

Appendix 2: National Treatment Offers from India, Pakistan and Sri Lanka

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

Sector or Sub-sector	India	Pakistan	Sri Lanka
The commitments in financial services are made in accordance with the General Agreement on Trade in Services and the Annex on Financial Services. This is simply a comparative representation of Financial Service offers of India and Pakistan. The individual country schedules are attached for reference.			
A. All insurance and insurance-related services			
Sector or Sub-sector	India	Pakistan	Sri Lanka
a. Life, accident and health insurance services;		(1) Unbound (2) Unbound (3) Unbound (4) Unbound except as indicated under horizontal measures.	(1) Unbound (2) Unbound (3) None (4) Unbound except as indicated under horizontal measures.
b. Non-life insurance services;	(1) Unbound (2) Unbound (3) Unbound (4) Unbound except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) Unbound (4) Unbound except as indicated under horizontal measures.	(1) Unbound (2) Unbound (3) None (4) Unbound except as indicated under horizontal measures.
c. Reinsurance and retrocession;	(1) Unbound (2) Unbound (3) Unbound (4) Unbound except as indicated in	(1) Unbound (2) Unbound (3) Unbound (4) Unbound except as indicated under	(1) Unbound (2) Unbound (3) Unbound (4) Unbound except as indicated

	the horizontal section.	horizontal measures.	under horizontal measures.
d. Services auxiliary to insurance (including broking and agency services). ¹	(1) Unbound (2) Unbound (3) Unbound (5) Unbound except as indicated in the horizontal section.		
B. Banking and other financial services (excluding insurance):			
Sector or Sub-sector	India	Pakistan	Sri Lanka
a. Acceptance of deposits and other repayable funds from the public;	(1) Unbound (2) Unbound (3) (I) Foreign banks are required to constitute Local Advisory Boards consisting inter alia of professionals and persons having expertise in areas such as small-scale industry and exports. The chairman and members of the Local Advisory Board must be resident Indian nationals except for the Chief Executive Officer who may be a foreign national. The appointment of the Chairman and members of the Board requires Reserve Bank of India approval. (II) Public sector enterprises can	(1) Unbound (2) Unbound (3) The shares held by foreign nationals and foreign financial institutions in their locally incorporated subsidiaries not transferable without the prior written approval of the central bank. (4) Unbound	(1) Unbound (2) Unbound (3) As specified in the general conditions given below. (4) Unbound except as specified in the horizontal commitments.

¹ Described in A as “Insurance intermediation limited to reinsurance” on the Indian schedule (1998).

	invest surplus funds in term deposits only with scheduled commercial banks incorporated in India. (4) Unbound except as indicated in the horizontal section.		
b. Lending of all types, including, <i>inter alia</i> , consumer credit, mortgage credit, factoring and financing of commercial transaction;	Similar to the provisions in a.	(1) Unbound (2) Unbound (3) Lending by banks to companies controlled by non-residents is subject to the borrowing entitlements of the foreign companies as determined by foreign exchange rules applicable from time to time. (4) Employment of foreign nationals in banks and financial institutions operating in Pakistan require prior clearance of the central Bank.	Similar to the provisions in a.
C. Financial leasing; ²	(1) Unbound (2) Unbound (3) Unbound except for entities established in accordance with the limitations specified in the market access column. (4) Unbound except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) None (4) Unbound except as indicated under horizontal measures.	Similar to the provisions in a.
d. All payment and money transmission services;	Similar to the provisions in a.	(1) Unbound	Similar to the provisions in a.

² Described as number six on the Indian schedule (1998).

		(2) Unbound (3) Unbound (4) Unbound except as indicated under horizontal measures.	
e. Guarantees and commitments;	Similar to the provisions in a.	(1) Unbound (2) Unbound (3) Unbound (4) Unbound except as indicated under horizontal measures.	Similar to the provisions in a.
f. Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following;	Similar to the provisions in a.	(1) Unbound (2) Unbound (3) Unbound (4) Unbound except as indicated under horizontal measures.	Similar to the provisions in a.
- money market instruments (cheques, bills, certificate of deposit, etc.);	Similar to the provisions in a.	Similar to the provisions as in (f) above.	Similar to the provisions in a.
- foreign exchange;	Similar to the provisions in a.	Similar to the provisions as in (f) above.	Similar to the provisions in a.
- derivative products including, but not limited to, futures and options;			Similar to the provisions in a.

- exchange rate and interest rate instruments, including products such as swaps, forward rate agreements, etc.;			Similar to the provisions in a.
- transferable securities;	Similar to the provisions in a.	Similar to the provisions as in (f) above.	Similar to the provisions in a.
- other negotiable instruments and financial assets, including bullion.	Similar to the provisions in a.	Similar to the provisions as in (f) above.	Similar to the provisions in a.
g. Participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of service related to such issues; ³	(1) Unbound (2) Unbound (3) Unbound except for entities established in accordance with the limitations specified in the market access column. (4) Unbound except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) Unbound (4) Unbound except as indicated under horizontal measures.	Similar to the provisions in a.
h. Money broking;			Similar to the provisions in a.
i. Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial depository and trust services; ⁴	Similar to the provisions in a.	(1) Unbound (2) Unbound (3) None (4) Unbound except as indicated under	Similar to the provisions in a.

³ Described as number two on the Indian schedule (1998).

⁴ Described as number one (vi) on the Indian schedule (1998).

		horizontal measures.	
j. Settlement and clearing services for financial assets, including securities, derivative products and other negotiable instruments; ⁵	Similar to the provisions in a.	(1) Unbound (2) Unbound (3) Unbound (4) Unbound except as indicated under horizontal measures.	Similar to the provisions in a.
k. Advisory and other auxiliary financial services on all the activities listed in Article 1B of MTN.TNC/W/50, including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy;	(1) Unbound (2) Unbound (3) Unbound except for entities established in accordance with the limitations specified in the market access column. (4) Unbound except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) None (4) Unbound except as indicated under horizontal measures.	(1) None, except as provided in the General Conditions given below. (2) None, except as provided in the General Conditions given below. (3) As specific in the General Conditions. (4) Unbound, except as specific in the horizontal commitments.
l. Provision and transfer of financial information, and financial data processing and related software by providers of other financial services.		(1) Unbound (2) Unbound (3) Unbound (4) Unbound except as indicated under horizontal measures.	Similar to the provisions in k.

⁵ Described as number one (vii) on the Indian schedule (1998).

C. Other			
Sector or Sub-sector	India	Pakistan	Sri Lanka
	1.	1.	1.
	2.	2.	2.
	3.	3.	3.
	4.	4.	4.

Not included in India

Stock Broking, Factoring and Venture Capital⁶ which have unbound restriction on all modes of supply in both market access and national treatment except for the third mode of supply in market access where limitations are limited to 5 and 6.

Special information for Sri Lanka:

Banking and other Financial Services (excluding insurance)

General conditions

1. The terms of the offer in banking and other financial services (excluding insurance) sub-sector are in accordance with GATS, the Annex on Financial Services and the Understanding on Commitments in Financial Services. All the commitments are subject to entry requirements, domestic laws, rules and regulations and the terms and conditions of the Central Bank of Sri Lanka, the board of Investment, the Securities and Exchange Commission and any other competent authority in Sri Lanka, as the case may be, which are consistent with Article VI of GATS and paragraph 2 of the Annex on Financial Services.
2. Financial Services in the form of operations identified at sub-paragraphs (a) to (l) in the schedule can be carried out in Sri Lanka through a locally incorporated company or branch of a commercial bank incorporated outside Sri Lanka.
 - 2.1 (a) Only licensed commercial bank, a licensed specialized bank or a registered finance company may accept deposits.
 - 2.1 (b) Only a licensed commercial bank may accept deposits which are repayable upon demand.
 - 2.2 Approval, registration and licensing relating to banks and other financial institutions will be subject to an economic need test.
 - 2.3 The total foreign shareholding in any institution providing financial services is limited to 49 percent of the issued share capital.

Reference : World Trade Organization. “India: Schedule of Specific Commitments” **GATS/SC/42/Suppl.4**. (26 February 1998).

⁶ Described as number three, five and seven respectively on the Indian schedule (1998).