (past and/or future).

MFN provisions in other international agreements

68. To fully understand the implications of MFN provisions, one should also add to the picture MFN provisions that are in other related international agreements. In the case of services trade, there is in particular an overlap between trade agreements that cover Mode 3 trade in services (commercial presence) and international investment agreements. While GATS deals with trade in services as a consequence of investment (Mode 3 trade in services) and disciplines on investment concern more the movement of capital than trade, there is an overlap because the "service provider" and the "investor" are the same juridical person and any discrimination against this juridical person falls both under the disciplines of

15. See Bagwell and Staiger (2009).

GATS/services agreements and investment agreements. Almost all of the RTAs covered in this report are investment agreements as well as services agreements.[16]

69. While Bilateral Investment Treaties (BITs) typically cover investment in services, their provisions are generally limited to the "post-establishment" phase (and therefore not relevant for market access). Only BITs signed by the US and some signed by Canada and Japan also deal with pre-establishment and cover disciplines similar to the ones found in RTAs for trade in services. A certain number of BITs extend the MFN obligation to benefits granted under RTAs (Adlung and Molinuevo, 2008). Therefore, one can also look at these agreements to assess to what extent the multilateralisation of RTA commitments is already allowed. But this kind of multilateralisation can only be limited to the disciplines covered by BITs and where there is an overlap with RTAs. In a majority of BITs, MFN provisions carve out RTAs.

70. For OECD countries, it is also important to mention the obligations under the legally binding OECD Codes of Liberalisation of Capital Movements and Current Invisible Operations which cover commercial presence in services and the provision of financial, professional and certain other services on a cross-border basis. OECD Members have committed to extend to each other any preferential treatment which may result from RTAs.[17] Commitments for trade in services and investment in services made under OECD instruments are extended to all WTO members through the GATS MFN provision. As a consequence, there is already a legal mechanism leading to the multilateralisation of these services commitments.

Overview of MFN provisions in OECD RTAs

71. While all RTAs covered in this report are exceptions to multilateral MFN treatment (and notified to WTO under GATS Article V), not all of them include MFN provisions and an even smaller number define most-favoured-treatment *vis-à-vis* non-parties. Table 4 below provides a typology of the type of MFN provisions found in RTAs where an OECD country, including the new Members, and enhanced engagement countries is a party.[18]

72. In 21% of the agreements reviewed, there is no MFN treatment. Parties to this type of agreement cannot directly benefit from the more favourable treatment offered in other RTAs and as a consequence the multilateralisation of commitments is not possible through a MFN mechanism. In three of these agreements, there is however a non-binding non-party MFN provision (Fink and Jansen, 2009). Through a request, parties can ask to benefit from treatment no less favourable than that provided in a new RTA. This extension is, however, not automatic.

73. One agreement introduces only MFN treatment among parties. While avoiding discrimination within the RTA, this type of provision cannot extend the content of more favourable RTAs to the parties of the agreement. A third category of RTAs (16%) includes a non-party MFN clause but excludes other RTAs from the application of the principle. The benefit of the MFN treatment is therefore limited, as more favourable treatment for non-parties is likely to be found in other RTAs. If not, GATS Article II already provides such a MFN treatment with respect to non-parties.

74. However, these agreements that exclude other RTAs from the scope of MFN treatment generally have a provision for the extension of commitments through a "request or "consultation". Through

16. See Houde *et al.* (2007) for the interaction between services and investment provisions in RTAs.

17. For a recent overview of observance of MFN commitments under the Codes, see the Investment Committee Report approved by Council in July 2009 C(2009)95 and ANN1 to 3, and CORR1 (*www.oecd.org/daf/investment/instruments*).

18. The detail of MFN provisions in each RTA is given in Annex 5.

negotiations, it is of course always possible to obtain more preferential treatment in the absence of any specific MFN clause but the mention of a request or consultation implies that there is a facilitating mechanism within the agreement to extend commitments.

Table 4. Typology of MFN provisions in RTAs

	Type of MFN provision	Potential for multilateralisation through MFN treatment	Number of agreements
1	No MFN treatment in the RTA or non-binding non-party MFN	Only through a request or new negotiations.	12 (21%)
2	MFN treatment among parties to the agreement	Limited. The MFN provision ensures only non-discrimination among parties to the agreement.	1 (2%)
3	Non-party MFN treatment but excluding other RTAs	Limited. Such MFN treatment is already provided by GATS Article II. Extension of commitments on request.	9 (16%)
4	Non-party MFN treatment only for future agreements	High. More favourable treatment in new agreements is extended to parties of former agreements.	22 (39%)
5	Full non-party MFN treatment	Higher. More favourable treatment in any agreement can be extended to parties.	12 (22%)

75. In a majority of agreements, MFN provisions cover non-parties to the RTA and include the more favourable treatment that would be offered to these non-parties in another RTA. 39% of the agreements contain provisions similar to NAFTA where treatment no less favourable than that granted to any non-party is guaranteed, with the exception of former RTAs. This means nevertheless that more favourable treatment in a more recent agreement can benefit the parties of the RTA where the MFN provision is found. In 22% of OECD RTAs, there is even no exception to the non-party MFN rule. A more favourable treatment in any other RTA (entered into force before or signed after) can be extended to the parties of the RTA. This type of provision has the highest potential for the multilateralisation of commitments through MFN mechanisms. The more the network of RTAs expands, the more the parties of all RTAs can benefit from the "best" treatment available on a non-discriminatory basis.

76. Of course, the wording of MFN clauses varies from one agreement to another and there are other differences in provisions that are not reflected in Table 4. For example, because of the interaction between investment and services provisions, MFN treatment can be different for cross-border trade in services and commercial presence. There are also qualifications in the way MFN is granted and one should keep in mind that MFN treatment generally refers to "like services" or is granted in "like circumstances". Whether there is a more favourable treatment for a foreign service provider as opposed to another has to be analysed in a comparable setting and on a case-by-case basis.[19]

MFN exemptions in RTAs

77. As it is the case in GATS, countries can list sectoral exemptions to their MFN obligation in RTAs. As illustrated in the Table in Annex 5, most RTAs have such exemptions. However, what the analysis reveals is that MFN exemptions in RTAs are not used to liberalize trade in services on a discriminatory basis. The sectors listed are generally the same across RTAs for a given country and the same as GATS MFN exemptions. We have not found examples of countries using sectoral exemptions to differentiate the

19. See OECD (2005) for a discussion of the *ejusdem generis* principle according to which MFN treatment can only be granted for the same subject matter.

treatment of foreign services providers across RTAs. The differences faced by foreign services suppliers stem only from the presence or absence of MFN provisions and whether they grant non-party MFN treatment.

78. Most exemptions are found in the same sectors, such as transport services (maritime transport and air transport) or audiovisual and communication services. These sectors are traditionally the ones where countries may have separate bilateral agreements with a strong preferential content. In the case of maritime transport this is also the consequence of inconclusive negotiations at WTO (Adlung and Carzaniga, 2009). Overall, the lists of exemptions are quite limited and are in sectors where there are already fewer commitments. These exemptions do not seem to play a role in the regional liberalization of trade in services and are explained more by multilateral concerns. Their removal in RTAs is likely to be dependent on the outcome of WTO negotiations on MFN exemptions.

79. Sectoral exemptions can also be listed with respect to non-party MFN treatment. In the agreements modelled after NAFTA, there is a list of sectors where the more favourable treatment of a future agreement is not automatically extended to the parties of the RTA. The list is generally the same and limited to aviation, fisheries and maritime matters, including salvage. Again these sectors are the traditional ones where MFN exemptions are taken and do not seem to reflect a specific intent to prevent the more favourable treatment found in newer agreements from benefiting parties of former agreements.

IV. Multilateralising services provisions in RTAs: what can we learn from the analysis of schedules of commitments, rules of origin for services providers and MFN clauses?

80. This section presents some conclusions as a basis for the follow-up work on the multilateralisation of deep RTA commitments. The "multilateralisation" issue arises because of the proliferation of RTAs and risks for the multilateral trading system when RTAs introduce trade liberalisation on a discriminatory basis. There are costs and efficiency losses when all services providers do not compete on a level playing field. Hence the question of the preferential content of services provisions in RTAs and the role of rules of origin for services providers and MFN clauses in minimising differences in the way services providers from parties and non-parties are treated.

81. From the analysis of market access and national treatment commitments, rules of origin for services providers and MFN clauses, the following conclusions can be drawn:

- Services RTAs go further than GATS and have introduced improved or new commitments in about 42% of services sub-sectors. If regional agreements are to be seen as the "testing ground" for further multilateral liberalisation, there is a large potential for increasing market access in services industries that are key for growth and job creation.

- Despite the heterogeneity found in RTA schedules of commitments, there is a certain degree of commonality in new and improved commitments that suggests that multilateralising these commitments is achievable to some extent on the basis of current commitments.

- Liberal rules of origin for services providers play an important role in minimising the distortions introduced by RTAs as companies from third-countries can benefit from the preferential treatment of RTAs through commercial presence in the territory of the parties. However, liberal rules of origin cannot be regarded as a substitute for MFN treatment or the multilateralisation of services commitments through further negotiations.

- MFN provisions with respect to non-parties can provide a mechanism to extend the preferential treatment of the most ambitious agreements to more parties, and to increase the coherence of

regional trade liberalisation in services. But not all agreements have such provisions and some of them allow the extension of commitments only on the basis of requests or further negotiations. Non-party MFN clauses should be encouraged to promote the multilateralisation of commitments but can only benefit parties to RTAs (and hence lead to a "plurilateralisation" of commitments rather than full "multilateralisation").

- Services trade liberalisation often resembles unilateral liberalisation that is bound through regional agreements. The multilateralisation of services commitments would imply a more symmetric and systematic liberalisation than what is seen in the schedules of RTAs.

- There will be challenges in dealing with the heterogeneity of RTAs but differences among agreements do not preclude efforts to harmonize services RTAs. In the end, this is a matter of political will and negotiations. Countries can also minimize the discrimination introduced by RTAs simply by offering to all services providers the same treatment on an MFN basis. As noted in the report, this is in fact already the case for many regulations that cannot be implemented on a discriminatory basis.

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ANNEX 1 – LIST OF REGIONAL TRADE AGREEMENTS COVERED IN THE REPORT

Table 5. Services RTAs where an OECD Member is a party

Country	Partner	Agreement	Year into force (services)
Australia	Chile	Australia-Chile FTA	2009
	New Zealand	Australia-New Zealand CER	1988
	Singapore	Singapore-Australia FTA	2003
	Thailand	Thailand-Australia FTA	2005
	United States	US-Australia FTA	2005
Canada	Chile	Canada-Chile FTA	1997
	Peru	Canada-Peru FTA	2009
	United States	NAFTA	1994
Chile	Australia	Australia-Chile FTA	2009
	Canada	Canada-Chile FTA	1997
	Costa Rica	Chile-Costa Rica FTA	2002
	El Salvador	Chile-El Salvador FTA	2002
	European Union	EU-Chile Association Agreement	2005
	EFTA	EFTA-Chile FTA	2004
	Japan	Japan-Chile EPA	2007
	Korea	Korea-Chile FTA	2004
	Mexico	Chile-Mexico FTA	1999
	New Zealand	Trans-Pacific SEP	2006
	Panama	Panama-Chile FTA	2008
	United States	US-Chile FTA	2004
EFTA	Chile	EFTA-Chile FTA	2004
	European Union	EEA	1994
	Korea	EFTA-Korea FTA	2006
	Mexico	EFTA-Mexico FTA	2001
	Singapore	EFTA-Singapore FTA	2003
European Union	Albania	EU-Albania SSA	2009
	CARIFORUM	EU-CARIFORUM States EPA	2008
	Chile	EU-Chile Association Agreement	2003
	Croatia	EU-Croatia SSA	2005
	EFTA	EEA	1994
	F.Y.R. of Macedonia	EU-FYROM SSA	2004
	Mexico	EU-Mexico EPA	2000
Japan	Brunei	Japan-Brunei EPA	2008
	Chile	Japan-Chile EPA	2007
	Indonesia	Japan-Indonesia EPA	2008
	Malaysia	Japan-Malaysia EPA	2006
	Mexico	Japan-Mexico EPA	2005
	Philippines	Japan-Philippines EPA	2008
	Singapore	Japan-Singapore EPA	2002
	Switzerland	Japan-Switzerland EPA	2009
	Thailand	Japan-Thailand EPA	2007
	Viet Nam	Japan-Viet Nam EPA	2009
Korea	ASEAN	ASEAN-Korea FTA	2009
	Chile	Korea-Chile FTA	2004
	EFTA	EFTA-Korea FTA	2006
	Singapore	Korea-Singapore FTA	2006
Mexico	Chile	Chile-Mexico FTA	1999
	Costa Rica	Costa Rica-Mexico FTA	1995
	EFTA	EFTA-Mexico FTA	2001
	El Salvador	El Salvador-Mexico FTA	2001
	European Union	EU-Mexico EPA	2000
	Guatemala	Guatemala-Mexico FTA	2001
	Honduras	Honduras-Mexico FTA	2001
	Japan	Japan-Mexico EPA	2005
	Nicaragua	Mexico-Nicaragua FTA	1998
	United States	NAFTA	1994
New Zealand	Australia	Australia-New Zealand CER	1988
	Brunei Darussalam	Trans-Pacific SEP	2006
	Chile	Trans-Pacific SEP	2006
	China	New Zealand-China FTA	2008
	Singapore	New Zealand-Singapore CEP	2001
		Trans-Pacific SEP	2006
Switzerland	Japan	Japan-Switzerland EPA	2009
United States	Australia	US-Australia FTA	2005
	Bahrain	US-Bahrain FTA	2006
	Canada	NAFTA	1994
	Chile	US-Chile FTA	2004
	Costa Rica	CAFTA-DR	2009
	Dominican Republic	CAFTA-DR	2007
	El Salvador	CAFTA-DR	2006
	Guatemala	CAFTA-DR	2006
	Honduras	CAFTA-DR	2006
	Jordan	US-Jordan FTA	2001
	Mexico	NAFTA	1994
	Morocco	US-Morocco FTA	2006
	Nicaragua	CAFTA-DR	2006
	Oman	US-Oman FTA	2009
	Peru	US-Peru TPA	2009
	Singapore	US-Singapore FTA	2004
Enhanced Engagement			
India	Singapore	India-Singapore CECA	2005
China	Hong Kong, China	Mainland and Hong Kong CEPA	2004
	Macao, China	Mainland and Macao CEPA	2004
	New Zealand	New Zealand-China FTA	2008
	Singapore	China-Singapore FTA	2009

Note: Agreements are repeated across the list for each signatory. The EU agreement and subsequent enlargement agreements are not included because of their different nature. Agreements with no specific commitments or limited to a general commitment about future liberalisation of services are also not included as they cannot be analysed following the methodology used in the report.

ANNEX 2 – TECHNICAL DETAILS REGARDING THE ANALYSIS OF SCHEDULES OF COMMITMENTS

Architectural considerations

RTAs with services provisions follow mainly two models. The first one is the General Agreement on Trade in Services (GATS) where specific commitments on market access and national treatment are listed in schedules based on the W/120 classification.[20] The scheduling approach is "hybrid" in the sense that there is a positive list of sectors where commitments are made and then a negative list of limitations to market access and national treatment disciplines for these sectors.

The template used in this report to assess the degree of preferences in RTAs is based on GATS and the 155 sub-sectors of the W/120 classification. The template applies well to agreements that reproduce the GATS model and the comparison with commitments in the RTA is facilitated.

The other model found in the sample of RTAs analysed follows the architecture of NAFTA where national treatment is a principle that applies to all sectors with a negative list of non-conforming measures. Some agreements refer to "market access" but others (such as NAFTA) deal with market access limitations (as defined in GATS) through national treatment provisions and provisions on quantitative restrictions. In this case, we have to "convert" the commitments of the RTA into GATS categories (national treatment and market access).

Similarly, NAFTA-inspired agreements generally include two categories of reservations to non-discrimination principles: reservations on existing measures and reservations on future measures. To allow the comparison with GATS commitments, reservations with respect to existing measures correspond to partial commitments, while reservations for future measures (where it is said that the party has the right to take "any measure") are analysed as an "unbound" in GATS (the absence of commitment).

Furthermore, the classification of sectors and sub-sectors in NAFTA-inspired agreements is generally not based on the W/120 classification but rather on a national industrial classification. In the process of determining correspondence with the GATS classification, some accuracy in the way reservations affect sub-sectors may be lost. The same issue exists with GATS-inspired agreements that in some sectors use a different classification than in GATS schedules.

The advantage of NAFTA-inspired agreements for our analysis is however that they include a more detailed description of non-conforming measures. As we categorise limitations to market access and national treatment, it is often easier to choose the right category in the case of NAFTA-inspired agreements where more details are provided on the exact nature of restrictions and how they apply.

Lastly, there is also a difference between GATS-inspired and NAFTA-inspired agreements with respect to the way they deal with mode 3. In the former, mode 3 is one of the four modes of supply of services covered in the services chapter of the RTA. In the latter, there is an investment chapter that covers mode 3 trade in services, while the services chapter in the RTA covers only "cross-border trade in

20. The recommendation of WTO (S/L/92) is to schedule commitments in GATS according to the Services Sectoral Classification List described in the document MTN.GNS/W/120. Each sector in this classification is identified by a corresponding CPC category (from the UN Provisional Central Product Classification of 1991). A commitment at a more disaggregated level than the W/120 sub-sector should be identified using also the CPC classification.

services" (corresponding to mode 1, 2 and partially to mode 4).[21] This difference is however not a real issue as non-conforming measures are generally listed together in the same annex for investment and cross-border trade in services. One should however be aware that "investment in services" and "mode 3 trade in services" are not the same concepts and are not defined in the same way. Some differences also remain with respect to mode 4 and the presence of natural persons. The analysis does not account for these differences.

While RTAs generally follow one of the above two models, there are also agreements that depart from these models or combine the characteristics of the two. A very different type of agreement with a full positive list of commitments is for example the China – Hong Kong Closer Economic Partnership Arrangement (CEPA). An illustration of a "mixed" approach can be found in some of the agreements signed by Japan (e.g., Japan-Indonesia EPA and Japan-Malaysia EPA) where there is both a services chapter that covers mode 3 with a GATS-like schedule of commitments and an investment chapter with non-conforming measures in a negative list that also covers investment in services. In the recent Australia-Chile FTA, there is also within the negative NAFTA-like list of non-conforming measures, a reservation for market access with exceptions listed in the way they are in GATS.

Therefore, we do not regard the existence of two different models as a limitation in the analysis. Indeed the countries themselves have often used the two approaches for the same commitments and a fair level of compatibility and correspondence between the two can be assumed.

Horizontal commitments

While the analysis is conducted at the sub-sector level, there is in all RTAs a list of limitations that apply to all sectors. In GATS-like agreements, schedules of commitments start with a horizontal section covering such limitations. In NAFTA-inspired agreements, lists of non-conforming measures also generally start with measures applying to all sectors.

Horizontal limitations are reported on all sub-sectors concerned. For example, if there is an horizontal limitation on mode 3 that says that foreign investors are limited to 49 percent of equity in domestic companies, a limitation on foreign ownership is introduced in all sub-sectors except when otherwise specified (for example when at the sub-sector level it is said that wholly foreign-owned companies are allowed). However, report horizontal limitations on all sub-sectors only when they are clearly restrictive.[22]

We follow similar rules for RTA improvements. For example, in the case of mode 4 commitments (where most of the commitments are horizontal), we indicate that there is an improvement in the RTA only if there is a clear indication that market access or national treatment has been improved. For example, this is the case when mode 4 in the RTA covers an additional category of natural persons or when the duration of stay is improved. In one agreement, we have found only additional provisions to facilitate the work of spouses of intra-corporate transferees and did not regard this as a horizontal improvement that should be reported for all sub-sectors.

21. See Houde *et al*. (2007).

22. A similar approach is followed in Marchetti and Roy (2008). They report only the most stringent horizontal limitations such as "foreign equity limits restrictions, limitations on the number of suppliers (including through economic need tests), joint-venture requirements, and nationality requirements". We may have made different choices with respect to how stringent limitations are but our philosophy is the same.

Measures at the sub-national or sub-federal level

One of the trickiest issues in the analysis of commitments in services deals with non-conforming measures at the sub-national or sub-federal level. While trade agreements generally cover such measures, they are not always fully listed. For example, in the case of NAFTA, measures at the sub-federal level are "grand-fathered" but no list is provided.

Moreover, even when such measures are extensively listed, it is difficult to include them in the assessment of overall commitments. To what extent one non-conforming measure in a given region should affect market access for the whole country? While in some cases, the number and severity of restrictions listed would encourage us to report them for the whole country, the choice we made was to not take into account sub-national or sub-federal level restrictions in the way we categorize commitments.

However, these limitations are taken into account in the comparison with GATS. If some of these restrictions have disappeared in the RTA, we report this as an improvement. As our analysis focuses on the preferential treatment offered in RTAs, the improvement in the commitments is what we accurately indicate, not the overall restrictiveness of the commitment (as we do not have the right criteria to assess how sub-national or sub-federal restrictions impact market access and national treatment).

These choices have important consequences in the analysis of the schedules of commitments of RTAs signed by the EU. Ideally, we should do the analysis at the level of EU Member States as restrictions are clearly different among EU members and fully listed both in the EU consolidated GATS schedule and in RTAs. But practically we cannot analyse 27 schedules of commitments for each agreement where the EU is a party.

This affects only the results at the level of the percentages of "full" commitments that in the case of the EU can correspond to cases where there are still some reservations listed for specific EU Members. When a sector is unbound or when all EU Members have no restriction, the results are not affected.

Unbound due to lack of technical feasibility

In GATS-like schedules of commitments, some sub-sectors are "unbound due to lack of technical feasibility". There is generally no consistency across RTAs with regard to sub-sectors included in this category. Some countries take commitments in modes of supply that other countries would regard as not technically feasible. More recent agreements can also include commitments for sub-sectors where cross-border trade is now possible because of technological advances in IT.

We ignore sectors that are not technically feasible in the calculation of the shares of unbound, partial and full commitments. Again, we focus on RTA improvements and additional commitments in RTAs are always taken into account.

Phasing-out and future liberalisation

When agreements indicate that a non-conforming measure will be phased out, we do not take into account this measure (even when the phasing-out period has not ended). We therefore analyse the projected level of liberalisation.

We cannot do the same thing for commitments on future liberalisation unless they have been concretised in additional commitments. Most agreements indicate that there will be future liberalisation but as they were recently signed nothing has happened to date. In some cases (such as the China-Hong Kong CEPA), different amendments have already been signed and enforced. We have looked at these additional commitments and they are taken into account in the analysis.

Because of all of the above issues, caution is advised when looking at the results of the analysis. As when working with any data comparing different countries and based on heterogeneous sources, there is a certain approximation in the measurement. This approximation does not prevent drawing useful conclusions from the results described in the document. Nonetheless, one should be aware that percentages of unbound, partial, full and improved commitments are indicative and not always fully comparable across countries and agreements.

ANNEX 3 – RESULTS OF THE ANALYSIS OF MARKET ACCESS AND NATIONAL TREATMENT COMMITMENTS

Table 6. Overall commitments and comparison with GATS

Agreement	Party	Year into force (services)	Overall commitments			Comparison with GATS Market access			Comparison with GATS National treatment		
			Full	Partial	Unbound	GATS+	GATS=	GATS-	GATS+	GATS=	GATS-
ASEAN-Korea FTA	Korea	2009	19.7%	43.1%	37.3%	44.5%	55.3%	0.2%	21.1%	78.9%	0.0%
	Malaysia	2009	10.6%	35.5%	53.9%	11.9%	85.0%	3.1%	6.1%	92.9%	1.0%
	Philippines	2009	7.1%	25.3%	67.6%	8.9%	91.0%	0.2%	9.8%	89.8%	0.3%
	Singapore	2009	16.9%	36.0%	47.1%	28.2%	71.1%	0.6%	13.5%	84.2%	2.3%
	Thailand	2009	11.5%	29.7%	58.9%	20.3%	79.7%	0.0%	18.5%	74.8%	6.6%
	Viet Nam	2009	16.6%	38.4%	45.0%	0.0%	99.0%	1.0%	0.0%	99.0%	1.0%
Australia-Chile FTA	Australia	2009	29.4%	61.1%	9.5%	29.2%	70.8%	0.0%	50.0%	49.0%	1.0%
	Chile	2009	23.9%	56.0%	20.2%	47.7%	50.8%	1.5%	76.1%	23.9%	0.0%
Australia-New Zealand CER	Australia	1988	94.5%	4.2%	1.3%	73.9%	26.1%	0.0%	74.5%	25.5%	0.0%
	New Zealand	1988	98.5%	1.5%	0.0%	72.1%	27.9%	0.0%	75.8%	24.2%	0.0%
CAFTA-DR	Costa Rica	2009	48.2%	50.5%	1.3%	90.5%	6.1%	3.4%	96.5%	3.4%	0.2%
	Dominican Republic	2009	51.6%	42.3%	6.1%	72.3%	25.2%	2.4%	87.1%	11.8%	1.1%
	El Salvador	2009	60.5%	35.3%	4.2%	94.2%	5.6%	0.2%	93.2%	6.1%	0.6%
	Guatemala	2009	62.9%	28.1%	9.0%	84.7%	14.8%	0.5%	84.0%	14.1%	1.9%
	United States	2009	60.6%	31.0%	8.4%	49.7%	49.5%	0.8%	61.9%	38.1%	0.0%
Canada-Chile FTA	Canada	1997	67.7%	30.8%	1.5%	80.5%	18.5%	1.0%	80.6%	13.1%	6.3%
	Chile	1997	54.4%	20.5%	25.2%	69.4%	19.8%	10.8%	63.1%	29.5%	7.4%
Canada-Peru FTA	Canada	2009	52.9%	44.0%	3.1%	71.1%	25.3%	3.5%	73.1%	17.1%	9.8%
	Peru	2009	24.2%	75.8%	0.0%	60.3%	35.3%	4.4%	92.1%	5.3%	2.6%
Chile-Costa Rica FTA	Chile	2002	21.3%	34.2%	44.5%	34.5%	56.6%	8.9%	50.2%	40.3%	9.5%
	Costa Rica	2002	32.9%	29.8%	37.4%	61.1%	32.6%	6.3%	60.5%	34.7%	4.8%
Chile-El Salvador FTA	Chile	2002	19.6%	33.4%	46.9%	36.5%	54.8%	8.7%	47.1%	43.4%	9.5%
	El Salvador	2002	33.9%	26.3%	39.8%	56.5%	36.5%	7.1%	58.5%	35.0%	6.5%
Chile-Mexico FTA	Chile	1999	25.2%	47.4%	27.4%	45.0%	49.2%	5.8%	70.0%	25.6%	4.4%
	Mexico	1999	41.1%	41.0%	17.9%	69.4%	26.9%	3.7%	67.7%	23.5%	8.7%
China-Singapore FTA	China	2009	18.2%	43.7%	38.1%	19.7%	79.5%	0.8%	19.2%	80.8%	0.0%
	Singapore	2009	17.4%	45.2%	37.4%	37.4%	62.6%	0.0%	20.8%	79.2%	0.0%
Costa Rica-Mexico FTA	Costa Rica	1995	41.1%	42.1%	16.8%	81.8%	11.8%	6.5%	80.8%	14.4%	4.8%
	Mexico	1995	45.6%	36.6%	17.7%	63.0%	32.3%	4.7%	64.7%	25.8%	9.5%
EEA	European Union	1994	100.0%	0.0%	0.0%	69.2%	30.8%	0.0%	64.7%	35.3%	0.0%
	Iceland	1994	100.0%	0.0%	0.0%	63.4%	36.6%	0.0%	51.1%	48.9%	0.0%
	Norway	1994	100.0%	0.0%	0.0%	68.1%	31.9%	0.0%	66.5%	33.5%	0.0%
EFTA-Chile FTA	Chile	2004	32.7%	31.3%	36.0%	60.2%	35.5%	4.4%	61.8%	33.9%	4.4%
	Norway	2004	32.7%	26.1%	41.1%	24.0%	67.3%	8.7%	36.0%	55.3%	8.7%
	Switzerland	2004	21.6%	34.4%	44.0%	4.4%	85.3%	10.3%	2.1%	87.6%	10.3%
EFTA-Korea FTA	Korea	2006	19.4%	42.4%	38.2%	41.6%	58.2%	0.2%	31.0%	69.0%	0.0%
	Norway	2006	34.5%	33.5%	31.9%	31.3%	68.1%	0.6%	42.9%	56.9%	0.2%
	Switzerland	2006	28.2%	46.0%	25.8%	38.1%	61.9%	0.0%	49.8%	50.2%	0.0%
EFTA-Mexico FTA[1]	Iceland	2001	34.8%	27.1%	38.1%	0.0%	100.0%	0.0%	0.0%	100.0%	0.0%
	Mexico	2001	8.4%	29.5%	62.1%	3.5%	96.5%	0.0%	1.6%	98.4%	0.0%
	Norway	2001	31.5%	29.2%	39.4%	0.0%	100.0%	0.0%	0.0%	100.0%	0.0%
	Switzerland	2001	19.0%	45.6%	35.3%	0.0%	100.0%	0.0%	0.0%	100.0%	0.0%
EFTA-Singapore FTA	Norway	2003	34.2%	32.1%	33.7%	6.3%	93.7%	0.0%	19.0%	81.0%	0.0%
	Singapore	2003	35.2%	37.3%	27.6%	56.1%	43.4%	0.5%	35.3%	58.8%	5.8%
	Switzerland	2003	24.4%	43.9%	31.8%	8.5%	91.5%	0.0%	4.0%	96.0%	0.0%

Agreement	Party	Year into force (services)	Overall commitments			Comparison with GATS Market access			Comparison with GATS National treatment		
			Full	Partial	Unbound	GATS+	GATS=	GATS-	GATS+	GATS=	GATS-
EU-Albania SAA	Albania	2009	100.0%	0.0%	0.0%	56.6%	43.4%	0.0%	45.5%	54.5%	0.0%
	European Union	2009	100.0%	0.0%	0.0%	69.2%	30.8%	0.0%	64.7%	35.3%	0.0%
EU-CARIFORUM States EPA	Dominican Republic	2008	42.7%	27.9%	29.4%	63.4%	34.8%	1.8%	56.8%	41.6%	1.6%
	European Union	2008	36.3%	43.7%	20.0%	36.0%	62.4%	1.6%	20.0%	79.5%	0.5%
	Jamaica	2008	32.4%	28.2%	39.4%	44.4%	55.0%	0.6%	31.7%	68.0%	0.3%
EU-Chile AA	Chile	2003	25.5%	45.2%	29.4%	64.5%	35.3%	0.2%	66.9%	32.7%	0.3%
	European Union	2003	32.3%	38.4%	29.4%	24.0%	75.8%	0.2%	6.8%	93.1%	0.2%
EU-Croatia SAA	Croatia	2005	100.0%	0.0%	0.0%	63.5%	36.5%	0.0%	58.9%	41.1%	0.0%
	European Union	2005	100.0%	0.0%	0.0%	69.2%	30.8%	0.0%	64.7%	35.3%	0.0%
EU-FYROM SAA	European Union	2004	100.0%	0.0%	0.0%	69.2%	30.8%	0.0%	64.7%	35.3%	0.0%
	FYROM	2004	100.0%	0.0%	0.0%	69.8%	30.2%	0.0%	68.4%	31.6%	0.0%
EU-Mexico EPA[1]	European Union	2000	30.8%	34.5%	34.7%	0.0%	100.0%	0.0%	0.0%	100.0%	0.0%
	Mexico	2000	8.1%	29.8%	62.1%	2.4%	97.6%	0.0%	0.5%	99.5%	0.0%
El Salvador-Mexico FTA	El Salvador	2001	52.7%	27.9%	19.4%	76.9%	20.5%	2.6%	76.1%	21.3%	2.6%
	Mexico	2001	43.4%	40.5%	16.1%	69.7%	28.2%	2.1%	68.4%	23.9%	7.7%
Guatemala-Mexico FTA	Guatemala	2001	57.1%	25.3%	17.6%	77.6%	22.4%	0.0%	76.0%	21.9%	2.1%
	Mexico	2001	46.1%	37.9%	16.0%	62.7%	35.9%	1.5%	65.3%	25.6%	9.0%
Honduras-Mexico FTA	Honduras	2001	46.6%	34.5%	18.9%	79.4%	19.7%	1.0%	78.5%	19.7%	1.8%
	Mexico	2001	46.9%	34.7%	18.4%	62.8%	33.3%	3.9%	65.3%	25.3%	9.4%
India-Singapore CECA	India	2005	15.8%	26.9%	57.3%	39.0%	60.0%	1.0%	36.5%	59.4%	4.2%
	Singapore	2005	28.1%	46.5%	25.5%	54.8%	45.0%	0.2%	32.9%	46.8%	20.3%
Japan-Brunei Darussalam EPA	Brunei Darussalam	2008	6.3%	10.3%	83.4%	6.9%	91.0%	2.1%	4.4%	93.4%	2.3%
	Japan	2008	28.4%	44.2%	27.4%	32.7%	64.7%	2.6%	30.5%	66.9%	2.6%
Japan-Chile EPA	Chile	2007	43.1%	48.2%	8.7%	73.5%	23.2%	3.2%	80.0%	17.3%	2.7%
	Japan	2007	28.2%	45.8%	26.0%	41.1%	58.9%	0.0%	39.5%	60.5%	0.0%
Japan-Indonesia EPA	Indonesia	2008	10.0%	25.2%	64.8%	24.0%	75.0%	1.0%	28.9%	70.3%	0.8%
	Japan	2008	31.6%	42.9%	25.5%	47.6%	49.8%	2.6%	47.1%	50.3%	2.6%
Japan-Malaysia EPA	Japan	2006	31.6%	42.9%	25.5%	47.6%	49.8%	2.6%	47.1%	50.3%	2.6%
	Malaysia	2006	8.9%	36.6%	54.5%	9.0%	89.8%	1.1%	4.4%	95.1%	0.5%
Japan-Mexico EPA	Japan	2005	41.0%	48.2%	10.8%	48.7%	50.5%	0.8%	48.7%	50.3%	1.0%
	Mexico	2005	41.9%	40.6%	17.4%	66.6%	31.9%	1.5%	65.2%	27.1%	7.7%
Japan-Philippines EPA	Japan	2008	27.7%	44.0%	28.2%	42.9%	54.5%	2.6%	41.5%	56.0%	2.6%
	Philippines	2008	10.5%	32.9%	56.6%	26.3%	71.6%	2.1%	25.8%	72.5%	1.6%
Japan-Singapore EPA	Japan	2002	22.9%	45.5%	31.6%	35.5%	64.5%	0.0%	34.0%	66.0%	0.0%
	Singapore	2002	27.4%	47.6%	25.0%	56.8%	39.7%	3.5%	35.6%	46.3%	18.1%
Japan-Switzerland EPA	Japan	2009	40.6%	36.8%	22.6%	52.3%	45.0%	2.7%	52.7%	46.3%	1.0%
	Switzerland	2009	36.6%	46.9%	16.5%	52.6%	46.3%	1.1%	59.0%	40.6%	0.3%
Japan-Thailand EPA	Japan	2007	27.7%	44.2%	28.1%	43.1%	54.4%	2.6%	41.8%	55.6%	2.6%
	Thailand	2007	11.5%	29.7%	58.9%	20.3%	79.7%	0.0%	18.5%	74.8%	6.6%
Japan-Viet Nam EPA	Japan	2009	23.4%	37.6%	39.0%	31.1%	66.1%	2.7%	29.7%	67.7%	2.6%
	Viet Nam	2009	17.3%	38.7%	44.0%	0.0%	100.0%	0.0%	0.0%	100.0%	0.0%
Korea-Chile FTA	Chile	2004	42.9%	40.8%	16.3%	68.1%	24.7%	7.3%	76.0%	17.3%	6.8%
	Korea	2004	40.5%	35.6%	23.9%	58.1%	34.0%	7.9%	56.0%	35.6%	8.4%
Korea-Singapore FTA	Korea	2006	32.7%	47.9%	19.4%	62.5%	34.9%	2.6%	53.0%	46.8%	0.2%
	Singapore	2006	41.8%	31.1%	27.1%	61.5%	26.6%	11.9%	60.3%	27.9%	11.8%
Mainland-Hong Kong CEPA[2]	China	2004	20.5%	42.4%	37.1%	16.9%	81.9%	1.1%	4.8%	93.9%	1.3%

Agreement	Party	Year into force (services)	Overall commitments			Comparison with GATS Market access			Comparison with GATS National treatment		
			Full	Partial	Unbound	GATS+	GATS=	GATS-	GATS+	GATS=	GATS-
Mainland-Macao CEPA[2]	China	2004	20.5%	42.3%	37.3%	16.6%	82.3%	1.1%	5.0%	93.7%	1.3%
Mexico-Nicaragua FTA	Mexico	1998	7.6%	29.8%	62.6%	0.0%	100.0%	0.0%	0.0%	100.0%	0.0%
	Nicaragua	1998	8.2%	10.5%	81.3%	1.1%	98.9%	0.0%	1.1%	98.9%	0.0%
NAFTA	Canada	1994	56.9%	36.6%	6.5%	56.0%	37.7%	6.3%	59.4%	34.2%	6.5%
	Mexico	1994	46.3%	46.0%	7.7%	70.7%	23.7%	5.7%	68.1%	25.0%	7.0%
	United States	1994	58.1%	34.5%	7.4%	61.1%	33.7%	5.2%	51.0%	37.1%	12.0%
New Zealand-China FTA	China	2008	18.5%	40.5%	41.0%	17.6%	81.8%	0.6%	17.1%	82.9%	0.0%
	New Zealand	2008	24.8%	30.6%	44.5%	18.7%	81.3%	0.0%	18.7%	81.3%	0.0%
New Zealand-Singapore CEP	New Zealand	2001	35.5%	33.1%	31.5%	24.2%	73.9%	1.9%	23.9%	74.2%	1.9%
	Singapore	2001	20.0%	43.2%	36.8%	44.2%	51.0%	4.8%	27.4%	52.7%	19.8%
Panama-Chile FTA	Chile	2008	20.0%	34.4%	45.6%	38.5%	52.6%	8.9%	52.4%	38.2%	9.4%
	Panama	2008	23.9%	32.6%	43.5%	45.5%	36.1%	18.4%	44.5%	39.0%	16.5%
Singapore-Australia FTA	Australia	2003	52.4%	36.8%	10.8%	57.4%	42.6%	0.0%	41.0%	59.0%	0.0%
	Singapore	2003	34.8%	31.8%	33.4%	49.8%	47.7%	2.4%	32.9%	64.5%	2.6%
Thailand-Australia FTA	Australia	2005	22.4%	36.9%	40.6%	19.5%	79.2%	1.3%	19.7%	79.0%	1.3%
	Thailand	2005	0.3%	8.5%	91.1%	7.1%	63.4%	29.5%	6.9%	61.3%	31.8%
Trans-Pacific SEP	Chile	2006	23.4%	52.3%	24.4%	47.6%	46.6%	5.8%	68.9%	26.8%	4.4%
	New Zealand	2006	51.0%	29.4%	19.7%	49.2%	36.9%	13.9%	50.0%	38.3%	11.7%
	Singapore	2006	41.3%	30.0%	28.7%	56.5%	30.8%	12.7%	40.3%	47.7%	11.9%
US-Australia FTA	Australia	2005	62.3%	35.2%	2.6%	57.4%	41.3%	1.3%	55.4%	42.5%	2.1%
	United States	2005	63.2%	29.4%	7.4%	50.8%	48.2%	1.0%	52.9%	46.1%	1.0%
US-Bahrain FTA	Bahrain	2006	48.2%	36.8%	15.0%	69.2%	30.8%	0.0%	80.0%	15.3%	4.7%
	United States	2006	65.0%	29.8%	5.2%	51.0%	49.0%	0.0%	53.7%	46.3%	0.0%
US-Chile FTA	Chile	2004	27.4%	56.8%	15.8%	44.8%	51.6%	3.5%	69.7%	26.9%	3.4%
	United States	2004	62.1%	29.2%	8.7%	49.7%	50.2%	0.2%	51.4%	48.6%	0.0%
US-Jordan FTA	Jordan	2001	33.5%	37.6%	28.9%	30.5%	69.4%	0.2%	30.2%	69.2%	0.6%
	United States	2001	30.3%	35.8%	33.9%	4.7%	95.3%	0.0%	4.5%	94.2%	1.3%
US-Morocco FTA	Morocco	2006	63.1%	33.4%	3.5%	87.9%	10.8%	1.3%	87.1%	8.3%	4.6%
	United States	2006	61.9%	30.3%	7.7%	51.1%	48.2%	0.6%	50.8%	48.5%	0.7%
US-Oman FTA	Oman	2009	64.0%	29.7%	6.3%	42.4%	54.2%	3.4%	68.9%	27.6%	3.5%
	United States	2009	62.3%	30.3%	7.4%	49.4%	50.0%	0.6%	51.1%	48.2%	0.7%
US-Peru TPA	Peru	2009	59.7%	36.8%	3.5%	87.6%	11.9%	0.5%	85.3%	14.3%	0.5%
	United States	2009	60.2%	31.5%	8.4%	48.2%	50.0%	1.8%	50.9%	49.1%	0.0%
US-Singapore FTA	Singapore	2004	53.2%	39.2%	7.6%	76.9%	21.3%	1.8%	74.4%	19.2%	6.5%
	United States	2004	62.1%	30.0%	7.9%	50.7%	48.3%	1.0%	50.2%	37.8%	12.0%

Note: Estimates. The distinction between full and partial commitments is not always accurate because of differences in classifications and non-conforming measures at the sub-federal or sub-national level. (1) These RTAs cover only financial services at this time. (2) There is only a schedule of commitments for Mainland China in the Mainland-Hong Kong and Macao CEPA.

Table 7. Analysis of market access commitments

Agreement	Party	Market access commitments similar to GATS - No preferential binding (percentage of sub-sectors)						Improved market access commitments - Preferential bindings (percentage of sub-sectors)				
				Partial					Partial			
		Unbound	Full	Scope of sub-sector limited	Restrictions on foreign ownership	Quantitative restrictions on the service or service	Restrictions to the movement of people	Full	Scope of sub-sector limited	Restrictions on foreign ownership	Quantitative restrictions on the service or service	Restrictiond to the movement of people
ASEAN-Korea FTA	Korea	36.7%	14.9%	8.3%	0.9%	3.8%	0.0%	4.9%	14.3%	15.2%	1.8%	16.4%
	Malaysia	55.4%	10.5%	14.3%	5.2%	7.5%	7.4%	2.3%	2.6%	5.7%	1.6%	2.6%
	Philippines	71.2%	4.5%	5.6%	5.0%	6.0%	5.5%	2.6%	1.3%	3.1%	2.3%	2.4%
	Singapore	47.8%	11.0%	12.3%	2.6%	4.7%	0.0%	6.8%	8.8%	0.2%	1.3%	13.8%
	Thailand	59.0%	5.7%	11.0%	11.4%	2.3%	2.0%	5.4%	6.0%	0.2%	0.3%	8.8%
	Viet Nam	43.7%	18.3%	17.8%	14.1%	5.0%	14.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Australia-Chile FTA	Australia	31.9%	23.1%	13.4%	1.9%	1.1%	3.4%	6.5%	8.9%	0.2%	0.3%	14.4%
	Chile	45.4%	0.7%	2.7%	12.6%	2.2%	0.0%	24.3%	8.9%	0.1%	1.0%	12.7%
Australia-New Zealand CER	Australia	1.3%	23.4%	1.9%	0.0%	0.3%	0.0%	71.1%	1.6%	0.3%	0.0%	0.8%
	New Zealand	0.0%	27.1%	0.6%	0.0%	0.0%	0.0%	70.9%	1.0%	0.0%	0.0%	0.3%
CAFTA-DR	Costa Rica	1.5%	1.1%	1.9%	1.9%	0.0%	4.7%	51.1%	20.5%	1.0%	4.7%	20.3%
	Dominican Republic	6.3%	12.9%	0.5%	0.5%	0.0%	6.1%	40.2%	8.4%	3.1%	7.8%	19.3%
	El Salvador	3.7%	0.0%	2.0%	17.5%	0.3%	0.4%	51.9%	5.4%	2.6%	1.5%	20.0%
	Guatemala	9.3%	4.0%	0.6%	0.2%	0.0%	1.6%	58.8%	0.3%	3.9%	2.3%	21.3%
	United States	8.5%	28.2%	2.2%	0.0%	0.0%	12.5%	32.4%	4.8%	1.9%	4.2%	10.3%
Canada-Chile FTA	Canada	1.2%	13.3%	1.8%	19.6%	0.0%	0.0%	42.7%	3.0%	0.3%	0.1%	20.2%
	Chile	19.6%	0.6%	0.1%	14.1%	0.0%	0.1%	48.2%	3.4%	1.6%	0.3%	13.4%
Canada-Peru FTA	Canada	2.6%	13.2%	10.3%	19.3%	0.8%	0.1%	32.5%	8.5%	0.4%	1.5%	20.9%
	Peru	34.5%	0.2%	1.9%	0.3%	2.6%	0.0%	30.4%	12.8%	0.0%	6.3%	16.3%
Chile-Costa Rica FTA	Chile	58.6%	0.3%	5.5%	0.0%	0.0%	3.5%	22.4%	0.0%	0.0%	1.4%	9.0%
	Costa Rica	33.8%	1.2%	15.8%	0.0%	0.0%	0.1%	30.3%	2.0%	0.0%	3.8%	18.6%
Chile-El Salvador FTA	Chile	60.1%	0.6%	1.3%	0.0%	0.0%	2.4%	20.1%	4.0%	0.0%	1.4%	11.5%
	El Salvador	39.4%	0.0%	1.6%	0.0%	0.0%	3.8%	33.7%	4.1%	0.0%	1.4%	17.6%
Chile-Mexico FTA	Chile	49.0%	0.7%	0.4%	10.6%	0.1%	0.0%	24.9%	5.2%	0.0%	1.0%	11.0%
	Mexico	16.3%	6.1%	3.0%	15.3%	1.6%	0.1%	32.5%	9.8%	3.1%	0.0%	18.8%
China-Singapore FTA	China	38.5%	18.7%	18.9%	9.6%	4.4%	0.0%	0.7%	2.9%	1.1%	0.0%	16.6%
	Singapore	37.9%	9.8%	14.4%	2.4%	5.2%	0.2%	8.1%	16.1%	0.0%	1.0%	16.3%
Costa Rica-Mexico FTA	Costa Rica	16.9%	0.8%	0.5%	0.0%	0.0%	0.0%	42.4%	18.5%	0.2%	6.5%	20.9%
	Mexico	15.9%	6.5%	3.0%	14.6%	1.0%	5.8%	34.8%	2.7%	3.7%	3.8%	12.8%
EEA	European Union	0.0%	30.8%	0.0%	0.0%	0.0%	0.0%	69.2%	0.0%	0.0%	0.0%	0.0%
	Iceland	0.0%	36.6%	0.0%	0.0%	0.0%	0.0%	63.4%	0.0%	0.0%	0.0%	0.0%
	Norway	0.0%	31.9%	0.0%	0.0%	0.0%	0.0%	68.1%	0.0%	0.0%	0.0%	0.0%
EFTA-Chile FTA	Chile	35.4%	0.7%	0.0%	11.6%	0.0%	0.0%	30.6%	10.7%	1.8%	1.3%	15.1%
	Norway	41.1%	29.5%	6.9%	0.3%	0.3%	0.0%	3.7%	6.5%	0.5%	0.3%	15.2%
	Switzerland	44.7%	19.0%	22.4%	0.6%	0.8%	14.4%	3.1%	0.6%	0.0%	0.2%	0.5%

Agreement	Party	Market access commitments similar to GATS - No preferential binding (percentage of sub-sectors)						Improved market access commitments - Preferential bindings (percentage of sub-sectors)				
				Partial					Partial			
		Unbound	Full	Scope of sub-sector limited	Restrictions on foreign ownership	Quantitative restrictions on the service or service	Restrictions to the movement of people	Full	Scope of sub-sector limited	Restrictions on foreign ownership	Quantitative restrictions on the service or service	Restrictiond to the movement of people
EFTA-Korea FTA	Korea	38.1%	15.0%	9.8%	1.8%	3.5%	0.2%	4.6%	11.2%	14.2%	2.4%	16.4%
	Norway	32.1%	31.4%	6.0%	0.3%	1.0%	0.0%	3.7%	8.8%	3.2%	0.5%	18.0%
	Switzerland	26.5%	21.1%	17.3%	1.3%	2.6%	0.5%	9.2%	12.9%	0.3%	0.0%	18.7%
EFTA-Mexico FTA[1]	Iceland	34.6%	33.1%	4.8%	14.6%	4.5%	14.5%	0.0%	0.0%	0.0%	0.0%	0.0%
	Mexico	61.9%	7.3%	15.2%	9.7%	6.7%	9.1%	1.1%	0.0%	1.8%	0.3%	0.3%
	Norway	39.4%	31.9%	13.9%	2.9%	1.3%	16.1%	0.0%	0.0%	0.0%	0.0%	0.0%
	Switzerland	36.0%	21.1%	30.5%	1.3%	2.7%	16.9%	0.0%	0.0%	0.0%	0.0%	0.0%
EFTA-Singapore FTA	Norway	33.7%	31.9%	13.5%	2.9%	1.0%	16.1%	2.7%	2.3%	0.3%	0.3%	1.5%
	Singapore	27.9%	11.3%	3.6%	0.3%	1.3%	0.2%	24.7%	14.7%	0.5%	0.5%	19.1%
	Switzerland	32.4%	21.1%	25.5%	1.3%	2.7%	16.9%	5.3%	2.6%	0.0%	0.2%	1.0%
EU-Albania SAA	Albania	0.0%	43.4%	0.0%	0.0%	0.0%	0.0%	56.6%	0.0%	0.0%	0.0%	0.0%
	European Union	0.0%	30.8%	0.0%	0.0%	0.0%	0.0%	69.2%	0.0%	0.0%	0.0%	0.0%
EU-CARIFORUM States EPA	Dominican Republic	25.2%	11.2%	0.0%	0.0%	0.0%	0.0%	26.4%	5.3%	17.3%	0.5%	17.1%
	European Union	20.0%	30.7%	13.1%	2.7%	0.5%	0.0%	5.7%	10.5%	0.0%	0.6%	21.3%
	Jamaica	40.3%	13.5%	2.1%	0.0%	0.3%	0.0%	19.5%	9.2%	1.1%	1.6%	15.5%
EU-Chile AA	Chile	30.0%	0.7%	7.6%	0.1%	1.2%	0.0%	23.8%	17.2%	15.9%	1.8%	17.5%
	European Union	29.4%	30.8%	16.5%	2.7%	0.5%	0.0%	1.5%	4.4%	0.0%	0.3%	19.0%
EU-Croatia SAA	Croatia	0.0%	36.5%	0.0%	0.0%	0.0%	0.0%	63.5%	0.0%	0.0%	0.0%	0.0%
	European Union	0.0%	30.8%	0.0%	0.0%	0.0%	0.0%	69.2%	0.0%	0.0%	0.0%	0.0%
EU-FYROM SAA	European Union	0.0%	30.8%	0.0%	0.0%	0.0%	0.0%	69.2%	0.0%	0.0%	0.0%	0.0%
	FYROM	0.0%	30.2%	0.0%	0.0%	0.0%	0.0%	69.8%	0.0%	0.0%	0.0%	0.0%
EU-Mexico EPA[1]	European Union	35.0%	30.8%	17.6%	2.7%	0.5%	17.6%	0.0%	0.0%	0.0%	0.0%	0.0%
	Mexico	61.9%	7.5%	15.8%	9.9%	6.9%	9.4%	0.6%	0.2%	1.6%	0.0%	0.0%
El Salvador-Mexico FTA	El Salvador	16.3%	0.0%	0.1%	16.6%	0.0%	2.9%	44.6%	5.7%	0.8%	0.0%	15.9%
	Mexico	14.5%	6.1%	2.4%	16.6%	1.7%	0.0%	33.3%	9.0%	3.6%	0.3%	18.8%
Guatemala-Mexico FTA	Guatemala	17.6%	4.0%	1.1%	0.2%	0.0%	0.0%	53.6%	0.3%	0.0%	3.2%	20.5%
	Mexico	14.3%	6.3%	3.3%	16.5%	1.4%	6.0%	34.8%	1.8%	3.7%	4.1%	12.6%
Honduras-Mexico FTA	Honduras	16.4%	0.8%	2.7%	0.4%	14.2%	0.0%	39.7%	7.9%	0.1%	5.5%	18.8%
	Mexico	16.4%	6.2%	3.7%	14.5%	1.0%	5.8%	35.3%	0.7%	3.7%	4.1%	12.7%
India-Singapore CECA	India	56.8%	0.8%	1.9%	2.1%	2.9%	0.0%	15.0%	12.5%	5.1%	2.7%	11.2%
	Singapore	26.1%	11.6%	5.3%	1.6%	4.5%	0.0%	17.1%	21.3%	0.8%	1.4%	20.8%
Japan-Brunei Darussalam EPA	Brunei Darussalam	83.9%	3.5%	1.4%	2.6%	3.2%	1.1%	2.9%	1.3%	2.1%	1.6%	0.5%
	Japan	27.6%	20.0%	7.6%	1.0%	4.7%	11.8%	11.3%	12.4%	2.9%	4.5%	6.3%
Japan-Chile EPA	Chile	16.1%	0.7%	7.6%	17.8%	0.1%	1.8%	40.9%	6.7%	0.4%	4.0%	15.1%
	Japan	26.0%	20.0%	13.4%	1.3%	4.8%	0.0%	11.3%	9.0%	2.1%	2.7%	19.8%

Agreement	Party	Market access commitments similar to GATS - No preferential binding (percentage of sub-sectors)						Improved market access commitments - Preferential bindings (percentage of sub-sectors)				
				Partial					Partial			
		Unbound	Full	Scope of sub-sector limited	Restrictions on foreign ownership	Quantitative restrictions on the service or service	Restrictions to the movement of people	Full	Scope of sub-sector limited	Restrictions on foreign ownership	Quantitative restrictions on the service or service	Restrictiond to the movement of people
Japan-Indonesia EPA	Indonesia	64.9%	4.5%	5.3%	3.9%	2.3%	0.0%	6.0%	9.3%	5.3%	0.8%	9.2%
	Japan	25.9%	19.3%	4.2%	1.1%	3.7%	0.0%	14.2%	13.8%	1.1%	1.3%	18.0%
Japan-Malaysia EPA	Japan	25.9%	19.3%	3.9%	1.1%	3.7%	0.0%	14.2%	13.8%	1.1%	1.3%	18.0%
	Malaysia	55.4%	9.4%	12.7%	6.0%	6.2%	10.2%	1.6%	3.3%	4.1%	2.3%	1.3%
Japan-Mexico EPA	Japan	10.9%	20.2%	2.6%	1.5%	4.6%	13.5%	25.0%	11.7%	1.6%	0.5%	10.7%
	Mexico	15.8%	6.5%	3.6%	16.6%	2.7%	0.0%	30.8%	10.0%	3.3%	0.0%	17.8%
Japan-Philippines EPA	Japan	28.4%	20.0%	8.2%	1.1%	4.2%	0.0%	10.5%	11.9%	3.5%	4.5%	17.7%
	Philippines	58.9%	4.2%	4.7%	4.2%	6.3%	2.2%	6.3%	9.1%	7.9%	3.5%	7.4%
Japan-Singapore EPA	Japan	31.6%	20.0%	13.4%	1.1%	5.5%	0.0%	6.0%	8.9%	2.3%	3.4%	18.4%
	Singapore	26.3%	11.0%	2.2%	0.8%	1.3%	0.0%	18.0%	24.5%	0.5%	1.5%	20.8%
Japan-Switzerland EPA	Japan	23.2%	19.9%	3.1%	0.7%	2.8%	0.0%	23.8%	7.6%	2.3%	2.6%	20.5%
	Switzerland	17.6%	20.5%	10.7%	1.1%	1.8%	0.0%	18.4%	10.9%	1.0%	4.7%	21.7%
Japan-Thailand EPA	Japan	28.2%	20.0%	8.2%	1.1%	5.0%	0.0%	10.5%	12.1%	3.5%	3.7%	17.9%
	Thailand	59.0%	5.7%	11.0%	11.4%	2.3%	2.0%	5.4%	6.0%	0.2%	0.3%	8.8%
Japan-Viet Nam EPA	Japan	39.1%	20.0%	9.5%	1.1%	5.2%	0.0%	5.3%	8.6%	3.2%	1.9%	14.9%
	Viet Nam	42.6%	18.8%	17.7%	14.4%	4.9%	15.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Korea-Chile FTA	Chile	22.5%	0.7%	6.6%	15.8%	0.1%	1.7%	39.0%	6.2%	0.1%	3.7%	12.9%
	Korea	24.3%	15.3%	0.5%	0.0%	2.1%	0.0%	29.1%	6.4%	2.3%	4.3%	19.7%
Korea-Singapore FTA	Korea	18.4%	13.6%	4.5%	2.1%	4.3%	0.1%	18.0%	16.6%	17.4%	1.2%	18.8%
	Singapore	28.1%	8.6%	0.7%	0.0%	0.2%	0.0%	34.7%	8.1%	1.2%	0.2%	20.3%
Mainland-Hong Kong CEPA[2]	China	38.1%	18.4%	15.5%	5.6%	0.8%	11.9%	3.4%	6.3%	3.5%	2.3%	3.2%
Mainland-Macao CEPA[2]	China	38.2%	18.4%	15.5%	5.6%	0.8%	12.1%	3.4%	6.3%	3.4%	2.3%	3.1%
Mexico-Nicaragua FTA	Mexico	62.5%	7.7%	16.1%	11.5%	6.9%	9.4%	0.0%	0.0%	0.0%	0.0%	0.0%
	Nicaragua	77.1%	11.8%	2.0%	1.4%	6.6%	2.9%	0.0%	1.1%	0.0%	0.0%	0.0%
NAFTA	Canada	5.6%	14.0%	0.1%	19.4%	0.0%	13.5%	36.5%	5.6%	0.3%	0.4%	6.9%
	Mexico	8.3%	6.5%	2.7%	0.7%	0.7%	9.2%	44.5%	12.9%	4.4%	0.0%	16.5%
	United States	7.8%	27.7%	0.0%	0.0%	0.0%	0.0%	33.8%	8.0%	2.0%	2.9%	23.5%
New Zealand-China FTA	China	41.2%	18.7%	18.2%	9.9%	4.4%	0.0%	0.8%	1.5%	0.2%	0.0%	15.6%
	New Zealand	44.5%	27.3%	11.8%	0.0%	0.5%	0.0%	1.3%	3.9%	0.0%	0.0%	14.5%
New Zealand-Singapore CEP	New Zealand	31.5%	25.8%	8.5%	0.0%	0.0%	12.1%	12.3%	7.7%	0.0%	0.3%	5.8%
	Singapore	38.6%	10.5%	4.0%	0.8%	1.3%	0.0%	10.7%	23.2%	0.5%	1.2%	16.4%
Panama-Chile FTA	Chile	56.7%	0.3%	1.7%	0.0%	0.0%	3.3%	20.2%	6.4%	0.0%	1.4%	12.2%
	Panama	42.5%	5.2%	2.2%	0.0%	0.0%	6.3%	18.7%	12.9%	0.0%	0.2%	15.3%
Singapore-Australia FTA	Australia	10.8%	23.4%	4.7%	4.0%	1.5%	0.0%	30.3%	5.8%	0.0%	0.0%	22.7%
	Singapore	33.5%	11.1%	1.8%	2.6%	3.7%	0.0%	24.2%	6.6%	1.0%	4.0%	17.4%

Agreement	Party	Market access commitments similar to GATS - No preferential binding (percentage of sub-sectors)						Improved market access commitments - Preferential bindings (percentage of sub-sectors)				
				Partial					Partial			
		Unbound	Full	Scope of sub-sector limited	Restrictions on foreign ownership	Quantitative restrictions on the service or service	Restrictions to the movement of people	Full	Scope of sub-sector limited	Restrictions on foreign ownership	Quantitative restrictions on the service or service	Restrictiond to the movement of people
Thailand-Australia FTA	Australia	40.7%	21.7%	14.8%	4.0%	1.1%	0.0%	0.8%	2.6%	0.0%	0.3%	16.1%
	Thailand	91.4%	0.3%	1.3%	0.5%	0.0%	0.0%	0.0%	5.5%	2.1%	0.0%	1.9%
Trans-Pacific SEP	Chile	45.1%	0.7%	0.4%	11.5%	0.1%	3.1%	23.8%	12.3%	0.1%	1.0%	8.9%
	New Zealand	20.5%	19.3%	1.3%	0.0%	0.0%	8.5%	33.3%	5.0%	0.0%	0.7%	12.8%
	Singapore	29.2%	8.5%	0.7%	0.0%	0.7%	4.2%	33.3%	9.5%	0.7%	0.0%	16.2%
US-Australia FTA	Australia	2.6%	22.3%	4.7%	1.3%	0.3%	12.4%	43.1%	1.5%	1.1%	0.0%	12.7%
	United States	7.3%	27.8%	3.2%	0.0%	0.0%	12.5%	35.1%	4.0%	1.9%	3.0%	10.7%
US-Bahrain FTA	Bahrain	29.0%	1.8%	0.0%	0.0%	0.0%	0.0%	51.8%	8.7%	0.3%	3.2%	6.6%
	United States	5.2%	28.9%	0.3%	0.0%	0.0%	14.8%	36.3%	3.5%	1.9%	3.1%	8.9%
US-Chile FTA	Chile	42.8%	0.7%	7.4%	11.2%	0.0%	4.3%	26.4%	4.9%	0.3%	2.7%	8.0%
	United States	8.6%	27.1%	6.9%	0.0%	0.0%	12.2%	33.3%	0.9%	1.9%	4.2%	10.0%
US-Jordan FTA	Jordan	26.3%	18.3%	12.0%	14.0%	1.0%	9.4%	14.1%	1.9%	2.9%	1.6%	7.2%
	United States	33.6%	28.6%	14.6%	1.9%	6.6%	17.3%	2.4%	0.2%	0.0%	2.1%	0.0%
US-Morocco FTA	Morocco	3.5%	3.9%	0.0%	0.2%	0.0%	3.9%	58.3%	7.3%	2.8%	5.2%	19.9%
	United States	7.7%	28.4%	1.4%	0.0%	0.0%	12.2%	33.8%	3.5%	1.9%	3.0%	11.2%
US-Oman FTA	Oman	6.4%	34.9%	1.3%	0.3%	0.0%	14.2%	32.4%	0.8%	0.7%	0.3%	9.7%
	United States	7.3%	28.1%	2.7%	0.0%	0.0%	14.1%	33.8%	3.7%	1.9%	3.0%	8.9%
US-Peru TPA	Peru	3.9%	1.2%	1.9%	0.3%	0.0%	5.0%	64.1%	6.2%	0.2%	0.8%	18.9%
	United States	8.5%	27.9%	1.1%	0.0%	0.0%	14.1%	33.0%	4.9%	2.0%	4.1%	9.2%
US-Singapore FTA	Singapore	8.0%	11.1%	1.6%	0.2%	1.1%	0.0%	44.5%	9.2%	0.5%	0.8%	24.7%
	United States	8.0%	28.5%	0.0%	0.0%	0.0%	12.3%	34.9%	4.6%	2.0%	3.1%	11.6%

Note: Estimates. The distinction between full and partial commitments is not always accurate because of differences in classifications and non-conforming measures at the sub-federal or sub-national level. (1) These RTAs cover only financial services at this time. (2) There is only a schedule of commitments for Mainland China in the Mainland-Hong Kong and Macao CEPA.

Table 8. Analysis of national treatment commitments

Agreement	Party	National treatment commitments similar to GATS - No preferential binding (percentage of sub-sectors)							Improved national treatment commitments - Preferential bindings (percentage of sub-sectors)					
				Partial						Partial				
		Unbound	Full	Nationality and residency requirements, licensing	Restrictions to the movement of people	Discriminatory measures on subsidies or taxes	Discriminatory measures on property/land	Other discriminatory measures	Full	Nationality and residency requirements, licensing	Restrictions to the movement of people	Discriminatory measures on subsidies or taxes	Discriminatory measures on property/land	Other discriminatory measures
ASEAN-Korea FTA	Korea	33.3%	22.1%	1.5%	11.0%	14.3%	14.3%	1.5%	13.8%	0.0%	4.5%	0.0%	0.0%	0.1%
	Malaysia	49.3%	23.4%	0.3%	8.5%	11.1%	10.6%	2.6%	3.9%	0.0%	1.3%	0.0%	0.0%	0.3%
	Philippines	68.7%	9.6%	6.4%	4.8%	0.0%	8.3%	8.0%	4.3%	3.0%	2.4%	0.0%	0.0%	0.2%
	Singapore	55.6%	20.1%	12.1%	0.0%	0.0%	0.0%	0.0%	11.5%	0.1%	0.0%	0.0%	0.0%	0.7%
	Thailand	57.9%	18.8%	4.2%	0.0%	0.3%	0.0%	0.0%	6.7%	0.2%	3.6%	0.0%	11.8%	0.0%
	Viet Nam	42.1%	30.5%	4.6%	14.1%	13.2%	0.0%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Australia-Chile FTA	Australia	9.4%	26.0%	19.8%	2.7%	1.6%	0.0%	0.1%	22.5%	1.2%	16.3%	0.0%	0.0%	3.3%
	Chile	17.4%	2.9%	0.1%	0.0%	0.0%	0.0%	17.8%	35.5%	10.1%	17.5%	0.0%	0.0%	3.5%
Australia-New Zealand CER	Australia	1.3%	24.2%	0.0%	0.0%	0.0%	0.0%	0.0%	74.5%	0.0%	0.0%	0.0%	0.0%	0.0%
	New Zealand	0.0%	24.2%	0.0%	0.0%	0.0%	0.0%	0.0%	75.8%	0.0%	0.0%	0.0%	0.0%	0.0%
CAFTA-DR	Costa Rica	1.4%	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%	87.0%	5.6%	0.5%	0.2%	0.5%	3.7%
	Dominican Republic	5.6%	7.1%	0.0%	0.0%	0.0%	0.0%	0.0%	62.4%	5.5%	0.9%	0.9%	20.5%	0.1%
	El Salvador	5.7%	0.6%	0.0%	0.2%	0.0%	0.0%	0.0%	90.3%	1.3%	1.0%	0.2%	0.0%	1.0%
	Guatemala	11.1%	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	81.1%	0.5%	0.3%	0.0%	0.0%	1.9%
	United States	7.1%	33.9%	0.1%	0.0%	0.0%	0.0%	0.0%	39.6%	2.1%	0.0%	19.1%	0.0%	1.9%
Canada-Chile FTA	Canada	1.3%	13.9%	0.0%	0.0%	0.0%	0.0%	20.1%	43.8%	1.6%	19.9%	0.0%	0.0%	0.1%
	Chile	24.1%	3.3%	0.0%	0.1%	0.0%	0.0%	14.4%	43.2%	4.5%	12.2%	0.0%	0.0%	0.0%
Canada-Peru FTA	Canada	2.8%	17.7%	18.5%	0.0%	0.0%	0.0%	20.4%	37.2%	3.0%	20.3%	0.0%	0.0%	1.6%
	Peru	0.5%	3.9%	0.0%	0.0%	0.0%	20.5%	0.0%	48.3%	1.6%	20.4%	0.0%	0.0%	6.4%
Chile-Costa Rica FTA	Chile	44.4%	1.0%	0.0%	3.9%	0.0%	0.0%	0.6%	30.6%	3.1%	15.0%	0.0%	0.0%	1.9%
	Costa Rica	37.7%	1.3%	0.0%	0.2%	0.0%	0.0%	0.0%	35.1%	2.4%	20.9%	1.0%	0.0%	2.4%
Chile-El Salvador FTA	Chile	48.2%	1.1%	0.0%	3.1%	0.0%	0.0%	0.5%	28.1%	2.9%	15.8%	0.0%	0.2%	0.8%
	El Salvador	41.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	34.8%	1.4%	21.7%	0.2%	0.0%	1.1%
Chile-Mexico FTA	Chile	24.2%	2.0%	0.1%	0.0%	0.0%	0.0%	15.6%	36.7%	6.8%	15.8%	0.0%	0.0%	2.4%
	Mexico	15.5%	10.0%	0.1%	0.1%	0.0%	18.1%	0.0%	32.6%	4.9%	18.4%	0.0%	0.0%	5.2%
China-Singapore FTA	China	40.0%	38.4%	1.1%	0.0%	1.0%	0.0%	0.6%	2.3%	0.2%	16.5%	0.5%	0.0%	0.0%
	Singapore	47.6%	20.8%	14.0%	0.0%	0.0%	0.0%	0.3%	16.9%	0.4%	0.0%	0.0%	0.0%	1.0%
Costa Rica-Mexico FTA	Costa Rica	17.0%	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%	53.0%	3.3%	21.0%	1.0%	0.0%	4.4%
	Mexico	15.4%	12.8%	0.1%	0.1%	0.0%	18.1%	0.0%	32.7%	5.0%	18.1%	0.0%	0.0%	0.0%
EEA	European Union	0.0%	35.3%	0.0%	0.0%	0.0%	0.0%	0.0%	64.7%	0.0%	0.0%	0.0%	0.0%	0.0%
	Iceland	0.0%	48.9%	0.0%	0.0%	0.0%	0.0%	0.0%	51.1%	0.0%	0.0%	0.0%	0.0%	0.0%
	Norway	0.0%	33.5%	0.0%	0.0%	0.0%	0.0%	0.0%	66.5%	0.0%	0.0%	0.0%	0.0%	0.0%
EFTA-Chile FTA	Chile	31.9%	2.0%	0.0%	0.0%	0.0%	0.0%	14.0%	36.2%	3.7%	14.7%	0.0%	0.0%	0.3%
	Norway	28.9%	24.0%	0.3%	0.0%	30.7%	0.0%	0.3%	5.7%	10.3%	10.7%	0.0%	10.7%	0.0%
	Switzerland	31.6%	27.2%	11.1%	10.4%	29.3%	11.0%	0.0%	0.9%	0.0%	0.5%	0.0%	0.0%	0.1%

Agreement	Party	National treatment commitments similar to GATS - No preferential binding (percentage of sub-sectors)							Improved national treatment commitments - Preferential bindings (percentage of sub-sectors)					
				Partial						Partial				
		Unbound	Full	Nationality and residency requirements, licensing	Restrictions to the movement of people	Discriminatory measures on subsidies or taxes	Discriminatory measures on property/land	Other discriminatory measures	Full	Nationality and residency requirements, licensing	Restrictions to the movement of people	Discriminatory measures on subsidies or taxes	Discriminatory measures on property/land	Other discriminatory measures
EFTA-Korea FTA	Korea	34.4%	23.7%	1.6%	10.7%	0.0%	0.0%	1.6%	11.4%	0.0%	4.4%	0.0%	14.2%	0.1%
	Norway	21.9%	24.9%	0.8%	0.0%	34.4%	0.0%	0.2%	6.6%	11.4%	12.3%	0.0%	12.2%	0.1%
	Switzerland	17.4%	24.0%	0.8%	0.3%	36.8%	0.0%	1.7%	8.6%	12.6%	12.8%	0.0%	13.3%	1.3%
EFTA-Mexico FTA[1]	Iceland	30.5%	43.2%	13.2%	12.9%	12.9%	12.9%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Mexico	56.3%	23.5%	0.4%	8.3%	0.1%	10.5%	0.3%	1.0%	0.1%	0.3%	0.0%	0.0%	0.0%
	Norway	28.0%	28.8%	11.5%	11.5%	31.7%	11.5%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Switzerland	25.0%	29.3%	12.4%	12.2%	33.5%	12.3%	3.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EFTA-Singapore FTA	Norway	23.2%	27.7%	2.1%	11.6%	33.6%	0.0%	0.6%	3.3%	10.0%	0.6%	0.0%	0.0%	0.0%
	Singapore	40.4%	14.1%	15.6%	0.0%	0.0%	0.0%	0.3%	29.3%	0.6%	0.0%	0.0%	0.0%	0.7%
	Switzerland	22.1%	28.6%	12.9%	11.9%	34.7%	12.8%	3.1%	1.8%	0.0%	0.8%	0.1%	0.0%	0.1%
EU-Albania SAA	Albania	0.0%	54.5%	0.0%	0.0%	0.0%	0.0%	0.0%	45.5%	0.0%	0.0%	0.0%	0.0%	0.0%
	European Union	0.0%	35.3%	0.0%	0.0%	0.0%	0.0%	0.0%	64.7%	0.0%	0.0%	0.0%	0.0%	0.0%
EU-CARIFORUM States EPA	Dominican Republic	26.7%	7.4%	0.0%	5.5%	0.0%	0.0%	0.0%	32.7%	0.1%	11.4%	0.3%	16.3%	16.4%
	European Union	16.7%	35.6%	0.1%	13.7%	17.6%	0.0%	0.0%	12.5%	0.1%	3.9%	0.0%	0.0%	0.0%
	Jamaica	35.3%	17.7%	0.0%	6.9%	0.0%	13.0%	0.0%	20.4%	0.0%	6.7%	0.0%	0.0%	0.7%
EU-Chile AA	Chile	25.6%	6.6%	0.0%	0.0%	0.1%	0.0%	0.0%	33.8%	3.2%	16.4%	0.0%	0.0%	16.9%
	European Union	25.0%	38.6%	0.1%	14.8%	15.9%	0.0%	0.0%	4.5%	0.0%	1.2%	0.0%	0.0%	0.0%
EU-Croatia SAA	Croatia	0.0%	41.1%	0.0%	0.0%	0.0%	0.0%	0.0%	58.9%	0.0%	0.0%	0.0%	0.0%	0.0%
	European Union	0.0%	35.3%	0.0%	0.0%	0.0%	0.0%	0.0%	64.7%	0.0%	0.0%	0.0%	0.0%	0.0%
EU-FYROM SAA	European Union	0.0%	35.3%	0.0%	0.0%	0.0%	0.0%	0.0%	64.7%	0.0%	0.0%	0.0%	0.0%	0.0%
	FYROM	0.0%	31.6%	0.0%	0.0%	0.0%	0.0%	0.0%	68.4%	0.0%	0.0%	0.0%	0.0%	0.0%
EU-Mexico EPA[1]	European Union	29.8%	40.0%	0.1%	15.3%	14.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Mexico	56.3%	24.2%	0.4%	8.6%	0.1%	10.5%	0.3%	0.3%	0.1%	0.0%	0.0%	0.0%	0.0%
El Salvador-Mexico FTA	El Salvador	20.2%	0.2%	0.0%	3.4%	0.0%	0.0%	0.0%	54.1%	0.8%	18.9%	0.2%	0.0%	2.7%
	Mexico	13.7%	10.6%	0.1%	0.0%	0.0%	19.5%	0.0%	35.1%	4.1%	18.1%	0.0%	0.0%	1.0%
Guatemala-Mexico FTA	Guatemala	18.6%	5.2%	0.0%	0.0%	0.0%	0.0%	0.0%	55.5%	0.5%	20.2%	0.0%	0.0%	0.0%
	Mexico	13.5%	14.3%	0.1%	0.0%	0.0%	19.4%	0.0%	32.5%	4.8%	17.8%	0.0%	0.0%	0.0%
Honduras-Mexico FTA	Honduras	19.0%	1.4%	1.1%	0.0%	0.0%	0.0%	1.1%	52.4%	4.0%	21.5%	0.0%	0.0%	1.6%
	Mexico	15.8%	12.4%	0.1%	0.0%	0.0%	18.0%	0.0%	33.1%	4.8%	18.1%	0.0%	0.0%	0.0%
India-Singapore CECA	India	53.8%	3.3%	0.0%	0.0%	0.0%	0.0%	9.5%	22.3%	0.0%	10.4%	0.0%	0.0%	0.7%
	Singapore	40.3%	16.2%	15.1%	0.0%	0.0%	0.0%	0.7%	27.8%	0.4%	0.0%	0.0%	0.0%	0.1%
Japan-Brunei Darussalam EPA	Brunei Darussalam	84.7%	7.3%	2.8%	0.9%	0.0%	0.0%	0.3%	4.1%	0.0%	0.2%	0.0%	0.0%	0.0%
	Japan	27.5%	26.8%	1.1%	11.9%	0.0%	0.0%	2.3%	20.3%	2.6%	6.3%	0.0%	0.0%	1.3%
Japan-Chile EPA	Chile	9.3%	4.5%	0.1%	0.7%	0.0%	0.0%	20.5%	43.5%	6.2%	18.1%	0.0%	0.0%	1.2%
	Japan	26.0%	31.1%	1.1%	0.0%	0.0%	0.0%	2.3%	16.9%	1.6%	19.8%	1.0%	0.0%	0.2%

Agreement	Party	National treatment commitments similar to GATS - No preferential binding (percentage of sub-sectors)							Improved national treatment commitments - Preferential bindings (percentage of sub-sectors)					
				Partial						Partial				
		Unbound	Full	Nationality and residency requirements, licensing	Restrictions to the movement of people	Discriminatory measures on subsidies or taxes	Discriminatory measures on property/land	Other discriminatory measures	Full	Nationality and residency requirements, licensing	Restrictions to the movement of people	Discriminatory measures on subsidies or taxes	Discriminatory measures on property/land	Other discriminatory measures
Japan-Indonesia EPA	Indonesia	63.5%	5.9%	1.7%	0.3%	0.5%	0.0%	1.4%	11.7%	0.6%	8.5%	8.5%	8.9%	3.2%
	Japan	25.5%	24.2%	1.1%	0.0%	0.0%	0.0%	2.1%	26.7%	1.8%	18.6%	0.0%	0.0%	0.0%
Japan-Malaysia EPA	Japan	25.5%	24.2%	1.1%	0.0%	0.0%	0.0%	2.1%	26.7%	1.8%	18.6%	0.0%	0.0%	0.0%
	Malaysia	51.3%	22.1%	0.4%	9.4%	10.9%	10.3%	2.8%	2.9%	0.0%	1.0%	0.0%	0.0%	0.0%
Japan-Mexico EPA	Japan	10.9%	23.3%	1.1%	13.5%	0.0%	0.0%	2.0%	30.5%	7.0%	10.7%	0.0%	0.0%	1.5%
	Mexico	15.0%	12.3%	0.1%	0.0%	0.0%	19.3%	0.0%	30.9%	7.9%	17.2%	0.0%	0.0%	0.0%
Japan-Philippines EPA	Japan	28.3%	26.8%	1.1%	0.0%	0.0%	0.0%	2.3%	19.5%	3.1%	17.8%	0.0%	0.0%	1.1%
	Philippines	57.6%	8.8%	4.3%	1.6%	0.0%	12.4%	12.3%	12.3%	5.9%	7.3%	0.0%	0.0%	0.0%
Japan-Singapore EPA	Japan	31.6%	31.0%	1.1%	0.0%	0.0%	0.0%	2.3%	11.8%	2.4%	18.4%	1.0%	0.0%	0.5%
	Singapore	39.9%	14.1%	15.3%	0.0%	0.0%	0.0%	0.7%	30.0%	0.4%	0.1%	0.0%	0.0%	0.1%
Japan-Switzerland EPA	Japan	22.6%	23.4%	1.1%	0.0%	0.0%	0.0%	0.0%	28.1%	2.9%	20.2%	1.0%	0.0%	1.3%
	Switzerland	10.8%	20.1%	1.2%	0.0%	40.6%	14.2%	2.5%	14.5%	13.9%	14.0%	0.0%	0.0%	0.0%
Japan-Thailand EPA	Japan	28.1%	26.7%	1.1%	0.0%	0.0%	0.0%	2.3%	19.8%	2.9%	18.0%	0.0%	0.0%	1.1%
	Thailand	57.9%	18.8%	4.2%	0.0%	0.3%	0.0%	0.0%	6.7%	0.2%	3.6%	0.0%	11.8%	0.0%
Japan-Viet Nam EPA	Japan	39.0%	27.7%	1.1%	0.2%	0.0%	0.0%	2.3%	12.1%	2.7%	14.8%	0.0%	0.0%	0.0%
	Viet Nam	41.1%	31.0%	4.6%	14.3%	13.4%	0.0%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Korea-Chile FTA	Chile	14.7%	3.2%	0.1%	0.7%	0.0%	0.0%	18.9%	43.4%	6.0%	16.2%	0.0%	0.0%	1.1%
	Korea	20.6%	14.5%	0.0%	0.1%	0.0%	16.7%	1.1%	27.7%	3.5%	16.6%	0.0%	0.0%	1.7%
Korea-Singapore FTA	Korea	16.6%	18.4%	1.4%	2.2%	0.0%	18.2%	1.5%	24.3%	3.0%	16.1%	0.0%	0.0%	1.9%
	Singapore	24.4%	8.3%	14.8%	0.0%	0.0%	0.0%	0.0%	32.8%	1.4%	17.6%	0.0%	0.0%	1.7%
Mainland-Hong Kong CEPA[2]	China	42.8%	35.7%	0.2%	14.3%	1.0%	0.0%	1.4%	4.2%	0.3%	0.3%	0.0%	0.0%	0.0%
Mainland-Macao CEPA[2]	China	42.8%	35.6%	0.2%	14.3%	1.0%	0.0%	1.4%	4.3%	0.3%	0.3%	0.0%	0.0%	0.0%
Mexico-Nicaragua FTA	Mexico	56.7%	24.2%	0.4%	8.6%	0.1%	10.5%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Nicaragua	77.9%	9.4%	0.0%	2.8%	8.8%	0.0%	0.0%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%
NAFTA	Canada	5.5%	15.2%	19.2%	12.2%	0.0%	0.0%	0.0%	40.4%	0.7%	6.7%	0.0%	0.0%	1.5%
	Mexico	6.5%	11.4%	0.0%	7.4%	0.0%	19.8%	0.0%	37.1%	4.6%	13.2%	0.1%	0.0%	4.6%
	United States	8.5%	33.6%	0.0%	0.0%	0.0%	0.0%	0.0%	41.2%	2.2%	14.2%	0.0%	0.0%	2.6%
New Zealand-China FTA	China	41.9%	37.7%	1.1%	0.0%	1.0%	0.0%	1.6%	1.6%	0.0%	15.5%	0.0%	0.0%	0.0%
	New Zealand	44.5%	31.8%	0.3%	0.0%	1.6%	0.0%	3.1%	4.2%	0.0%	14.5%	0.0%	0.0%	0.0%
New Zealand-Singapore CEP	New Zealand	31.5%	29.2%	0.0%	12.1%	0.3%	0.0%	3.1%	17.7%	0.3%	5.8%	0.0%	0.0%	0.0%
	Singapore	47.0%	14.9%	14.2%	0.0%	0.0%	0.0%	0.7%	23.5%	0.3%	0.0%	0.0%	0.0%	0.1%
Panama-Chile FTA	Chile	45.5%	1.0%	0.0%	0.3%	0.0%	0.0%	1.1%	45.2%	3.5%	3.0%	0.0%	0.2%	0.8%
	Panama	48.5%	6.8%	0.0%	0.0%	0.0%	0.0%	0.0%	23.0%	0.3%	17.8%	0.2%	0.0%	3.4%
Singapore-Australia FTA	Australia	10.0%	21.7%	20.2%	13.4%	1.6%	0.0%	0.0%	28.5%	0.0%	5.9%	0.0%	0.0%	0.4%
	Singapore	44.5%	12.3%	13.9%	0.0%	0.0%	0.0%	0.3%	27.9%	0.7%	0.1%	0.0%	0.0%	0.3%

Agreement	Party	National treatment commitments similar to GATS - No preferential binding (percentage of sub-sectors)							Improved national treatment commitments - Preferential bindings (percentage of sub-sectors)					
				Partial						Partial				
		Unbound	Full	Nationality and residency requirements, licensing	Restrictions to the movement of people	Discriminatory measures on subsidies or taxes	Discriminatory measures on property/land	Other discriminatory measures	Full	Nationality and residency requirements, licensing	Restrictions to the movement of people	Discriminatory measures on subsidies or taxes	Discriminatory measures on property/land	Other discriminatory measures
Thailand-Australia FTA	Australia	37.3%	30.3%	14.7%	0.0%	1.7%	0.0%	0.0%	2.5%	0.9%	14.4%	0.0%	0.0%	0.0%
	Thailand	89.2%	1.3%	0.6%	0.0%	0.0%	0.0%	0.0%	4.4%	2.0%	1.9%	0.0%	0.0%	1.3%
Trans-Pacific SEP	Chile	21.4%	1.9%	0.1%	3.3%	0.0%	0.0%	16.0%	37.0%	7.8%	12.9%	0.0%	0.0%	3.2%
	New Zealand	20.0%	19.3%	0.0%	10.1%	0.0%	0.0%	0.0%	36.8%	0.2%	11.0%	0.0%	0.0%	2.6%
	Singapore	43.0%	8.5%	13.2%	0.0%	0.0%	0.0%	0.0%	33.0%	1.1%	0.6%	0.0%	0.0%	1.1%
US-Australia FTA	Australia	2.6%	24.2%	2.1%	12.7%	2.0%	0.0%	0.0%	42.4%	1.0%	12.7%	0.0%	0.0%	0.5%
	United States	8.4%	38.5%	0.2%	0.0%	0.0%	0.0%	0.0%	50.6%	1.9%	0.0%	1.9%	0.0%	2.3%
US-Bahrain FTA	Bahrain	15.7%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	82.3%	0.3%	0.0%	1.2%	0.0%	0.0%
	United States	5.2%	41.1%	0.0%	0.0%	0.0%	0.0%	0.0%	51.3%	2.1%	0.0%	1.9%	0.0%	2.3%
US-Chile FTA	Chile	15.1%	3.4%	0.1%	5.2%	0.0%	0.0%	18.1%	40.6%	6.5%	13.3%	0.0%	0.0%	2.0%
	United States	8.7%	40.1%	0.2%	0.0%	0.0%	0.0%	0.0%	48.0%	2.6%	0.2%	1.9%	0.0%	2.2%
US-Jordan FTA	Jordan	25.9%	22.3%	0.7%	9.0%	0.0%	17.3%	1.5%	17.6%	0.3%	6.9%	0.3%	0.3%	0.6%
	United States	33.2%	45.5%	3.1%	1.4%	14.8%	14.8%	0.0%	3.9%	0.1%	0.0%	0.0%	0.0%	0.0%
US-Morocco FTA	Morocco	3.7%	6.4%	0.0%	0.0%	0.0%	0.0%	0.0%	63.0%	2.4%	23.7%	0.5%	0.0%	0.7%
	United States	7.8%	41.3%	0.0%	0.0%	0.0%	0.0%	0.0%	48.4%	2.1%	0.0%	2.0%	0.0%	2.3%
US-Oman FTA	Oman	5.3%	29.4%	0.0%	0.0%	0.0%	0.0%	0.0%	45.7%	0.1%	0.0%	0.3%	19.4%	0.1%
	United States	7.5%	41.3%	0.0%	0.0%	0.0%	0.0%	0.0%	48.9%	2.0%	0.0%	2.0%	0.0%	2.3%
US-Peru TPA	Peru	3.9%	3.6%	0.0%	2.3%	0.0%	20.0%	0.0%	65.0%	0.3%	0.7%	1.2%	0.0%	3.9%
	United States	8.5%	40.8%	0.2%	0.0%	0.0%	0.0%	0.0%	47.8%	2.6%	0.2%	1.9%	0.0%	1.9%
US-Singapore FTA	Singapore	7.1%	12.2%	17.1%	0.0%	0.0%	0.0%	0.3%	38.2%	3.9%	21.1%	0.0%	0.0%	1.3%
	United States	10.0%	33.3%	0.2%	0.0%	0.0%	0.0%	0.0%	39.7%	2.2%	14.2%	2.2%	0.0%	2.6%

Note: Estimates. The distinction between full and partial commitments is not always accurate because of differences in classifications and non-conforming measures at the sub-federal or sub-national level. (1) These RTAs cover only financial services at this time. (2) There is only a schedule of commitments for Mainland China in the Mainland-Hong Kong and Macao CEPA.

Table 9. Average commitments by country and coefficient of similarity of commitments among RTAs

Country	Number of RTAs analysed	Unbound	Non-preferential commitments ("GATS")		Preferential commitments ("Improved" and "New")		Similarity coefficient
			Full	Partial	Full	Partial	
Albania	1	0.0%	41.8%	0.0%	43.9%	14.4%	n/a
Australia	5	13.0%	22.6%	12.0%	29.5%	22.9%	0.68
Bahrain	1	15.0%	0.5%	1.3%	47.7%	35.6%	n/a
Brunei Darussalam	1	83.4%	3.5%	6.1%	2.7%	4.2%	n/a
Canada	3	3.6%	15.8%	9.4%	43.0%	28.1%	0.85
Chile	12	27.7%	0.7%	3.5%	28.1%	40.0%	0.68
China	4	38.3%	17.7%	25.8%	0.9%	17.3%	0.53
Costa Rica	3	18.4%	1.0%	0.8%	39.5%	40.2%	0.78
Croatia	1	0.0%	36.0%	0.0%	58.4%	5.6%	n/a
Dominican Republic	2	15.7%	6.7%	0.8%	30.1%	46.7%	n/a
El Salvador	3	21.1%	0.0%	1.6%	48.8%	28.5%	0.72
European Union	7	12.0%	30.8%	9.0%	38.0%	10.3%	0.70
FYROM	1	0.0%	29.7%	0.0%	67.9%	2.4%	n/a
Guatemala	2	13.3%	3.7%	0.6%	54.8%	27.5%	n/a
Honduras	1	18.8%	0.8%	1.0%	45.4%	34.0%	n/a
Iceland	2	19.0%	34.8%	13.5%	24.7%	7.9%	n/a
India	1	56.7%	0.8%	2.6%	14.1%	25.9%	n/a
Indonesia	1	64.5%	3.0%	2.7%	5.9%	23.8%	n/a
Jamaica	1	39.4%	13.5%	2.6%	16.0%	28.5%	n/a
Japan	10	26.5%	17.9%	13.0%	12.0%	30.7%	0.56
Jordan	1	28.7%	18.8%	21.7%	14.6%	16.2%	n/a
Korea	5	29.6%	13.4%	6.5%	11.2%	39.3%	0.61
Malaysia	2	54.2%	7.9%	26.8%	1.4%	9.8%	n/a
Mexico	10	29.8%	6.9%	14.1%	24.5%	24.7%	0.56
Morocco	1	3.5%	3.6%	1.9%	55.5%	35.5%	n/a
New Zealand	4	23.9%	22.1%	11.3%	29.2%	13.6%	0.53
Nicaragua	1	81.3%	8.2%	9.4%	0.0%	1.1%	n/a
Norway	5	27.5%	29.0%	11.5%	14.2%	17.8%	0.34
Oman	1	5.3%	27.1%	2.3%	25.5%	39.8%	n/a
Panama	1	42.3%	4.9%	3.4%	18.0%	31.5%	n/a
Peru	2	1.7%	0.7%	4.3%	39.0%	54.3%	n/a
Philippines	2	61.9%	4.3%	14.2%	4.4%	15.0%	n/a
Singapore	10	29.6%	9.8%	7.9%	20.9%	31.9%	0.61
Switzerland	5	29.8%	18.2%	26.1%	3.8%	22.0%	0.32
Thailand	3	69.3%	4.1%	6.8%	1.3%	18.6%	0.61
United States	10	10.1%	26.6%	11.8%	27.8%	23.7%	0.65
Viet Nam	2	44.5%	16.9%	38.5%	0.0%	0.0%	n/a
All countries	**56**	**26.1%**	**14.3%**	**10.3%**	**23.5%**	**25.8%**	**0.49**

Note: The similarity coefficient is calculated as the share of the number of sub-sectors with improved or new commitments. The coefficient is calculated only when countries are parties to three or more RTAs. The higher the coefficient, the more similar are commitments in the country's RTAs (see discussion in paragraphs 34 and 35, as well as footnote 9).

ANNEX 4 – SUMMARY TABLE OF PROVISIONS ON RULES OF ORIGIN FOR SERVICES PROVIDERS

Regional trade agreement	Year	Rules of origin for juridical persons				Rules of origin for natural persons			Comments JP = Juridical persons; NP = Natural persons
		I	II	III	IV	I	II	III	
ASEAN-Korea FTA	2009			x				x	JP: Except for services supplied through commercial presence
Australia-Chile FTA*	2009			x				x	JP: SBO test also for juridical person owned and controlled by denying party
Australia-New Zealand CER	1988	x				x			NP: need only ordinary residency, not permanent residency
CAFTA-DR	2009		x			x			
Canada-Chile FTA	1997			x		x			
Canada-Peru FTA	2009			x				x	
Chile-Costa Rica FTA	2002			x				x	
Chile-El Salvador FTA	2002			x		x			
Chile-Mexico FTA	1999			x				x	
China-Singapore FTA	2009			x		x			JP: Except for services supplied through commercial presence
Costa Rica-Mexico FTA	1995			x		x			
EEA	1994		x				x		JP: Except for services supplied through commercial presence
EFTA-Chile FTA	2004		x				x		JP: Except for services supplied through commercial presence
EFTA-Korea FTA	2006		x				x		JP: No control or ownership requirement but SBO needed if principal place of business is outside RTA
EFTA-Mexico FTA	2001		x				x		
EFTA-Singapore FTA	2003			x				x	
El Salvador-Mexico FTA	2001			x		x			
EU-Albania	2009		x					x	JP: No control or ownership requirement but SBO needed if principal place of business is outside RTA
EU-CARIFORUM States EPA	2008		x					x	JP: No control or ownership requirement but SBO needed if principal place of business is outside RTA
EU-Chile Association Agreement	2003		x					x	JP: No control or ownership requirement but SBO needed if principal place of business is outside RTA
EU-Croatia	2005		x					x	JP: No control or ownership requirement but SBO needed if principal place of business is outside RTA
EU-FYROM	2004		x					x	JP: No control or ownership requirement but SBO needed if principal place of business is outside RTA
EU-Mexico EPA	2000		x					x	JP: No control or ownership requirement but SBO needed if principal place of business is outside RTA
Guatemala-Mexico FTA	2001			x		x			
Honduras-Mexico FTA	2001			x		x			
India-Singapore CECA	2005				x	x			

Regional trade agreement	Year	Rules of origin for juridical persons				Rules of origin for natural persons			Comments JP = Juridical persons; NP = Natural persons
		I	II	II	IV	I	II	III	
Japan-Brunei Darussalam EPA	2008			x				x	JP: Except for services supplied through commercial presence; NP: permanent residency is accepted by Brunei (not Japan)
Japan-Chile EPA	2007			x				x	
Japan-Indonesia EPA	2008			x				x	JP: Except for services supplied through commercial presence
Japan-Malaysia EPA	2006	x						x	JP: Except for services supplied through commercial presence: NP: permanent residency is accepted by Malaysia (not Japan)
Japan-Mexico EPA	2005			x				x	
Japan-Philippines EPA	2008			x				x	JP: Except for services supplied through commercial presence
Japan-Singapore EPA	2002		x					x	JP: Except for services supplied through commercial presence; NP: permanent residency is accepted by Singapore (not Japan)
Japan-Switzerland EPA	2009		x					x	JP: Except for services supplied through commercial presence or for SBO in services supplied outside the RTA
Japan-Thailand EPA	2007				x			x	
Japan-Viet Nam EPA	2009								
Korea-Chile FTA	2004			x		x			
Korea-Singapore FTA	2006			x		x			
Mainland and Hong Kong CEPA	2004			x				x	JP: Offers in depth definition of SBO; NP: permanent residency accepted by Hong Kong (not Mainland)
Mainland and Macao CEPA	2004			x				x	JP: Offers in depth definition of SBO; NP: permanent residency accepted by Macao (not Mainland)
Mexico-Nicaragua FTA	1998		x			x			
NAFTA*	1994		x			x			JP: SBO test also for juridical person owned and controlled by denying party
New Zealand-China FTA	2008			x		x			
New Zealand-Singapore CEP	2001		x						
Panama-Chile FTA	2008			x		x			
Singapore-Australia FTA	2003			x		x			JP: Except for services supplied through commercial presence
Thailand-Australia FTA	2005				x	x			
Trans-Pacific SEP*	2006		x			x			JP: SBO test also for juridical person owned and controlled by denying party
US-Australia FTA*	2005			x				x	JP: SBO test also for juridical person owned and controlled by denying party
US-Bahrain FTA*	2006			x				x	JP: SBO test also for juridical person owned and controlled by denying party
US-Chile FTA*	2004			x		x			JP: SBO test also for juridical person owned and controlled by denying party

Regional trade agreement	Year	Rules of origin for juridical persons				Rules of origin for natural persons			Comments JP = Juridical persons; NP = Natural persons
		I	II	II	IV	I	II	III	
US-Jordan FTA*	2001			x				x	JP: SBO test also for juridical person owned and controlled by denying party
US-Morocco FTA*	2006			x				x	JP: SBO test also for juridical person owned and controlled by denying party
US-Oman FTA*	2009			x				x	JP: SBO test also for juridical person owned and controlled by denying party
US-Peru TPA*	2009			x		x			JP: SBO test also for juridical person owned and controlled by denying party
US-Singapore FTA*	2004			x				x	JP: SBO test also for juridical person owned and controlled by denying party

Notes: (1) This table looks at provisions in the General Definitions and Cross Border Trade in Services chapters of RTAs.
(2) SBO means Substantive Business Operations.
(3) Some agreements, typically NAFTA types of agreements and Japan's RTAs, contain an additional cause for denying the benefits of an RTA on the basis of lack of diplomatic relations with the non-party or for measures prohibiting transactions with the non-parties. This is not counted as an additional type of restriction as it amounts to measures that generally arise for security/ national interest purposes.
(4) In some cases(*), even if the juridical person is owned and controlled by a party, it can be denied the benefits of the RTA if it does not comply with the substantive business operation test.
(5) EU types of agreements contain a specific terminology different from other RTAs. It is understood here that "principal place of business" could imply the presence of a parent company in the concerned party, whereas "registered office" and "central administration" simply require the constitution of a statutory seat in one of the parties' country (Beviglia Zampetti and Sauvé, 2006).

ANNEX 5 – SUMMARY TABLE OF MFN PROVISIONS

Regional trade agreement	Year	MFN treatment?	Sectoral exemptions?	Non-party MFN			Comment
				MFN includes non-parties	Covers RTAs in force	Covers future RTAs	
ASEAN-Korea FTA	2009	No	-	-	-	-	
Australia-Chile FTA	2009	Yes	Yes	Yes	No	Yes	
Australia-New Zealand CER	1988	Yes	No	Yes	Yes	Yes	
CAFTA-DR	2009	Yes	Yes	Yes	No	Yes	
Canada-Chile FTA	1997	Yes	No	Yes	No	Yes	
Canada-Peru FTA	2009	Yes	Yes	Yes	No	Yes	
Chile-Costa Rica FTA	2002	Yes	No	Yes	Yes	Yes	
Chile-El Salvador FTA	2002	Yes	No	Yes	Yes	Yes	
Chile-Mexico FTA	1999	Yes	Yes	Yes	No	Yes	
China-Singapore FTA	2009	No	-	-	-	-	
Costa Rica-Mexico FTA	1995	Yes	Yes	Yes	No	Yes	
EEA	1994	No	-	-	-	-	
EFTA-Chile FTA	2004	Yes	Yes	On request	-	-	
EFTA-Korea FTA	2006	Yes	Yes	On request	-	-	
EFTA-Mexico FTA	2001	Yes	Yes	On request	-	-	
EFTA-Singapore FTA	2003	Yes	Yes	On request	-	-	
El Salvador-Mexico FTA	2001	Yes	Yes	Yes	No	Yes	
EU-Albania	2009	Yes	No	Yes	Yes	Yes	Only for establishment
EU-CARIFORUM States EPA	2008	Yes	No	Yes	Yes	Yes	
EU-Chile Association Agreement	2003	No	-	-	-	-	
EU-Croatia	2005	Yes	No	Yes	Yes	Yes	Only for establishment
EU-FYROM	2004	Yes	No	Yes	Yes	Yes	Only for establishment
EU-Mexico EPA	2000	Yes	Yes	No	-	-	
Guatemala-Mexico FTA	2001	Yes	Yes	Yes	No	Yes	
Honduras-Mexico FTA	2001	Yes	Yes	Yes	No	Yes	
India-Singapore CECA	2005	No	-	On request	-	-	
Japan-Brunei Darussalam EPA	2008	Yes	Yes	On request	-	-	
Japan-Chile EPA	2007	Yes	Yes	Yes	No	Yes	
Japan-Indonesia EPA	2008	Yes	Yes	Yes	Yes	Yes	
Japan-Malaysia EPA	2006	Yes	Yes	On request	-	-	
Japan-Mexico EPA	2005	Yes	Yes	Yes	No	Yes	
Japan-Philippines EPA	2008	Yes	Yes	Yes	Yes	Yes	
Japan-Singapore EPA	2002	No	-	On request	-	-	
Japan-Switzerland EPA	2009	Yes	Yes	On request	-	-	
Japan-Thailand EPA	2007	Yes	Yes	On request	-	-	
Japan-Viet Nam	2009	Yes	Yes	On request	-	-	
Korea-Chile FTA	2004	Yes	No	Yes	Yes	Yes	Only for investment
Korea-Singapore FTA	2006	No	-	-	-	-	
Mainland and Hong Kong CEPA	2004	No	-	-	-	-	
Mainland and Macao CEPA	2004	No	-	-	-	-	
Mexico-Nicaragua FTA	1998	Yes	Yes	Yes	Yes	Yes	
NAFTA	1994	Yes	Yes	Yes	No	Yes	
New Zealand-China FTA	2008	Yes	Yes	Yes	No	No	
New Zealand-Singapore CEP	2001	No	-	-	-	-	
Panama-Chile FTA	2008	Yes	Yes	Yes	No	Yes	
Singapore-Australia FTA	2003	No	-	-	-	-	
Thailand-Australia FTA	2005	No	-	On request	-	-	
Trans-Pacific SEP	2006	Yes	Yes	Yes	No	Yes	
US-Australia FTA	2005	Yes	Yes	Yes	No	Yes	
US-Bahrain FTA	2006	Yes	Yes	Yes	No	Yes	
US-Chile FTA	2004	Yes	Yes	Yes	No	Yes	
US-Jordan FTA	2001	Yes	Yes	Yes	No	Yes	
US-Morocco FTA	2006	Yes	Yes	Yes	No	Yes	
US-Oman FTA	2009	Yes	Yes	Yes	No	Yes	
US-Peru TPA	2009	Yes	Yes	Yes	No	Yes	
US-Singapore FTA	2004	Yes	Yes	Yes	No	Yes	