

# WORLD TRADE ORGANIZATION

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**Working Party on the Accession  
of the Kingdom of Saudi Arabia**

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## **REPORT OF THE WORKING PARTY ON THE ACCESSION OF THE KINGDOM OF SAUDI ARABIA**

### Addendum

#### *Part II – Schedule of Specific Commitments in Services List of Article II MFN Exemptions*

As indicated in paragraph 316 of the Report of the Working Party on the Accession of Kingdom of Saudi Arabia (WT/ACC/SAU/61), the Schedule of Specific Commitments on Services resulting from the negotiations between the Kingdom of Saudi Arabia and WTO Members is annexed to the Protocol of Accession of the Kingdom of Saudi Arabia and is reproduced hereunder.

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

Sector or Sub-sector	Limitation on market access	Limitations on national treatment	Additional commitments
<b>I. HORIZONTAL COMMITMENTS</b>			
All Sectors and Sub-Sectors of Services included in this Offer	<p>(3) (i) Commercial presence for all services listed in this Schedule, other than business services (as listed below)<sup>1</sup> subject to incorporation under the Companies Act either as joint-stock companies or as limited liability companies.</p> <p>(ii) Commercial presence for business services (as listed below)<sup>1</sup> subject to formation of a company, and registration of such a company under the Professional Companies Law.</p>	<p>(3) (i) Foreign service suppliers require approval from the Saudi Arabian General Investment Authority for establishing commercial presence in Saudi Arabia according to the Foreign Investment Law of April 2000 and Article 5:3 of the Regulation of the Foreign Investment Act.</p> <p>(ii) Non Saudi nationals may acquire the right to own real estate in Saudi Arabia by succession. Foreign establishments authorized to carry on their activities in the Kingdom under the Foreign Investment Law may own real estate in accordance with the present laws and regulations governing foreign ownership of real estate.</p> <p>(iii) Non Saudi business entities and foreign natural persons are subject to income tax while Saudi entities and Saudi individuals are subject to Zakat. Future changes in Saudi tax code will not be less favourable to foreign service providers than the existing code.</p> <p>(iv) Foreign service entities and foreign natural persons shall have access to subsidies available in the country. However some subsidies on</p>	All modes of supply: In all respects other than Zakat, taxation measures will be applied in conformity with Articles II and XVII and all other relevant provisions of the GATS.

<sup>1</sup> Professional Services (1A), as in document W/120.

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

Sector or Sub-sector	Limitation on market access	Limitations on national treatment	Additional commitments
		certain services will be available to Saudis only.	
	<p>(4) Unbound, except for measures concerning the entry and temporary stay of natural persons in the following categories:</p> <p>(i) <u>Business Visitors</u></p> <p>A natural person who stays in Saudi Arabia, without acquiring remuneration from within Saudi Arabia and without engaging in making direct sales to the general public or supplying services, for the purposes of participating in business meetings, business contacts including negotiations for the sale of services and/or other similar activities including those to prepare for establishing a commercial presence in Saudi Arabia. Entry and stay shall be for a period of no more than 180 days, including multiple entries.</p>	<p>(4) Unbound, except as in the column for limitation on market access</p>	

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

Sector or Sub-sector	Limitation on market access	Limitations on national treatment	Additional commitments
	<p>(ii) <u>Intra-corporate transferees (ICT)</u></p> <p>Intra-corporate transferees of managers, executives and specialists (as defined below), who have work experience for a period of at least three years in the same field prior to the date of application for entry into the Kingdom, to an affiliate in Saudi Arabia of a juridical person. Entry and stay of such managers, executives and specialists shall be subject to the following conditions:</p> <ul style="list-style-type: none"> <li>- Their number shall be limited to 25% of the total workforce of each service supplier. However, a minimum of three persons will be allowed. Alternatively to the above, the service supplier may have the following option, the number of managers, executives and specialists of each service supplier shall be limited to 15%; and the number of other foreign employees (i.e. other than managers, executives, or specialists) of each service supplier shall be limited to 10%, or vice versa. However, a minimum of two ICT will be allowed as compliant with the 15% threshold.</li> <li>- Their entry and stay shall be for a period of two years, renewable for similar periods.</li> <li>- Certain positions in a company may be reserved for Saudi nationals in all categories. These positions are recruitment</li> </ul>		

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

Sector or Sub-sector	Limitation on market access	Limitations on national treatment	Additional commitments
	<p>and personnel, receptionists, cashiers, civil security guards, and transaction (government relations) follow up.</p> <p><u>Definitions:</u></p> <p><u>Managers:</u> Persons within an organization, who primarily direct the organization or a department or sub-division of the organization, supervise and control the work of other supervisory, professional or managerial employees, have the authority to hire or fire or recommend hiring, firing or other personnel action (such as promotion or leave authorisation) and exercise discretionary authority over day-to-day operation, does not include first-line supervisor unless the employees supervised are professional, nor does include employees who primarily perform tasks necessary for the provision of the service.</p> <p><u>Executives:</u> Persons within an organization, who primarily direct the management of the organization, establish the goals and policies of the organization, exercise wide latitude in decision-making and receive only general supervision or direction from higher-level executives, the board of directors or stockholders of the business. Executives would not directly perform tasks related to the actual provision of service or services of the organization.</p> <p><u>Specialists:</u> Persons within an organization who possess knowledge at an advanced level of expertise and who possess proprietary knowledge of the</p>		

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

Sector or Sub-sector	Limitation on market access	Limitations on national treatment	Additional commitments
	<p>organizations services, research, equipment, techniques or management.</p> <p>(iii) <u>Contractual service suppliers</u></p> <p>Employees of contractual service suppliers, i.e. employees of juridical persons with no commercial presence in Saudi Arabia, who have obtained a service contract in Saudi Arabia requiring the presence of their employees in order to fulfil the contract. Entry and stay of such persons shall be for a period of no more than 180 days which would be renewable.</p> <p>Entry of such persons shall be allowed only for the following sub-sectors on business services:</p> <ul style="list-style-type: none"> <li>- Legal services (Part of CPC 861)</li> <li>- Architectural services (CPC 8671)</li> <li>- Urban planning and landscape architectural services (CPC 8674)</li> <li>- Engineering services (CPC 8672)</li> <li>- Integrated engineering services (CPC 8673)</li> <li>- Related scientific and technical consulting (CPC 8675)</li> <li>- Technical testing &amp; analysis services (CPC 8676)</li> <li>- Translation services (CPC 87905)</li> <li>- Environmental services (all-sub sectors)</li> </ul>		

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

Sector or Sub-sector	Limitation on market access	Limitations on national treatment	Additional commitments
	<p>(CPC 94010 + 94020 + 9403 + 9404 + 9405 + 9406 + 9409)</p> <ul style="list-style-type: none"> <li>- Services incidental to mining (CPC 883 + 5115)</li> <li>- Management consulting services (CPC 8650)</li> <li>- Services related to management consulting (CPC 8660)</li> <li>- Maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment) (CPC 633 + 8861-8866)</li> <li>- Accounting, auditing &amp; bookkeeping (CPC 8621 + 8622)</li> <li>- Medical &amp; dental services (CPC 9312)</li> <li>- Inter-disciplinary Research and Development Services (CPC 85300)</li> <li>- Computer &amp; related services (CPC 841-845 + 849)</li> <li>- Construction and related engineering services (CPC 511-518)</li> <li>- Travel Agency and Tour Operator services, excluding for Umra and Hajj (CPC 7471)</li> <li>- Restaurant Services, including catering services (except bars, nightclubs, etc.) (CPC 6421 + 6422 + 6423)</li> </ul>		

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

Sector or Sub-sector	Limitation on market access	Limitations on national treatment	Additional commitments
	<p>(iv) <u>Independent Professionals</u></p> <p>Independent Professionals (i.e. natural persons) as part of a service contract with juridical person in Saudi Arabia for rendering professional services in which he/she possesses the necessary academic credentials and professional qualifications with three years experience in the same field. Their entry and stay shall be for a period of 180 days, which may be renewable.</p> <p>Entry of such persons shall be allowed only for the following:</p> <ul style="list-style-type: none"> <li>- Computer &amp; related services (CPC 841-845 + 849)</li> <li>- Construction &amp; related engineering services (CPC 512, 513, 516 + 517)</li> <li>- Accounting, auditing and bookkeeping services (CPC 8621 + 8622)</li> <li>- Taxation services (CPC 87905)</li> <li>- Architectural services (CPC 8671)</li> <li>- Pilot &amp; Crews</li> <li>- Legal services (part of CPC 861)</li> <li>- Medical &amp; dental services (CPC 9312)</li> <li>- Interdisciplinary Research and Development Services (CPC 85300)</li> <li>- Management consulting services (CPC 8650)</li> <li>- Building – cleaning services</li> </ul>		



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

Sector or Sub-sector	Limitation on market access	Limitations on national treatment	Additional commitments
	<p>(CPC 874)</p> <p>For other education services (only Thai cooking and Thai language (as part of CPC 9290)), entry and stay shall be for a period of 90 days, which would be renewable for similar period.</p> <p>(v) <u>Installers and maintainers</u></p> <p>Qualified specialists supplying installation or maintenance services. The supply of that service has to occur on a contractual basis between the builder of the machinery or equipment and the owner of that machinery or equipment, both of them being juridical persons. Temporary entry is granted for a period of stay of no more than 90 days which would be renewable.</p>		

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

Sector or Sub-sector	Limitation on market access	Limitations on national treatment	Additional commitments
<b>II. SPECIFIC SECTOR COMMITMENTS</b>			
<b>1. BUSINESS SERVICES</b>			
<b>A. Professional Services</b>			
a. Legal Services Consultancy on the law of jurisdiction where the services supplier is qualified as a lawyer and on international law (Part of CPC 861)	(1) None (2) None (3) Foreign equity limited to 75% (4) Unbound, except as indicated in the horizontal section	(1) None (2) None (3) Non-Saudi lawyers cannot appear in courts to plead cases (4) Unbound, except as indicated in the horizontal section	
b. Accounting, auditing and bookkeeping services (CPC 8621 and 8622)	(1) None (2) None (3) Foreign equity limited to 75% (4) Unbound, except as indicated in the horizontal section	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	
c. Taxation services (CPC 8630)			
d. Architectural services (CPC 8671)			
e. Engineering services (CPC 8672)			
f. Integrated engineering services (CPC 8673)			
g. Urban planning and landscape architectural services (CPC 8674)			
h. Medical and dental services (CPC 9312)			
i. Veterinary services (CPC 93201)			

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

Sector or Sub-sector	Limitation on market access	Limitations on national treatment	Additional commitments
<b>B. Computer and Related Services</b> a.-e. (CPC 841-45 and 849)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	
<b>C. Research and Development Services</b> a.-c. (CPC 851, 852, 853)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	
<b>E. Rental/Leasing Services without Operators</b>			
a. Relating to ships (CPC 83103) b. Relating to aircraft (CPC 83104) c. Relating to other transport equipment (CPC 83101+83102+83105) d. Relating to other machinery and equipment (CPC 83106-83109) e. Leasing or rental services concerning household goods (CPC 832)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	
<b>F. Other Business Services</b>			
a. Advertising services (CPC 8711) b. Market research services (CPC 86401) c. Management consulting services (CPC 8650) d. Services related to management consulting (CPC 8660) e. Technical testing and analysis services (CPC 8676) f. Services incidental to agriculture, hunting and forestry (CPC 881) h. Services incidental to mining (CPC 883+5115) i. Services incidental to manufacturing (CPC 884 (except 88442)+885) j. Services incidental to energy	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	

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

Sector or Sub-sector	Limitation on market access	Limitations on national treatment	Additional commitments
distribution (CPC 887) m. Related to scientific and technical consulting services (CPC 8675) n. Maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment) (CPC 633+8861-8866) p. Photographic services (CPC 8750) q. Packaging services (CPC 8760) r. Printing and publishing services (CPC 88442) s. Convention services (CPC 87909)* t. Other (e.g. public relations services) - Translation services (CPC 87905) - Speciality design services (CPC 87907)			
<b>2. COMMUNICATION SERVICES</b>			
<b>B. Courier services</b> (CPC 7512)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	- Foreign express delivery operators will have a treatment no less favourable than that accorded to the Postal Office for its activities in express delivery. - When Consultancy related to the provision of postal services (CPC 7511**) are privatized, they will also be opened for foreign service suppliers.

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

Sector or Sub-sector	Limitation on market access	Limitations on national treatment	Additional commitments
<b>C. Telecommunication services</b>			
General conditions for this sub-sector: The commitments taken by the Kingdom of Saudi Arabia are based on the scheduling principles provided by the following documents: Notes for scheduling Basic Telecom Services Commitments (S/GBT/W/2/Rev.1) and Market Access Limitations on Spectrum Availability (S/GBT/W/3).			
This commitment is subject to the following general conditions:			
<ul style="list-style-type: none"> <li>- The Kingdom of Saudi Arabia undertakes commitments as contained in the basic telecommunications reference paper, included in Annex.</li> <li>- Any telecom service supplied in Saudi Arabia on a commercial presence basis (Mode 3) must be supplied by a company registered in Saudi Arabia, the foreign equity of which shall be limited to the percentage levels mentioned below.</li> <li>- This schedule on basic telecommunication does not include any broadcasting services<sup>2</sup>.</li> <li>- Cross-border supply is subject to commercial agreement with a legal entity/entities licensed or authorized by CITC in the Kingdom of Saudi Arabia.</li> </ul>			
1. <u>Basic telecommunication services</u>	(1) None as of the end of 2006 (2) None (3) None, except services offered as public telecommunications services must be provided by a joint stock company. Foreign equity is limited to 49% upon accession, to go to 51% by the end of 2007 and 60% by the end of 2008 (4) Unbound, except as indicated in the horizontal section	(1) None (2) None (3) None  (4) Unbound, except as indicated in the horizontal section	
- <u>Public Fixed – facilities-based</u>			
a. Voice telephone services			
f. Facsimile services			
i. Voice mail			
<u>Public Fixed – non-facilities-based</u> <u>Private fixed – facilities-based or non-facilities based</u>	(1) None as of the end of 2006 (2) None (3) None, except foreign equity shall be limited to 49% upon accession, to go to 51% by the end of 2006, and to 70% after 3 years from accession (4) Unbound, except as indicated in the horizontal section	(1) None (2) None (3) None  (4) Unbound, except as indicated in the horizontal section	
a. Voice telephone services			
f. Facsimile services			
i. Voice mail			

<sup>2</sup> A broadcasting service is defined as a radio communication service in which the transmissions are intended for direct reception by the general public, including sound transmissions, or television transmissions. However, carrying a signal between broadcasting stations and transmitters is part of telecommunications services.

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

Sector or Sub-sector	Limitation on market access	Limitations on national treatment	Additional commitments
<p>2. <u>Public or Private – facilities-based or non-facilities-based</u></p> <p>b. Packet-switched data transmission services</p> <p>c. Circuit-switched data transmission services</p> <p>d. Telex services</p> <p>e. Telegraph services</p> <p>g. Private leased circuit services</p> <p>- Value-added services</p> <p>h. Electronic mail</p> <p>j. On-line information and data base retrieval</p> <p>k. Electronic data interchange (EDI)</p> <p>l. Enhanced/value-added facsimile services, including store and forward, store and retrieve</p> <p>m. Code and protocol conversion</p> <p>n. On-line information and/or data processing (incl. transaction processing)</p> <p>o. Paging</p> <p>p. Internet services</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None, except foreign equity shall be limited to 49% upon accession, to go to 51% by the end of 2006, and to 70% after 3 years from accession</p> <p>(4) Unbound, except as indicated in the horizontal section</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound, except as indicated in the horizontal section</p>	
<p>3. <u>Others</u></p> <p>Mobile telephone services</p> <p>A.1. Public Mobile – facilities-based</p> <p>a. Voice</p> <p>f. Facsimile</p> <p>i. Voice mail</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None, except that mobile voice services offered as a facilities-based public telecommunications service must be provided by a joint stock company. Foreign equity shall be limited to 49% upon accession, to go to 51% by the end of 2005 and 60% by the end 2008.</p> <p>(4) Unbound, except as indicated in the horizontal section</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound, except as indicated in the horizontal section</p>	

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

Sector or Sub-sector	Limitation on market access	Limitations on national treatment	Additional commitments
A.2. Private Mobile (facilities-based or non-facilities based) and Public Mobile non-facilities-based  a. Voice f. Facsimile i. Voice mail  Satellite services <sup>3</sup> :  - VSAT - GMPCS - Sale of satellite capacity to legal entities licensed or authorized by CITC to use such capacity in the Kingdom of Saudi Arabia.	(1) None (2) None (3) None, except:  - Foreign equity shall be limited to 49% upon accession, to go to 51% by end of 2005, and to 70% after 3 years from accession. - The number of licenses for VSAT services may be limited to 5 until 1 January 2006. After that date, there will be no limit on the number of licenses.  (4) Unbound, except as indicated in the horizontal section	(1) None (2) None (3) None         (4) Unbound, except as indicated in the horizontal section	
<b>D. Audiovisual Services</b>			
1. References below to "home video entertainment" include, but are not limited to, video tapes and digitally encoded video. 2. Nothing in this commitment shall require Saudi Arabia to provide a means of exhibition or transmission of audiovisual services not offered by the Saudi Government to the public generally.			
a. Motion picture and home video entertainment distribution services (CPC 96113) to other industries for public entertainment, television broadcasting, or sale or rental to others <sup>4</sup>	(1) None (2) None (3) Unbound (4) Unbound, except as indicated in the horizontal section	(1) None (2) None (3) Unbound (4) Unbound, except as indicated in the horizontal section	

<sup>3</sup> The GMPCS and VSAT Satellite Operators shall be required until 1 January 2006 to pass traffic via STC network through transit and gateway exchanges, especially in the case of overseas communication from Saudi Arabia.

<sup>4</sup> For purposes of clarity, this commitment relates only to the distribution, i.e., licensing of motion pictures of videotapes, and does not cover their television broadcast.

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

Sector or Sub-sector	Limitation on market access	Limitations on national treatment	Additional commitments
<p>b. Radio and television production and distribution services (licensing of radio and television programs whether live, on tape, on other recording medium or on digitally encoded video for subsequent broadcast, whether by terrestrial broadcasting, by satellite television, by cable, or by other similar medium, including DTH and DBS. These programs, and channels of programming, may be for entertainment, for promotion or plays that are normally produced in television studios. Also included are products such as sports coverage, weather forecasting, interviews, etc.)</p>	<p>(1) Unbound (2) None (3) Unbound (4) Unbound, except as indicated in the horizontal section</p>	<p>(1) Unbound (2) None (3) Unbound (4) Unbound, except as indicated in the horizontal section</p>	
<b>3. CONSTRUCTION AND RELATED ENGINEERING SERVICES</b>			
<p>A. General construction work for buildings (CPC 512) B. General construction work for civil engineering (CPC 513) C. Installation and assembly work (CPC 516+514) D. Building completion and finishing work (CPC 517) E. Other (CPC 511, 515, 518)</p>	<p>(1) Unbound* except for consultancy and advisory related services (2) None (3) None (4) Unbound, except as indicated in the horizontal section</p>	<p>(1) Unbound* except for consultancy and advisory related services (2) None (3) None (4) Unbound, except as indicated in the horizontal section</p>	
<b>4. DISTRIBUTION SERVICES</b>			



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

Sector or Sub-sector	Limitation on market access	Limitations on national treatment	Additional commitments
B. Wholesale trade services (CPC 622, 6111, 6113, 6121)	(1) None (2) None (3) None, except:	(1) None (2) None (3) None	
C. Retailing services (CPC 631, 632, 6111, 6113, 6121 and 613)  For purposes of this schedule wholesale and retail trade in country includes engaging private national individuals on a contract basis to sell products and services at retail for which compensation is received both for the sales effort and for sales support services that result in additional sales by other contracted distributors.	- Foreign equity limited to 51% upon accession and to 75% after 3 years from the date of accession. - Minimum foreign investment of Saudi Riyals 20 million by each service supplier. - Minimum size of outlets may be prescribed. - Minimum of 15% Saudi employees to be trained each year. (4) Unbound, except as indicated in the horizontal section	(4) Unbound, except as indicated in the horizontal section	
D. Franchising (CPC 8929)	(1) Unbound (2) None (3) None, except: - Foreign equity limited to 51% upon accession and to 75% after 3 years from the date of accession. - Foreigner should be authorized in his own country to practice franchising or be a partner in an authorized company for a period no less than five years without interruption. (4) Unbound, except as indicated in the horizontal section	(1) Unbound (2) None (3) None  (4) Unbound, except as indicated in the horizontal section	
<b>5. EDUCATIONAL SERVICES</b>			

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

Sector or Sub-sector	Limitation on market access	Limitations on national treatment	Additional commitments
A. Primary education services (CPC 921)	(1) None	(1) None	
B. Secondary education services (CPC 922)	(2) None	(2) None	
C. Higher education services (CPC 923)	(3) None	(3) None	
D. Adult education (CPC 924)	(4) Unbound, except as indicated in the horizontal section	(4) Unbound, except as indicated in the horizontal section	
E. Other (technical + Thai cooking and Thai language) (CPC 929)			
<b>6. ENVIRONMENTAL SERVICES</b>			
A. Sewage services (CPC 94010)	(1) None	(1) None	
B. Refuse disposal services (CPC 94020)	(2) None	(2) None	
C. Sanitation and similar services (CPC 9403)	(3) None	(3) None	
D. Other	(4) Unbound, except as indicated in the horizontal section	(4) Unbound, except as indicated in the horizontal section	
- Cleaning services for exhaust gases (CPC 9404)			
- Nature and landscape protection services (CPC 9406)			
- Noise abatement services (CPC 9405)			
- Other environmental services (CPC 9409) (including environmental impact assessment)			

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

Sector or Sub-sector	Limitation on market access	Limitations on national treatment	Additional commitments
<b>7. FINANCIAL SERVICES</b>			
<b>A. Insurance and Insurance-Related Services</b> (Market access allowed only for cooperative insurance services)			
Foreign insurance service providers operating through a Saudi Arabian agent are allowed to operate, including the ability to continue existing business operations without disruption, as well as to offer new products and servicing new clients, for a period of 3 years from the date of the Royal Decree No. 3120/MB dated 4/3/1426H (13 April 2005), and in accordance with that Decree.			
a. Protection and savings insurance <sup>5</sup> b. Non-life insurance (General insurance and health insurance) c. Reinsurance and retrocession d. Insurance Intermediation (Brokerage and Agency) e. Services auxiliary to insurance (consultancy, actuarial, risk assessment and claims settlement services)	(1) Unbound, except none for:  (b) Insurance of risks relating to marine shipping and commercial aviation and space launching and freight (including satellites), with such insurance to cover any or all of the following: - the goods being transported, the vehicle transporting the goods and any liability arising there from. - Insurance of risks relating to goods in international transit. (c) Reinsurance and retrocession. (d) Brokerage and Agency. (e) Services auxiliary to insurance consultancy, actuarial, risk assessment and claims settlement services.  (2) None (3) For (a), (b), and (c) Commercial presence is permissible in the form of a locally incorporated cooperative insurance joint-stock company, or as an established direct branch of an international insurance company operating in Saudi Arabia as a cooperative insurance provider <sup>6</sup> . Non-Saudi participation in the joint-stock company in Saudi Arabia is permitted up to 60% from the date of	(1) Unbound, except none for:  (b) Insurance of risks relating to marine shipping and commercial aviation and space launching and freight (including satellites), with such insurance to cover any or all of the following: - the goods being transported, the vehicle transporting the goods and any liability arising there from. - Insurance of risks relating to goods in international transit. (c) Reinsurance and retrocession. (d) Brokerage and Agency. (e) Services auxiliary to insurance consultancy, actuarial, risk assessment and claims settlement services.  (2) None (3) None	

<sup>5</sup> As defined in Article 3, Part 3:1-3 of the Cooperative Insurance Companies Control Law Implementing Regulations, published 25 April 2004, including protection against longevity.

<sup>6</sup> For clarity's sake, branches of foreign insurance companies operating as cooperative insurance providers are not required to operate as joint-stock companies in Saudi Arabia.

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

Sector or Sub-sector	Limitation on market access	Limitations on national treatment	Additional commitments
	<p>accession.</p> <p>For (d) Commercial presence is permissible in the form of a locally incorporated joint-stock company or a limited liability company. Non-Saudi participation is permitted up to 60% from the date of accession.</p> <p>For (e) Commercial presence for claims services and risk assessment is permissible in the form of a locally incorporated joint-stock company or a limited liability company. Non-Saudi participation is permitted up to 60% from the date of accession. For actuarial and consultancy commercial presence is permitted as a natural person or a juristic entity.</p> <p>(4) Unbound, except as indicated in the horizontal section</p>	<p>(4) Unbound, except as indicated in the horizontal section</p>	
<b>B. Banking and other financial services</b> (excluding insurance)			
<p>a. Acceptance of deposits and other repayable funds from the public</p> <p>b. Lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transaction</p> <p>c. Financial leasing</p> <p>d. All payment and money transmission services, including credit, charge and debit cards, travellers cheques and bankers drafts</p> <p>e. Guarantees and commitments</p> <p>f. Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:</p> <ul style="list-style-type: none"> <li>- money market instruments (including cheques, bills,</li> </ul>	<p>(1) Unbound, except for 'l.', 'k.' and, under 'i.', only for cash or portfolio management, all forms of collective investment, custodial, depository and trust services to be provided by institutions to institutional clients, including collective investment schemes, upon accession.</p> <p>(2) None, except unbound for pension fund management under 'i.' and all domestic settlement and clearing services provided exclusively by SAMA under 'j.'. This also limits national treatment.</p> <p>(3) None, except:</p> <ul style="list-style-type: none"> <li>- Commercial presence of banks is permissible in the form of a locally incorporated joint-stock</li> </ul>	<p>(1) Unbound, except as indicated in the M.A. column</p> <p>(2) None</p> <p>(3) None</p>	<p>When pension schemes supplementary to the public pension scheme are provided by Saudi Financial institutions, it will also be open for foreign service suppliers for mode (2) and (3) only.</p>

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

Sector or Sub-sector	Limitation on market access	Limitations on national treatment	Additional commitments
<p>certificates of deposits);</p> <ul style="list-style-type: none"> <li>- foreign exchange;</li> <li>- derivative products including, but not limited to, futures and options;</li> <li>- exchange rate and interest rate instruments, including products such as swaps, forward rate agreements;</li> <li>- transferable securities;</li> <li>- other negotiable instruments and financial assets, including bullion.</li> </ul> <p>g. participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues</p> <p>h. Money broking</p> <p>i. Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial, depository and trust services</p> <p>j. Settlement and clearing services for financial assets, including securities, derivative products, and other negotiable instruments</p> <p>k. Advisory and other auxiliary financial services on all the activities listed in sub paragraphs 'a.' through 'l.', including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy</p> <p>l. Provision and transfer of financial information, and financial data processing and related software.</p>	<p>company or as a branch of an international bank.</p> <ul style="list-style-type: none"> <li>- Non-Saudi participation in a joint-venture in Saudi Arabia is permitted up to 60% from the date of accession.</li> <li>- These financial services are to be provided by commercial banks except that asset management 'i.' and advisory services 'k.' may be provided by non-commercial banking financial institutions under the capital market law.</li> <li>- Unbound for pension fund management under 'i.'. This also limits national treatment.</li> <li>- Unbound for all domestic settlement and clearing services provided exclusively by SAMA under 'j.'. This also limits national treatment.</li> </ul> <p>(4) Unbound, except as indicated in the horizontal section</p>	<p>(4) Unbound, except as indicated in the horizontal section</p>	

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

Sector or Sub-sector	Limitation on market access	Limitations on national treatment	Additional commitments
<b>8. HEALTH RELATED AND OTHER SERVICES</b>			
A. Hospital services (CPC 9311)	(1) Unbound* (2) None (3) None, except subject to formation of a company between a foreign hospital company and a licensed Saudi medical professional (4) Unbound, except as indicated in the horizontal section	(1) Unbound* (2) None (3) None  (4) Unbound, except as indicated in the horizontal section	
B. Other human health services (CPC 9319, except 93191)	(1) Unbound* (2) None (3) None, except subject to formation of a company between a foreign health company and a licensed Saudi medical professional (4) Unbound, except as indicated in the horizontal section	(1) Unbound* (2) None (3) None  (4) Unbound, except as indicated in the horizontal section	

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

Sector or Sub-sector	Limitation on market access	Limitations on national treatment	Additional commitments
<b>9. TOURISM AND TRAVEL RELATED SERVICES</b>			
A. Hotels and restaurants (including catering) (CPC 64110, 64120, 642 & 643) (Except bars, nightclubs, etc.)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	
B. Travel agencies and tour operators services (CPC 7471) (excluding for Umra and Hajj)	(1) None (2) None (3) None, except economic needs test applied to travel agencies only, based on the ratio of total population to the number of travel agencies (4) Unbound, except as indicated in the horizontal section	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	
C. Tourist guides services (CPC 74720) (excluding for Umra and Hajj)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	
<b>10. RECREATIONAL CULTURAL AND SPORTING SERVICES</b>			
B. News agency services (CPC 962)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	
D. Recreational services (CPC 96491) (Only parks and public gardens services)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	
<b>11. TRANSPORT SERVICES</b>			
A. <b>Maritime Transport Services</b> a. Passenger transportation (CPC 7211) b. Freight transportation (CPC 7212) c. Rental of vessels with crew (CPC 72130) d. Maintenance and repair of vessels	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	The following services at the port are made available to international maritime transport suppliers on reasonable and non-discriminatory terms and conditions: - port and waterway operation services (excluding cargo handling) - pilotage and perthing services; - navigation aid services; - vessel salvage and re-floating services; - all other supporting services for water transport.

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

Sector or Sub-sector	Limitation on market access	Limitations on national treatment	Additional commitments
<b>C. Air Transport Services</b> d. Maintenance and repair of aircraft e. Supporting services for air transport (CPC 746) - Computer reservation system	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	
<b>E. Rail Transport Services</b> a. Passenger transportation (CPC 7111) b. Freight transportation (CPC 7112) c. Pushing and towing services (CPC 7130) d. Maintenance and repair of rail transport equipment (CPC 8868) e. Supporting services for rail transport services (CPC 743)	(1) None (2) None (3) Foreign investment in the form of Build, Operate and Transfer (BOT) arrangement (4) Unbound, except as indicated in the horizontal section	(1) None (2) None (3) None  (4) Unbound, except as indicated in the horizontal section	
<b>G. Pipeline transport</b> a. Transportation of fuels (CPC 7131) b. Transportation of other goods (CPC 7139)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	
<b>H. Services auxiliary to all modes of transport</b> (limited to maritime, rail, and air transport services in accordance with the Annex on Air Transport Services) a. Cargo handling services (CPC 741) b. Storage and warehouse services (CPC 742) c. Freight transport agency services (CPC 748)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	The services related to CPC 749 are currently provided by the public sector. As far as market access to services included in CPC 749 become open under the Saudi legislation to private entities, national treatment will be granted.



## REFERENCE PAPER

### Scope

The following are definitions and principles on the regulatory framework for the basic telecommunications services.

### Definitions

Users mean service consumers and service suppliers.

Essential facilities mean facilities of a public telecommunications transport network or service that

- (a) are exclusively or predominantly provided by a single or limited number of suppliers; and
- (b) cannot feasibly be economically or technically substituted in order to provide a service.

A major supplier is a supplier which has the ability to materially affect the terms of participation (having regard to price and supply) in the relevant market for basic telecommunications services as a result of:

- (a) control over essential facilities; or
- (b) use of its position in the market.

### 1. Competitive safeguards

#### 1.1 Prevention of anti-competitive practices in telecommunications

Appropriate measures shall be maintained for the purpose of preventing suppliers who, alone or together, are a major supplier from engaging in or continuing anti-competitive practices.

#### 1.2 Safeguards

The anti-competitive practices referred to above shall include in particular:

- (a) engaging in anti-competitive cross-subsidization;
- (b) using information obtained from competitors with anti-competitive results; and
- (c) not making available to other services suppliers on a timely basis technical information about essential facilities and commercially relevant information which are necessary for them to provide services.

### 2. Interconnection

2.1 This section applies to linking with suppliers providing public telecommunications transport networks or services in order to allow the users of one supplier to communicate with users of another supplier and to access services provided by another supplier, where specific commitments are undertaken.

2.2 Interconnection to be ensured

Interconnection with a major supplier will be ensured at any technically feasible point in the network. Such interconnection is provided:

- (a) Under non-discriminatory terms, conditions (including technical standards and specifications) and rates and of a quality no less favourable than that provided for its own like services or for like services of non-affiliated service suppliers or for its subsidiaries or other affiliates;
- (b) In a timely fashion, on terms, conditions (including technical standards and specifications) and cost-oriented rates that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled so that the supplier need not pay for network components or facilities that it does not require for the service to be provided; and
- (c) Upon request, at points in addition to the network termination points offered to the majority of users, subject to charges that reflect the cost of construction of necessary additional facilities.

2.3 Public availability of the procedures for interconnection negotiations

The procedures applicable for interconnection to a major supplier will be made publicly available.

2.4 Transparency of interconnection arrangements

It is ensured that a major supplier will make publicly available either its interconnection agreements or a reference interconnection offer.

2.5 Interconnection: dispute settlement

A service supplier requesting interconnection with a major supplier will have recourse, either:

- (a) At any time; or
- (b) After a reasonable period of time which has been made publicly known to an independent domestic body, which may be a regulatory body as referred to in paragraph 5 below, to resolve disputes regarding appropriate terms, conditions and rates for interconnection within a reasonable period of time, to the extent that these have not been established previously.

3. Universal service

Any Member has the right to define the kind of universal service obligation it wishes to maintain. Such obligations will not be regarded as anti-competitive *per se*, provided they are administered in a transparent, non-discriminatory and competitively neutral manner and are not more burdensome than necessary for the kind of universal service defined by the Member.

4. Public availability of licensing criteria

Where a licence is required, the following will be made publicly available:

- (a) all the licensing criteria and the period of time normally required to reach a decision concerning an application for a licence; and
- (b) the terms and conditions of individual licences.

The reasons for the denial of a licence will be made known to the applicant upon request.

5. Independent regulators

The regulatory body is separate from, and not accountable to, any supplier of basic telecommunications services. The decisions of and the procedures used by regulators shall be impartial with respect to all market participants.

6. Allocation and use of scarce resources

Any procedures for the allocation and use of scarce resources, including frequencies, numbers and rights of way, will be carried out in an objective, timely, transparent and non-discriminatory manner. The current state of allocated frequency bands will be made publicly available, but detailed identification of frequencies allocated for specific government uses is not required.

**List of Article II (MFN) Exemptions**

Sector or sub-sector	Description of measure indicating its inconsistency with Article II	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
Road Transport Services	Reciprocal preferential treatment for cross-border services	Egypt, Jordan	Indefinite	Existing bilateral agreements
Maritime Shipping and Road Transport Services	Preference for use of national shipping lines and road transport vehicles in bilateral trade	Egypt, Tunisia	Indefinite	Existing bilateral agreements
Road Transport Services	Reciprocal preferential treatment	Lebanon, Syria, Turkey	Indefinite	Existing bilateral agreements