

Trade in Services

AUSTRALIA

Schedule of Specific Commitments

Supplement 4

(This is authentic in English only)

This text replaces the Financial Services section contained in document
GATS/SC/6/Suppl.1/Rev.1.

AUSTRALIA
SCHEDULE OF SPECIFIC COMMITMENTS

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

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
7.FINANCIAL SERVICES			
Australia undertakes its specific commitments on financial services in accordance with the "Understanding on Commitments in Financial Services" (hereinafter referred to as the "Understanding").			
The obligations under the Understanding are addressed in this Schedule additionally to those covered by the provisions of Part III of the Agreement and the Annex on Financial Services. The market access commitments with respect to "cross-border supply" and "consumption abroad" (as described in paragraphs 2(a) and 2(b) of Article I of the Agreement) bound in this Schedule are limited to the services indicated in paragraphs B.3 and B.4 of the Understanding, respectively.			
These specific commitments on financial services are subject to the general limitations contained in the "Horizontal Commitments" section of Australia's GATS Schedule.			
<u>A. Insurance and insurance-related services</u>	<p>3)Approval of non-resident life insurers is restricted to subsidiaries.</p> <p>3)Registered foreign life insurance companies are required to have a principal officer resident in Australia.</p> <p>1), 3)An authorised insurance company operating in Australia as a non-incorporated entity must appoint an Australian resident as agent of the insurer.</p>		
	<p>3) Most State and Territory Governments maintain restrictions, by way of monopolies or licensing provisions and associated controls on premiums and other terms of policies, in the following areas of insurance:</p> <p>Compulsory Third Party Motor Vehicle Accident: VIC, WA, TAS, NT (monopolies); NSW, QLD, SA,</p>	<p>3)Sub-national guarantees are provided to some State and Territory Insurance Offices.</p>	

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	<p>an authorised bank (or establishes a money market corporation, subsidiary etc.). Foreign banks located overseas may, however, raise funds in Australia through the issue of debt securities provided that those securities are offered/traded in parcels of not less than \$A500,000 and the securities and any information memoranda clearly state the issuing bank is not authorised under the Banking Act in Australia.</p>		
	<p>1), 3) Dealings in foreign exchange in Australia must be carried out through a dealer authorised by the Reserve Bank. Only banks, including branches of overseas banks, and financial institutions incorporated in Australia with the required minimum capital base are eligible to seek authorization as a foreign exchange dealer.</p> <p>3) Foreign banks satisfying prudential requirements and that are able to demonstrate their potential contribution to competition in Australia may conduct banking in Australia. Foreign banks may undertake banking operations in Australia through locally incorporated subsidiaries and/or an authorised branch. However, a branch may not accept "retail" deposits. A foreign bank wishing to accept "retail" deposits must seek authorization as a locally incorporated subsidiary for that purpose. Foreign bank branches may accept deposits (and other funds) in any amount from incorporated entities, non-residents and their own employees. Deposits</p>	<p>3) Commonwealth owned entities which may conduct financial operations are guaranteed by the Commonwealth Government. While the Commonwealth sold its remaining shareholding in the Commonwealth Bank of Australia (CBA) on 19 July 1996, a transitional Commonwealth guarantee has been provided to all of the liabilities of the CBA. The length of time that the guarantee applies depends on the characteristic of the liability. Transitional guarantees also apply to the former Commonwealth-owned Australian Industry Development Corporation.</p>	

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	<p>(and other funds) may only be accepted from other sources where the initial deposit (or other funds) is greater than \$A250,000. Deposit-taking outside of this is considered to be "retail" banking business.</p>		
	<p>1), 3) A number of State and Territory Governments operate central financing authorities through which the Government's wholly or partly-owned statutory authorities and business enterprises are obliged to borrow (and in some cases invest) their funds, or otherwise obtain certain financial services:</p> <p>SA - South Australian Government Financing Authority, Local Government Finance Authority of South Australia TAS - Tascorp NSW - NSW Treasury Corporation VIC - Treasury Corporation of Victoria QLD - Queensland Treasury Corporation, Queensland Investment Corporation NT - Northern Territory Treasury Corporation WA - Western Australian Treasury Corporation</p> <p>3)The provisions of the <i>Trust Bank (Corporatisation) Act 1997</i> dealing with the Trust Bank of Tasmania may require a joint venture arrangement.</p>	<p>1), 3)The financial operations of some State or Territory owned entities may be guaranteed by the State or Territory Governments. A number of State and Territory Governments have also provided transitional guarantees to some of the assets and liabilities of former State-owned or controlled banks.</p> <p>3)The provisions of the Act require that at least a majority of the directors of the Trust Bank be resident in Tasmania and that policy and control of the Trust Bank be exercised in Tasmania.</p>	
	<p>3)The Australian Stock Exchange liquid capital requirements for stockbrokers may have the effect of favouring participation in</p>	<p>3)A majority of the directors of a stockbroking organisation participating in the Australian Stock Exchange must be</p>	

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	<p>the Exchange by subsidiaries rather than branches of foreign companies.</p> <p>An applicant must be a body corporate in order to obtain approval to conduct a stock exchange or a futures exchange.</p> <p>4)The temporary entry of specialists in the operation of a financial service supplier established in Australia is permitted subject to the terms stipulated in the horizontal section.</p>	<p>Australian residents.</p>	

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