

<b>AD HOC 133 COMMITTEE SERVICES</b>
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## **GATS 2000**

### **Request from the EC and its Member States (hereinafter the EC)**

**to**

**Indonesia**

### **General remarks**

This request covers horizontal commitments, MFN exemptions and the following service sectors:

- Professional services
- Business services (other than professional services)
- Postal and courier services
- News agency services
- Telecommunications services
- Construction and related engineering services
- Distribution services
- Environmental services
- Financial services (banking, insurance, securities, other)
- Tourism and travel related services
- News agency services
- Transport (air, maritime, land, other) services
- Energy

The EC proposes that Indonesia's current GATS commitments are revised in accordance with this request. The EC is both seeking improved commitments and clarification of existing commitments as set out in this Request. The EC is furthermore looking for a reduction in scheduled limitations whether these are horizontal or sector specific in nature.

The EC further requests that commitments are entered in accordance with the scheduling guidelines adopted by the Council of Trade in Services on 23 March 2001 (S/L/92). In particular, for each commitment or limitation entered the EC requests:

- that any remaining limitation on market access (hereafter “MA”) or on national treatment (hereafter “NT”) are clearly described and only be inscribed in the market access or national treatment columns if the measure is of a nature foreseen by Articles XVI-XVII GATS.

The EC remains available to provide any clarification and answer any question on this request. Questions can be addressed to the European Commission via the EC contact point, via the Delegation of the European Commission in Geneva, or at the following EC officials in Directorate-General Trade Unit D2 (Trade in services, including e-commerce) :

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*Note : The EC reserves the right to revise and/or supplement this request. For each service sector, W120 classification has been followed unless expressly indicated and CPCs refer to the Provisional CPC classification. The precise scope for each sector is without prejudice to the EC's final positions on classification issues and to the EC's classification of their existing commitments.*

## **HORIZONTAL COMMITMENTS**

### **EC Request to Indonesia**

#### **Mode 3**

- **Establishment of foreign firms** limited to joint ventures and/or representative offices. Joint ventures have a 49% foreign ownership limitation and required to be as Limited Liability Enterprise form. **EC request:** Remove limitations on foreign ownership and allow branches.
- **Non-resident tax-payers** are subject to withholding tax of 20% for repatriation of certain income (interests, dividend, royalties, dividend, fees). **EC request:** remove restrictions.
- **Acquisition of land (NT).** Foreigners not allowed to own land. Joint ventures may get building and rights of use, and may rent/lease land and property. **EC request:** Clarify how restrictions are currently applied.
- **The schedule** underlines (NT) that any juridical and natural personas should meet professional qualifications requirements. **EC request:** eliminate this discriminatory measure.

#### **Mode 4**

##### **Intra-corporate transferees :**

- Extent of commitment is not clear. **EC request :** Clarify scope of existing commitments in relation to Intra-corporate transferees (for example, in relation to the degree of affiliation which must exist between companies, permitted length of stay, prior employment/experience requirements, application of economic needs tests) explaining the relevant Labour and Immigration Laws and Regulations.
- Economic needs test applied to managers and technical experts. **EC request :** Eliminate.
- The EC also requests that a commitment be made to allow as intra-corporate transferees without requiring an economic needs test «persons with a university degree or equivalent technical qualification who are transferring for career development purposes or to obtain training in business techniques or methods ». The maximum prior employment requirement should be one year.

##### **Business Visitors :**

- Extent of commitment is not clear. **EC request :** Clarify scope of existing commitment in relation to Business Visitors, in particular are Business Visitors who are not entering to themselves supply a service, but rather to either (a) establish a commercial presence or (b) negotiate and/or conclude salescontracts covered.

##### **Contractual Service Suppliers :**

- A contractual service supplier is either an individual service supplier or an employee of a service supplier, in both cases with no commercial presence

in Indonesia, but who has obtained a service contract in Indonesia which requires the presence of its employees in Indonesia to fulfil that contract. It is not clear whether this category of service supplier is covered under Indonesia's commitments. **EC request** : Clarify scope of existing commitments in relation to contractual service suppliers.

**National treatment :**

- Reference to « expatriate charges ». **EC request** : Clarify purpose and indicate to what extent the charges applied to foreigners differ from those applied to nationals.
- Requirement to hold a work permit. **EC request** : Clarify criteria used in considering applications for work permits.

**Additional commitments.**

- Difficulties are experienced as a result of the length of time taken to process permits and the specification applying to photographs which must accompany applications. The EC wishes to discuss the possibility of taking additional commitments to address these issues.

*Note : Mode 4 is covered horizontally in this part for all service sectors. The sectoral requests in the following pages only refer to mode 4 when specifically related to one particular service sector.*

## **PROFESSIONAL SERVICES**

### **EC Request to Indonesia**

Indonesia has committed this sector only partially. The EC requests that this sector is committed as follows:

#### **a) Legal Services (CPC 861)**

This sub-sector is not committed. **EC Request:**

- Commit covering at least consultancy on public international law and on law of jurisdiction where the service supplier or its personnel are qualified lawyers.
- Modes 1, 2, 3: Take full commitments, i.e. schedule “none” under MA and NT
- Mode 4: Commit as referred to in the section “Horizontal commitments”

#### **b) Accounting, auditing and bookkeeping services (CPC 862)**

This sub-sector is not committed. **EC Request:**

For accounting and bookkeeping services:

- Modes 1, 2, 3: Take full commitments, i.e. schedule “none” under MA and NT
- Mode 4: Commit as referred to in the section “Horizontal commitments”

For auditing services:

- Modes 2, 3: Take full commitments, i.e. schedule “none” under MA and NT
- Mode 4: Commit as referred to in the section “Horizontal commitments”

#### **c) Taxation Services (CPC 863)**

This sub-sector is not committed. **EC Request:**

- Modes 1, 2, 3: Take full commitments, i.e. schedule “none” under MA and NT
- Mode 4: Commit as referred to in the section “Horizontal commitments”

#### **d) Architectural services (CPC 8671)**

- Mode 1: MA and NT – This mode remains unbound. **EC Request:** Take full commitments, i.e. schedule “none under MA and NT
- Mode 2: NT – This mode remains unbound. **EC Request:** Take full commitments, i.e. schedule “none under NT
- Mode 3: MA – Access restricted to joint operations or joint ventures. **EC Request:** Remove
- Mode 4: MA and NT – This mode remains unbound. **EC Request:** Commit as referred to in the section “Horizontal commitments”

#### **e) Engineering services (CPC 8672)**

- This sub-sector is not committed for engineering design services (CPC 86726). **EC Request:** Extend sectoral coverage of commitments to this CPC
- Modes 1 and 2: MA - These modes remain unbound for government funded projects as regards advisory and consultative engineering services (CPC 86721) and engineering design services for industrial processes and production (CPC 86725), and totally unbound for the rest of CPCs. **EC Request:** Take full commitments, i.e. schedule “none” under MA and NT for the entire CPC 8672
- Modes 1 and 2: NT- These modes remain unbound. **EC Request:** Take full commitments, i.e. schedule “none” under MA and NT
- Mode 3: MA – Access restricted to joint operations as regards advisory and consultative engineering services (CPC 86721) and engineering design services for industrial processes and production (CPC 86725), and restricted to joint operations or joint ventures for the rest of CPCs. **EC Request:** Remove

#### **f) Integrated engineering services (CPC 8673)**

- Mode 1: MA and NT – This mode remains unbound. **EC Request:** Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 2: NT – This mode remains unbound. **EC Request:** Take full commitments, i.e. schedule “none” under NT
- Mode 3: MA – Access restricted to joint operations or joint ventures. **EC Request:** Remove

#### **g) Urban planning and landscape architectural services (CPC 8674)**

- This sub-sector is committed only for urban planning services but refers instead to CPC 86742 (landscape architectural services). **EC Request:** Extend sectoral coverage of commitments to both urban planning services (CPC 86741) and landscape architectural services (CPC 86742)
- Mode 1: MA and NT – This mode remains unbound. **EC Request:** Take full commitments, i.e. schedule “none” under MA and NT
- Mode 2: NT – This mode remains unbound. **EC Request:** Take full commitments, i.e. schedule “none” under NT
- Mode 3: MA – Access restricted to joint operations or joint ventures. **EC Request:** Remove

## **BUSINESS SERVICES (other than Professional Services)**

### **EC Request to Indonesia**

#### **General :**

For all sub-sectors where commitments have been taken :

Modes 1 and 2 : MA – These modes remain unbound for government funded projects. Please clarify what the practical effect of this restriction is. The EC reserves the right to come back with a request in the light of Indonesia's response.

Modes 1 and 2 : NT – These modes remain unbound. **EC request :** Take full commitments, i.e. schedule « none ».

Mode 3 : MA – Form of establishment restriction. **EC request :** Eliminate.

Mode 3 : NT – Licensing requirement for Indonesian joint operation partner. **EC request :** Eliminate.

Mode 4 : MA – Commitment limited to directors and technical experts. **EC request :** Commit as referred to in the horizontal section.

#### **B. Computer and Related Services :**

##### **General**

This sub-sector has only been partially committed. **EC request:** Extend coverage and schedule commitments at the two-digit level as follows:

Computer and Related Services (CPC 84):

Modes 1, 2 and 3: Take full commitments, i.e. schedule "none" under MA and NT;

Mode 4: Commit as referred to in the horizontal section.

In view of the rapid technological advances which have taken, and continue to take place, in this sub-sector, the EC proposes to seek clarification at a multilateral level as to what services are considered to be covered under CPC Prov 84.

#### **C. Research and Development Services :**

##### **a. R&D Services on natural sciences (CPC 851) and**

Indonesia has not committed this sub-Sector. The EC requests that it be committed as follows :

- Modes 1 and 3 : Take full commitments, i.e. schedule "none" under MA and NT.
- Mode 4 : Commit as referred to in the section "Horizontal commitments".

**c. Interdisciplinary R&D services. (CPC 853)**

This sector has only been partially committed. **EC request** : Extend sectoral coverage to all of CPC 853.

See general request for Business services above.

**D. Real Estate Services :**

Indonesia has not committed this Sector. The EC requests that it be committed as follows :

**a. Involving own or leased property (CPC 821)**

**b. On a fee or contract basis (CPC 822)**

For each of the above sub-Sectors :

- Modes 1, 2, 3 : Take full commitments, i.e. schedule "none" under MA and NT.
- Mode 4 : Commit as referred to in the section "Horizontal commitments".

**E. Rental and Leasing Services without Operators :**

Indonesia has not committed this Sector. The EC requests that it be committed as follows :

**a. Relating to ships (CPC 83103)**

**c. Relating to other transport equipment (CPC 83101 + 83102 + 83105)**

**d. Relating to other machinery (CPC 83106 – 83109)**

For each of the above sub-sectors :

- Modes 1, 2, 3 : Take full commitments, i.e. schedule "none" under MA and NT.
- Mode 4 : Commit as referred to in the section "Horizontal commitments".

**F. Other Business Services :**

***NB:** Requests (if any) on (h) - services incidental to mining, and (j) - services incidental to energy distribution, are covered in those sections of the request dealing with Energy Services and Construction Services.*

Indonesia has not committed the following sub-Sectors. The EC requests that they be committed as follows :



- a. Advertising (CPC 871)
- b. Market research and Public Opinion Polling (CPC 864)
- c. Management consulting services (CPC 865)
- k. Placement and supply services of personnel (CPC 872)
- m. Related scientific and technical consulting services (CPC 8675)
- q. Packaging Services (CPC 876)
- r. Printing and Publishing Services (CPC 88442)
- s. Convention Services (part of CPC 87909)
- t. Other (CPC 8790)

#### **Translation Services (CPC 87905)**

For each of the above sub-sectors :

- Modes 1, 2, 3 : Take full commitments, i.e. schedule "none" under MA and NT.
- Mode 4 : Commit as referred to in the section "Horizontal commitments".

#### **I. Security Services (CPC 87302 – 87309)**

Indonesia has not committed this sub-Sector. The EC requests that it be committed as follows :

- Mode 3 : MA - Commit with no form of establishment or equity limitation. Full NT commitment - i.e. schedule "none".
- Mode 4 : Commit as referred to in the section "Horizontal commitments".

#### **d. Services related to management consulting (CPC 866)**

This sub-sector has only been committed for CPC 86601. **EC request** : extend sectoral coverage to all of CPC 866.

See general request for Business Services above.

#### **e. Technical testing and analysis services (CPC 8676)**

See general request for Business Services above.

#### **n. Maintenance and Repair of Equipment (not including transport equipment) (CPC 633 + 8861-8866)**

This sub-sector does not appear to have been committed for CPC 8862-8865. The EC seeks clarification as to whether this is a typographical error. If this is

not the case, the EC requests that sectoral coverage be extended to CPCs 8862-8865 as well.

See general request for Business Services above.

## **POSTAL AND COURIER SERVICES**

### **EC Request to Indonesia**

This request includes sub-sectors that are listed under the negotiating proposal of the EC (S/CSS/W/61). The work on the revision of classification of this sector is still underway. For this reason, the sub-sectors lack reference to CPC.

Indonesia has not undertaken commitments in postal and courier services. The EC requests Indonesia to commit this sector as follows, based on the EC proposal for the revised classification of postal and courier services:

#### **Services relating to the handling<sup>1</sup> of postal items<sup>2</sup>, whether for domestic or foreign destinations:**

##### **A. Handling of addressed written communications on any kind of physical medium<sup>3</sup>, including:**

###### **-Hybrid mail services**

###### **-Direct mail**

##### **B. Handling of addressed parcels and packages<sup>4</sup>**

##### **C. Handling of addressed press products<sup>5</sup>**

##### **D. Handling of items referred to in A. to C. above as registered or insured mail.**

##### **E. Express delivery services<sup>6</sup> for items referred to in A. to C. above.**

##### **F. Handling of non-addressed items.**

##### **G. Document exchange.**

##### **H. Other services not elsewhere specified.**

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<sup>1</sup> The term "handling" should be taken to include clearance, sorting, transport and delivery.

<sup>2</sup> "Postal item" refers to items handled by any type of commercial operator, whether public or private.

<sup>3</sup> E.g. letter, postcards.

<sup>4</sup> Books, catalogues are included hereunder.

<sup>5</sup> Journals, newspapers, periodicals.

<sup>6</sup> Express delivery services may include, in addition to greater speed and reliability, value added elements such as collection from point of origin, personal delivery to addressee, tracing and tracking, possibility of changing the destination and addressee in transit, confirmation of receipt.

For sub-sectors B., C., E., F. and G. :

- Modes 1, 2 and 3 : Undertake full commitments for market access and national treatment.
- Mode 4 : Commit as referred to in the section « Horizontal commitments ».

For sub-sectors A. and D. :

- Modes 1, 2 and 3: Undertake commitments for market access and national treatment.
- Mode 4 : Commit as referred to in the section « Horizontal commitments ».

## **NEWS AGENCY SERVICES**

### **EC Request to Indonesia**

Indonesia has not committed this sector (CPC 962). The EC requests that this Sector be committed as follows:

#### **EC Request (CPC 962):**

- - Modes 1-3: Take full commitments, i.e. schedule “none” under MA and NT.
- - Mode 4: Commit as referred to in the section “Horizontal commitments”.

## TELECOMMUNICATION SERVICES

### EC Request to Indonesia

Indonesia has only partially committed this Sector. The EC requests that this Sector is committed as follows:

#### All Modes

There are no commitments in facsimile and private leased circuit services, On-line Information and Data Base Retrieval, Electronic Data Interchange (EDI), Enhanced/Value-Added Facsimile Services and Code and Protocol Conversion. **EC request:** Make full commitments in all those sub-sectors, i.e. schedule "None".

#### Mode 1 - Cross-border supply

For local, long distance, international services, Packet-switched public data network, telex, telegraph, Mobile cellular telephone services, Internet Access services, Regional and National Paging and Public payphone services, this mode is unbound for national treatment. **EC request:** Make full commitments in all those sub-sectors, i.e. schedule "None" under National Treatment.

#### Mode 2 - Consumption abroad

For local, long distance, international services, Packet-switched public data network, telex, telegraph, Mobile cellular telephone services, Internet Access services, Regional and National Paging and Public payphone services, this mode is unbound for national treatment. **EC request:** Make full commitments in all those sub-sectors, i.e. schedule "None" under National Treatment.

#### Mode 3 - Establishment

- There are limitations on the number of operators:
  - Local services are provided exclusively by PT Telkom and 5 regional joint operation scheme operators. **EC request:** Remove this limitation.
  - Long distance services are provided exclusively by PT Telkom. **EC request:** Remove this limitation.
  - International services are provided exclusively by PT Indosat and PT Satelindo and Callback is not permitted. **EC request:** Remove these limitations.
  - For Mobile cellular telephone services, New entry is possible only through a joint venture with state-owned company. **EC request:** Remove this limitation.
  - For Electronic mail, Voice mail, Computer sharing services, Videotex services, Electronic mail box, File transfer services, and Home telemetering alarm, Access was granted to five foreign service provider companies, in addition to existing companies. **EC request:** Remove this restriction on the number of suppliers.

- For Packet-switched public data network, telex, telegraph, Internet Access services, Regional and National Paging and Public payphone services, a number of service suppliers is quoted, while there is no exclusion. **EC request:** suppress these mentions.
- There are limitations on the type of legal entity.
  - For local, long distance, international, and Public payphone services one of three Types of legal entity is required: Joint venture, Joint operation, or Contract management. **EC request:** Remove this limitation.
  - For Packet-switched public data network, telex, telegraph, Internet Access services, and Regional and National Paging Services one of two Types of legal entity is required: Joint venture or Joint operation. **EC request:** Remove this limitation.
  - For Mobile cellular telephone services a Joint venture is required. **EC request:** Remove this limitation.
- There are limitations on foreign ownership.
  - For local, long distance, international services, Packet-switched public data network, telex, telegraph, Mobile cellular telephone services, Internet Access services, Regional and National Paging and Public payphone services, Foreign equity participation is limited to 35 per cent. **EC request:** Remove this limitation.
- There are limitations on national treatment:
  - For Electronic mail, Voice mail, Computer sharing services, Videotex services, Electronic mail box, File transfer services, and Home telemetering alarm, Higher paid-up capital is required of foreign service suppliers than of domestic service suppliers. **EC request:** Remove this restriction.
- There are other restrictions scheduled under additional commitments:
  - The foreign service supplier must be a worldclass operator with extensive international experience. **EC request:** Remove this restriction.
  - The schedule states that all basic telecommunications services tariffs should be fixed by the government. **EC Request:** suppress this provision, the issue of maximum prices (if they are necessary) should be addressed by the universal service mechanism.

#### **Mode 4 –Movement of natural persons**

For local, long distance, international services, Packet-switched public data network, telex, telegraph, Mobile cellular telephone services, Internet Access

services, Regional and National Paging and Public payphone services, “Natural person for management and technical expert is limited to 20 persons.” **EC Request:** suppress this restriction.



## **CONSTRUCTION AND RELATED ENGINEERING SERVICES**

### **EC Request to Indonesia**

#### **General**

Indonesia has committed this Sector only partially. The EC requests that this Sector be committed as follows:

#### **All sub-sectors (CPC 511 to CPC 518)**

- - Mode 3: MA and NT – Restrictions on forms of establishment (Joint Operation and Joint Venture). **EC Request:** Remove these restrictions and schedule “none” under MA and NT.

#### **A. General construction work for buildings (CPC 512)**

This sub-sector is not committed for CPC 51210 (*construction work for one- and two-dwelling buildings*). **EC Request for this CPC:**

- - Mode 3: Take full commitments, i.e. schedule “none” under MA and NT.
- - Mode 4: Commit as referred in the section “Horizontal commitments”.

#### **C. Installation and assembly work (CPC 514+516)**

This sub-sector is not committed for CPC 516. **EC Request for this CPC:**

- - Mode 3: Take full commitments, i.e. schedule “none” under MA and NT.
- - Mode 4: Commit as referred in the section “Horizontal commitments”.

#### **D. Building completion and finishing work (CPC 517)**

This sub-sector is not committed. **EC Request:**

- - Mode 3: Take full commitments, i.e. schedule “none” under MA and NT.
- - Mode 4: Commit as referred in the section “Horizontal commitments”.

#### **E. Other (CPC 511+515+518)**

- Extend commitments coverage to the whole sub-sector:
- - Mode 3: Take full commitments, i.e. schedule “none” under MA and NT.
- - Mode 4: Commit as referred in the section “Horizontal commitments”.

#### **MFN exemption**

- - Measures relating to preferential shortlisting. **EC request** : eliminate.

## **DISTRIBUTION SERVICES**

### **EC Request to Indonesia**

Indonesia has not committed this Sector. The EC requests that this Sector is committed as follows :

**A. Commission agents' services (CPC 621, 6111+6113+6121)**

**B. Wholesale trade services (CPC 622, 6111+6113+6121)**

**C. Retailing services (CPC 631+632, 6111+6113+6121+613)**

**D. Franchising (CPC 8929)**

**For each of the above sub-sectors :**

- Modes 1, 2, 3 : Take full commitments, i.e. schedule "none".
- Mode 4 : Commit as referred in the section "Horizontal commitments".

*Note : The EC is prepared to discuss exceptions for a very limited number of extremely sensitive goods, such as arms, ammunitions and explosives.*

*Note : In accordance with the W120 classification, the EC Request on "Repair services of personal and household goods" (CPC 633) is included under "1. Business services / F. Other business / n. Maintenance and repair".*

## **ENVIRONMENTAL SERVICES**

### **EC Request to Indonesia**

Indonesia has not undertaken commitments in environmental services. The EC requests Indonesia to commit the following subsectors, based on the EC proposal for the classification of environmental services:

#### **A. Water for human use & wastewater management**

- Water collection, purification and distribution services through mains, except steam and hot water
- Waste water services (CPC 9401)

#### **B. Solid/hazardous waste management**

- Refuse disposal services (CPC 94020)
- Sanitation and similar services (CPC 94030)

#### **C. Protection of ambient air and climate**

- Services to reduce exhaust gases and other emissions and improve air quality (CPC 94040)

#### **D. Remediation and cleanup of soil & water**

- Treatment, remediation of contaminated/polluted soil and water (part of CPC 94060)

#### **E. Noise & vibration abatement**

- Noise abatement services (CPC 94050)

#### **F. Protection of biodiversity and landscape**

- Nature and landscape protection services (part of CPC 94060)

#### **G. Other environmental & ancillary services**

- Other environmental protection services not classified elsewhere (CPC 94090)

For each of the above sub-sectors :

- Modes 1 (where technically feasible), 2 and 3 : Undertake full commitments for market access and national treatment.
- Mode 4 : Refer to horizontal commitments.

## **FINANCIAL SERVICES**

### **EC Request to Indonesia**

#### **General**

- **EC Request:** Undertake commitments in accordance with the Understanding on Commitments in Financial Services.
- **EC Request:** Follow the classification of the Annex on Financial Services.
- MA and NT - Reference to share ownership limitations as bound under prevailing laws and regulations. **EC Request:** Remove this restriction.
- MA and NT – Reciprocity condition. **EC Request:** Eliminate the reciprocity condition.
- MA and NT - Horizontal MA limitation of 49% share capital in joint-ventures. **EC Request:** Remove this ceiling.

#### **Insurance**

- Modes 1 and 2: MA and NT - MAT insurance. **EC Request:** Schedule according to Understanding.
- Modes 1 and 2: MA and NT - Reinsurance and retrocession and services auxiliary to insurance. **EC Request:** Schedule according to Understanding.
- Modes 1 and 2: MA and NT - Provision and transfer of financial information and financial data processing. **EC Request:** Schedule according to Understanding.
- Modes 1 and 2: MA and NT - Large industrial and commercial risks. **EC Request:** Take full commitments.
- Modes 1 and 2: MA and NT - Insurance intermediation. **EC Request:** Bind.
- Modes 1 and 2: MA and NT - Foreign intermediaries are not allowed to offer their services related to MAT, large industrial and commercial risks and reinsurance. **EC Request:** Take full commitments
- Modes 1 and 2: MA and NT - Requirement for cross-border reinsurance to be subject to rating by a rating institution. **EC Request:** Remove this requirement.

- Modes 1 and 2: MA and NT - Compulsory 10% cession of fire business to ReIndo. **EC Request:** Eliminate this compulsory cession.

- Mode 3: MA - Establishment of wholly owned subsidiaries.  
**EC Request:** Take full commitments.

- Mode 3: MA - Direct branching. **EC Request:** Commit direct branching.

- Mode 3: MA and NT - Minimum risk detention on domestic market.  
**EC Request:** Eliminate this constraint.

- Mode 3: MA and NT - Investment restrictions. **EC Request:** Remove those restrictions.

- Mode 3: MA and NT - State monopolies on certain lines of insurance.  
**EC Request:** Open to competition.

- Mode 3: NT - Discrimination against joint ventures in regulation enforcement, for example tax audits. **EC Request:** Eliminate the discrimination.

- Mode 3: NT - Amount of local capital cannot be maintained when overall capital is increased. **EC Request:** Remove this restriction.

- Mode 3: MA and NT - Discriminatory effect of the (market self-regulatory) requirement that all insurers make compulsory 2.5% cession of fire business to BPPDAN (statistical pool). **EC Request:** Eliminate this compulsory cession.

- Mode 3: MA and NT - Restrictions on foreign insurance (and reinsurance) brokers when establishing in the market, and restrictions on these brokers (once established) to offer all services related to their business: risk management, claims settlement, reinsurance broking, participation in public tenders, etc. **EC Request:** Remove those restrictions.

### **Banking and other financial services**

- Provision and transfer of financial information is not covered.  
**EC Request:** Take full commitments in modes 1, 2 and 3, and commit as referred in the section “Horizontal commitments” in mode 4.

- Advisory and other auxiliary services relating to banking and other financial services is not fully committed. **EC Request:** Take full commitments in modes 1, 2 and 3, and commit as referred in the section “Horizontal commitments” in mode 4.

- Mode 3: MA - Establishment of wholly owned subsidiaries in banking.  
**EC Request:** Bind.
- Mode 3: MA and NT - Numerical and geographical restrictions on branches of foreign banks. **EC Request:** Remove those restrictions.
- Mode 3: NT - Only branch capital considered for operating purposes.  
**EC Request:** Widen the capital considered.
- Mode 3: MA and NT - Prohibition on foreign banks from attracting deposits from State or public enterprises. **EC Request:** Eliminate this prohibition.
- Mode 3: NT - Restrictions applied to foreign banks on attracting international deposits. **EC Request:** Remove those restrictions.
- Mode 3: MA and NT - Restrictions applied to foreign securities firms as regards trading listed equities and bonds. **EC Request:** Eliminate those restrictions.
- Mode 3: MA and NT - Prohibition on foreign financial institutions (banks or securities companies) from underwriting securities. **EC Request:** Allow foreign companies to underwrite securities.
- Mode 3: NT - Possibility to require local subsidiaries of foreign companies to supply parent guarantees when raising funds on markets.  
**EC Request:** Remove this restriction.
- Mode 3: MA and NT - Prohibition on foreign investment in nine services sectors. **EC Request:** Remove this prohibition.

### **MFN exemption**

- Banking – Reciprocity condition. **EC Request:** Remove this reciprocity condition.

## **TOURISM AND TRAVEL RELATED SERVICES**

### **EC Request to Indonesia**

The EC suggests to Indonesia to make reference to tourism and travel related services as classified in W/120 and refer to the relevant CPC codes.

#### **A. Hotels and restaurants (incl. catering) (CPC 641-643)**

Extend sectoral coverage to include food serving services (642) and beverage serving services (CPC 643), and undertake full commitments.

##### **Hotels:**

##### **Mode 3:**

**Market access:** Remove geographical limitation for unlimited foreign equity ownership.

**National treatment:** a) Remove the requirement for 'higher paid-up capital' for foreign services suppliers; or bring forward the elimination planned for 2020. b) Remove limitation on hotel categories permitted.

#### **B. Travel agencies and tour operators services (CPC 7471)**

##### **Mode 3**

**Market access:** Remove limitation on number of travel agents and tour operators permitted.

**National treatment:** Remove geographical limitation of location of travel agents.

#### **C. Tourist guides services (CPC 7472 )**

Extend sectoral coverage to include tourist guide services, and undertake full commitments

#### **D. Other**

##### **Tourist Resorts**

##### **Mode 3**

**Market access:** Remove geographical limitation for unlimited foreign equity ownership.

National treatment: a) Remove the requirement for 'higher paid-up capital' for foreign services suppliers; or bring forward the elimination planned for 2020. b) Remove limitation on hotel categories permitted.



## **NEWS AGENCY SERVICES**

### **EC request to Indonesia**

#### **General**

Indonesia has not committed this sector (CPC 962). The EC requests that this Sector be committed as follows:

#### **EC Request: CPC 962**

- Modes 1-3: Take full commitments, i.e. schedule “none” under MA and NT.
- Mode 4: Commit as referred to in the section “Horizontal commitments”.

## **TRANSPORT SERVICES**

### **EC Request to Indonesia**

#### **A. Maritime transport**

Indonesia has specific commitments with certain restrictions for maritime transport. Restrictions relate in particular to: national treatment (requires a local general agent), auxiliary services excluded, Mode 3 only as owners representative, limitations for key personnel (Mode 4).

**EC request:** Take commitments in accordance with the attached model schedule (Annex 1). In particular for the following areas:

- 1) International transport (freight and passengers) CPC 7211 and 7212
- 2) Additional commitments for access to and use of ports facilities
- 3) Maritime auxiliary services (maritime cargo handling, storage and warehouse services, customs clearance services, container station and depot services, maritime agency services)
- 4) Multimodal activities: for inland forwarding of cargoes - commit the ability to rent or lease - or to have access to and use of multimodal facilities (as specified in the note to the schedule).
- 5) Definitions – commit definitions as specified in the model schedule.

The EC also request the following additional maritime commitments from Indonesia:

- 6) Equipment. To facilitate planning of their businesses operators should be allowed to reposition their own equipment, such as empty containers, between ports of Indonesia, when it is not carried against payment. This is requested to be committed in a new footnote:  
*“9. Movement of own equipment. International maritime transport suppliers can move/reposition their own equipment (i.e. empty containers, flatbeds etc.) on their own vessels between ports of Indonesia.”*
- 7) International cargo. Notwithstanding the general exclusion of “cabotage” in the definitions of the model schedule (see Annex 1) an international maritime transport supplier should be allowed to operate feeder services for its own international cargo between ports of Indonesia. This is requested to be committed in a new footnote:  
*“10. Notwithstanding the exclusion of “cabotage” in definition 1 above international maritime transport suppliers can operate vessels for the purposes of pre- and onward carriage of the international cargo between ports of Indonesia.”*

In this context Indonesia may wish to take the one or more of the following principles into concern:

- Size of the port. Only valid for international cargo relayed between national ports handling more than [25.000 TEU] on an annual basis.
- Binding existing ad hoc practices. To the extent exceptions are already granted for use of foreign flagged vessels such practices could be bound to explicitly cover pre- and onward carriage of international cargo.
- Geographical limitations: Transport of international cargo between ports within the same province/district/special region [or other relevant regional entity] remains excluded.

A final request related to maritime transport is:

- 8) Rental and leasing of vessels with crew (CPC 7213, 7223).

**EC request:**

- Modes 1, 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as in horizontal commitments.

**B. Internal waterways:**

- c) Rental and leasing of vessels with crew (CPC 7213, 7223)

**EC request:**

- Modes 1, 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

**C. Air transport**

- 1) Maintenance and repair of aircraft and parts thereof.

**EC request:**

- Modes 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

- 2) Selling and marketing.

**EC request:**

- Modes 1, 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

- 3) Computer Reservation Systems.

**EC request:**

- Modes 1, 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

- (4) Groundhandling services, as specified in the attached definitions (Annex 2).

**EC request:**

- Modes 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

- 5) Airport management services, as specified in the attached definitions (Annex 2).

**EC request:**

- Mode 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

**E. Rail transport**

- d) Maintenance and Repair of Rail Transport Equipment (CPC 8868).

**EC request:**

- Modes 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

**F. Road transport**

- b) Freight Transportation (CPC 7123).

**EC request:**

- Mode 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

- d) Maintenance and Repair of Road Transport Equipment (CPC 6112)

**EC request:**

- Modes 1, 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

**H. Services Auxiliary to All Modes of Transport**

- b) Storage and Warehouse Services (CPC 742)

**EC request:**

- Modes 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

- c) Freight Transport Agency/Freight Forwarding Services (CPC 748) and Pre-Shipment Inspection (part of CPC 749)
- EC request:**
- Modes 1, 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
  - Mode 4: Commit as referred in the section “Horizontal commitments”

## Annex 1: SCHEDULE ON MARITIME TRANSPORT SERVICES

Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p><b>TRANSPORT SERVICES</b></p> <p><b>MARITIME TRANSPORT SERVICES</b></p> <p>International Transport (freight and passengers) CPC 7211 and 7212 <u>less</u> cabotage transport</p>	<p>1) (a) <u>Liner Shipping</u>: none</p> <p>(b) <u>Bulk, tramp, and other international shipping, including passenger transportation</u>: none</p>	<p>1) (a) None</p> <p>(b) None</p>	<p>The following services at the port are made available to international maritime transport suppliers on reasonable and no discriminatory terms and conditions</p> <ol style="list-style-type: none"> <li>1. Pilotage</li> <li>2. Towing and tug assistance</li> <li>3. Provisioning, fuelling and watering</li> <li>4. Garbage collecting and ballast waste disposal</li> <li>5. Port Captain's services</li> <li>6. Navigation aids</li> <li>7. Shore-based operational services essential to ship operations, including communications, water and electrical supplies</li> <li>8. Emergency repair facilities</li> <li>9. Anchorage, berth and berthing services</li> </ol> <p>1) See note</p>

Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<b>TRANSPORT SERVICES MARITIME</b> <b>TRANSPORT SERVICES</b>  International Transport (freight and passengers) CPC 7211 and 7212 <u>less</u> cabotage transport (cont.)	2) None  3) (a) Establishment of registered company for the purpose of operating a fleet under the national flag of the State of establishment: unbound  (b) Other forms of commercial presence for the supply of international maritime transport services (as defined below – 2): none  4) (a) Ships' crews: unbound  (b) Key personnel employed in relation to a commercial presence as defined under mode 3b) above: Unbound except as in horizontal section	2) None  3) (a) Unbound  (b) None  4) (a) Unbound  (b) Unbound except as in horizontal section	3) (b) See Notes 2, 3,

Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<b>MARITIME AUXILIARY SERVICES</b>			
Maritime Cargo Handling Services (as defined below – 4)	1) Unbound* except for – no limitation on transshipment (board to board or via the quay) and/or on the use of on-board cargo handling equipment  2) None  3) None**  4) Unbound except as in horizontal section	1) Unbound* except for no limitation on transshipment (board to board or via the quay) and/or on the use of on-board cargo handling equipment  2) None  3) None  4) Unbound except as in horizontal section	
Storage and warehousing Services CPC 742	1) Unbound*  2) None  3) None**  4) Unbound except as in horizontal section	1) Unbound*  2) None  3) None  4) Unbound except as in horizontal section	
Customs Clearance Services (as defined below – 5)	1) Unbound*  2) None  3) None**  4) Unbound except as in horizontal section	1) Unbound*  2) None  3) None  4) Unbound except as in horizontal section	



Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<b>MARITIME AUXILIARY SERVICES (cont.)</b>			
Container Station and Depot Services (as defined below – 6)	1) Unbound* 2) None 3) None** 4) Unbound except as in horizontal section	1) Unbound* 2) None 3) None 4) Unbound except as in horizontal section	
Maritime Agency Services (as defined below – 7)	1) None 2) None 3) None 4) Unbound except as in horizontal section	1) None 2) None 3) None 4) Unbound except as in horizontal section	
(Maritime) Freight Forwarding Services (as defined below - 8)	1) None 2) None 3) None 4) Unbound except as in horizontal section	1) None 2) None 3) None 4) Unbound except as in horizontal section	

\* A commitment on this mode of delivery is not feasible.

\*\* Public utility concession or licensing procedures may apply in case of occupation of the public domain.

## NOTE TO THE SCHEDULE

Where road, rail, inland waterways (and) (related) (auxiliary) services are not otherwise fully covered in (this) (a Member's) schedule, a multimodal transport operator shall have the ability to rent or lease trucks, railway carriages or barges, and related equipment, for the purpose of inland forwarding of cargoes, or have access to, and use of, these forms of multimodal activities on reasonable and non-discriminatory terms and conditions for the purpose of carrying out multimodal transport operations. (« Reasonable and non-discriminatory terms and conditions » means, for the purpose of (multimodal transport operations), (this additional commitment), the ability of the multimodal transport operator to arrange for the conveyance of its merchandise on a timely basis, including priority over other merchandise which has entered the port at a later date).

## DEFINITIONS

1. Without prejudice to the scope of activities which may be considered as « cabotage » under the relevant national legislation, this schedule does not include « maritime cabotage services », which are assumed to cover transportation of passengers or goods between a port located in ... (name of country or, for EEC, « a Member State ») and another port located in ... (name of the country or, for EEC, « the same Member State ») and traffic originating and terminating in ... the same port located in (name of country, or for the EEC, « a Member State ») provided that this traffic remains within ... (name of country or « this Member State »)'s territorial waters.
2. « Other forms of commercial presence for the supply of international maritime transport services » means the ability for international maritime transport service suppliers of other Members to undertake locally all activities which are necessary for the supply to their customers of a partially or fully integrated transport service, within which the maritime transport constitutes a substantial element. (This commitment shall however not be construed as limiting in any manner the commitments undertaken under the cross-border mode of delivery).

These activities include, but are not limited to:

- (a) marketing and sales of maritime transport and related services through direct contact with customers, from quotation to invoicing, these services being those operated or offered by the service supplier itself or by service suppliers with which the service seller has established standing business arrangements;
- (b) the acquisition, on their own account or on behalf of their customers (and the resale to their customers) of any transport and related services, including inland transport services by any mode, particularly inland waterways, road and rail, necessary for the supply of the integrated services;
- (c) the preparation of documentation concerning transport documents, customs documents, or other documents related to the origin and character of the goods transported;
- (d) the provision of business information by any means, including computerised information systems and electronic data interchange (subject to the provisions of the annex on telecommunications);
- (e) the setting up of any business arrangements (including participation in the stock of a company) and the appointment of personnel recruited locally (or, in the case of foreign personnel, subject to the horizontal commitment on movement of personnel) with any locally established shipping agency;

- (f) acting on behalf of the companies, organising the call of the ship or taking over cargoes when required.
3. « Multimodal transport operators » means the person on whose behalf the bill of lading /multimodal transport document, or any other document evidencing a contract of multimodal carriage of goods, is issued and who is responsible for the carriage of goods pursuant to the contract of carriage.
4. « Maritime cargo handling services » means activities exercised by stevedore companies, including terminal operators, but not including the direct activities of dockers, when this workforce is organised independently of the stevedoring or terminal operator companies. The activities covered include the organisation and supervision of:
- the loading/discharging of cargo to/from a ship;
  - the lashing/unlashing of cargo;
  - the reception/delivery and safekeeping of cargoes before shipment or after discharge.
5. « Customs clearance services » (alternatively « customs house brokers' services ») means activities consisting in carrying out on behalf of another party customs formalities concerning import, export or through transport of cargoes, whether this service is the main activity of the service provider or a usual complement of its main activity.
6. « Container station and depot services » means activities consisting in storing containers, whether in port areas or inland, with a view to their stuffing/stripping, repairing and making them available for shipments.
7. « Maritime agency services » means activities consisting in representing, within a given geographic area, as an agent the business interests of one or more shipping lines or shipping companies, for the following purposes:
- marketing and sales of maritime transport and related services, from quotation to invoicing, and issuance of bills of lading on behalf of the companies, acquisition and resale of the necessary related services, preparation of documentation, and provision of business information;
  - acting on behalf of the companies organising the call of the ship or taking over cargoes when required.
8. « Freight forwarding services » means (the activity consisting of organising and monitoring shipment operations on behalf of shippers, through the acquisition of transport and related services, preparation of documentation and provision of business information).

## **Annex 2 Facilitating air transport services**

### **Ground-handling Services**

Efficient ground-handling is essential to the proper functioning of air transport and competition between operators in this area ensures that proper use is made of air transport infrastructure. It helps reduce the operating costs of airlines and improves the quality of service for airport users.

For specialised groundhandling suppliers the following activities are requested:

- Ground Administration – supervision and administration at the airport (CPC 7461);
- Passenger Handling – assisting arriving, departing and transfer passengers (CPC 7461);
- Baggage Handling – handling baggage in the sorting area (CPC 7461);
- Freight and Mail Handling – physical handling of freight and mail, dealing with security and customs procedures (CPC 74110 (container handling services) and 74190 (other cargo handling services));
- Ramp Handling – marshalling and moving the aircraft, loading and unloading of aircraft, transport of passengers, freight, supplies (CPC 7469).
- Aircraft Services – cleaning the aircraft, heating and cooling, removal of snow and ice (CPC 7469);
- Fuel and Oil Handling – organisation and provision of fuel and oil;
- Aircraft Maintenance – covered specifically by the Annex as above;
- Flight Operations and Crew Administration – preparation of the flight, inflight and post-flight assistance, crew administration;
- Surface Transport – organisation and execution of transport within airport – except to and from aircraft;
- Catering Services – administration, storage, preparation and delivery of bar and food supplies (CPC 6423). *[Catering is listed for only for information purposes as this activity is requested from Indonesia as part of tourism services]*

### **Airport management services**

Airport management services constitute the core activities of airport services providers and cover: Airport operation services (excl. cargo handling), including passenger air terminal services and ground services on air fields, including runway operating services, on a fee or contract CPC 74610.

Activities are also related to “other management consulting services” (CPC 86509) and activities separately specified under “other management services not elsewhere classified”(CPC 86609). A commitment will allow services suppliers to take an equity stake in - and engage in the overall operation and management of - airports when these are open for investments from private operators. Thereby it will bind existing common practices in the sector.

## **ENERGY SERVICES**

### **EC Request to Indonesia**

This request includes services that are listed under the negotiating proposal of the EU (S/CSS/W/60) . The work on the classification of these services is still underway. For this reason, some activities therefore lacks reference to CPC.

The EC requests that this area is committed as follows :

#### **A. Services related to exploration and production**

- CPC 883: Services incidental to mining

This sub-sector is not committed. **EC Request:**

- Mode 3 : Take full commitments, i.e. schedule "none".
- Mode 4 : Commit as referred in the section "Horizontal commitments".

- CPC 8675: Related scientific and technical consulting services

This sub-sector is not committed. **EC Request:**

- Mode 3 : Take full commitments, i.e. schedule "none".
- Mode 4 : Commit as referred in the section "Horizontal commitments".

- CPC 51110: Site investigation work and CPC 51130: Site formation and clearance work

These sub-sectors are not committed. **EC Request:**

- Mode 3 : Take full commitments, i.e. schedule "none".
- Mode 4 : Commit as referred in the section "Horizontal commitments".

- CPC 513: General construction work for civil engineering

- Mode 3: MA and NT – Restrictions on forms of establishment (Joint Operation and Joint Venture). **EC Request:** Remove these restrictions and schedule “none” under MA and NT.

#### **B. Services related to the construction of energy facilities**

##### **B.1 Construction of energy facilities**

**CPC 513: Construction work for civil engineering**

**CPC 51340: For long distance pipelines, communication and power lines (cables)**

**CPC 51350: For local pipelines and cables; ancillary works**

**CPC 51360: For constructions for mining and manufacturing**

- Mode 3: MA and NT – Restrictions on forms of establishment (Joint Operation and Joint Venture). **EC Request:** Remove these restrictions and schedule “none” under MA and NT.

## **B.2 Installation and assembly work**

- CPC 516: Installation and assembly work

This sub-sector is not committed. **EC Request:**

- Mode 3 : Take full commitments, i.e. schedule "none".
- Mode 4 : Commit as referred in the section "Horizontal commitments".

## **C. Services related to networks**

### **C.1 Operation of transportation/transmission and distribution facilities**

- CPC 887: Services incidental to energy distribution

This sub-sector is not committed. **EC Request:**

- Modes 3 : Take commitments for operation of networks not part of the integrated system.
- Mode 4 : Commit as referred in the section "Horizontal commitments".

- CPC 71310: Transportation of petroleum and natural gas

This sub-sector is not committed. **EC Request:**

- Modes 3 : Take commitments for operation of networks not part of the integrated system.
- Mode 4 : Commit as referred in the section "Horizontal commitments".

## **D. Storage services**

- CPC 74220: Bulk storage services of liquids or gases

This sub-sector is not committed. **EC Request:**

- Mode 3 : Take full commitments, i.e. schedule "none".
- Mode 4 : Commit as referred in the section "Horizontal commitments".

## **E. Services for the supply of energy**

## **E.1 Wholesale of energy products**

- CPC 62271: Wholesale trade services of solid, liquid and gaseous fuels and related products

This sub-sector is not committed. **EC Request:**

- Mode 3 : Take full commitments for solid and liquid fuels and related products.
- Mode 4 : Commit as referred in the section "Horizontal commitments".

- Wholesale trade services of electricity

**EC Request:**

- Modes 3 : Take commitments
- Mode 4 : Commit as referred in the section "Horizontal commitments".

## **E.2 Retail sale of energy products**

- CPC 63297: Retail sale of fuel oil, bottled gas, coal and wood

This sub-sector is not committed. **EC Request:**

- Mode 3 : Take full commitments, i.e. None.
- Mode 4 : Commit as referred in the section "Horizontal commitments".

## **E.3 Trading of energy products**

**EC Request:**

- Modes 1, 2, 3 : Take full commitments for non-network energy products and commitments for network-energy products.
- Mode 4 : Commit as referred in the section "Horizontal commitments".

## **E.4 Brokering of energy products**

**EC Request:**

- Modes 1, 2, 3 : Take full commitments for non-network energy products and commitments for network-energy products
- Mode 4 : Commit as referred in the section "Horizontal commitments".

## **F. Services for the final use**

### **F.1 Energy audit**

- CPC 86505: Production management consulting services

This sub-sector is not committed. **EC Request:**

- Mode 3 : Take full commitments, i.e. None.
- Mode 4 : Commit as referred in the section "Horizontal commitments".

## **F.2 Energy management**

- CPC 86505: Production management consulting services

This sub-sector is not committed. **EC Request:**

- Mode 3 : Take full commitments, i.e. None.
- Mode 4 : Commit as referred in the section "Horizontal commitments".

## **G. Services related to decommissioning**

**EC Request:**

- Modes 3 : Take full commitments, i.e. schedule "none".
- Mode 4 : Commit as referred in the section "Horizontal commitments".