Results of the WTO negotiations on financial services and on movement of natural persons

1996/0105(CNS) - 11/04/1996 - Legislative proposal

- OBJECTIVE: To allow the Community to adopt two new protocols to the WTO agreement on financial services and the movement of natural persons which were negotiated in 1995. - SUBSTANCE: As provided for in the WTO agreement which came into force on 1 January 1995, negotiations were initiated by all parties in 1995 with the aim of improving, modifying or withdrawing their commitments in the financial services sector and on the liberalization of the movement of natural persons for the purpose of supplying services. On 21 July 1995, following seven months' negotiations (delayed by the United States, which contrary to expectations, decided to withdraw most of its offer on financial services by taking a blanket MFN exemption), a second protocol concerning financial services and a third protocol on the movement of natural persons were adopted by the WTO and should now be adopted by the Community (by 30 June 1996 at the latest). That is the objective of the proposal. The overall level of commitments both on market access and national treatment is globally better than at the time of the adoption of the WTO agreement. It allows EU financial services and insurance industries to benefit from greater legal certainty and predictability than previously available, and constitutes a basis on which to build further market opening measures in the future. Moreover, as regards the movement of persons supplying services, the interests of all WTO members are taken into account by the EU and the text adopted represents a more balanced level of commitments in that area than had hitherto been the case.