

APPENDIX-III

COMMITTEE ON TRADE FINANCIAL SERVICES [GATs]

The following communication is circulated at the request of India to Members of the Committee on Trade in Financial Services.

- 1 India is pleased to submit the annexed revised draft conditional offer in financial services. This revised offer is an improvement to its 28th July 1995 schedule of commitments in financial service under the General Agreement on Trade in Services.
- 2 India reserves the right to modify, reduce or withdraw this offer in whole or in part... On the results of the negotiations on financial services.
- 3 India also reserves the right to make technical changes to the schedule and to correct any... Omissions or inaccuracies.

Modes of supply	1 Cross-border supply	2 Consumption abroad	3 Commercial presence	4 Presence of natural persons
Sector of Sub-sector Financial Services	Limitations of Market Access	Unbound	Limitations on National Treatment	Unbound
A. Insurance and Insurance-related services	Unbound	Unbound	Unbound	Unbound
Non-life, limited to Insurance of freight	Unbound	Unbound	Unbound	Unbound except as indicated in the horizontal section.
Reinsurance and retrocession	Unbound	Unbound	Unbound	Unbound except as indicated in the horizontal section.
Insurance intermediation, limited to reinsurance	Unbound	Unbound	Unbound	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
B. Banking and other financial services (excluding insurance)	Unbound	Unbound	Unbound	Unbound
1.(I) Acceptance of deposits and other repayable funds from the public	Unbound	Unbound	1.(I) Foreign banks are required to constitute Local Advisory Boards consisting inter alia of professionals and persons having expertise in areas such as small-scale industry and exports. The Chairman and members of the Local Advisory Board must be resident Indian nationals except for the Chief Executive Officer who may be a foreign national. The appointment of chairman and members of the Board requires Reserve Bank of India approval	Unbound
(ii) Lending of all types, including consumer credit, mortgage, credit and financing of commercial transactions but excluding factoring	Unbound	Unbound	Foreign banks are required to publish consolidated financial statements of the Indian branches as at 31st March every year.	Unbound
(iii) All payment and money transmission services including credit, exchange and debt cards, travellers cheques and banker' drafts.	Unbound	Unbound	(iii) Public Sector enterprises can invest surplus funds in term deposits only with scheduled commercial banks incorporated in India.	Unbound
(iv) Guarantees and commitments	Unbound except as indicated in the horizontal section	Unbound	Unbound	Unbound

Modes of supply	1 Cross-border supply	2 Consumption abroad	3 Commercial presence	4 Presence of natural persons
(v) Trading for own account of : (a) money market instruments (b) foreign exchange (c) transferable securities	Unbound except as indicated in the horizontal section	Unbound	Unbound	Unbound
(vi) Portfolio management, custodial and trust services	Unbound except as indicated in the horizontal section	Unbound	Unbound	Unbound
(vii) Clearing services for other banks for cheques, drafts and other instruments	Unbound except as indicated in the horizontal section	Unbound	Unbound	Unbound
2. 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	Unbound	Unbound	Unbound	Unbound
3. Stock broking	Unbound except as indicated in the horizontal section	Unbound	Unbound	Unbound

Modes of supply	1 Cross-border supply	2 Consumption abroad	3 Commercial presence	4 Presence of natural persons
4. Financial consultancy services, i.e. financial advisory services provided by financial advisers, etc. To customers on financial matters, investment and portfolio research and advice on acquisitions and on corporate restructuring and strategy	Unbound	Unbound	Unbound	Unbound except as indicated in the horizontal section
5. Factoring	Unbound	Unbound	Unbound except for entities established in accordance with the limitations specified in the market access column.	Unbound except as indicated in the horizontal section
6. Financial leasing	Unbound	Unbound	Unbound except for entities established in accordance with the limitations specified in the market access column.	Unbound except as indicated in the horizontal section
7. Venture capital	Unbound	Unbound	Unbound except for entities established in accordance with the limitations specified in the market access column.	Unbound except as indicated in the horizontal section

- **Unbound:** Implies no commitments have been undertaken by the country and there are no binding. In other words, the government is free to place any restriction if it wishes.
- **Limitations on Market Access:** Refers to the extent to which foreign companies can access the Indian market. When you read “unbound” under this column, it implies that restrictions to market access can be

imposed at any stage. When you read “none” under this column, it implies that there are no restrictions on entry in this sector.

- **Limitations on National Treatment:** Refers to the conditions / requirements in which the country is discriminating against foreign firms. When you read “ unbound” under this column it implies that the government is free to impose any conditions or discriminate against foreign firms in any way, at any stage. When you read “ none” under this column, it implies that there is no discrimination against foreign firms.

The commitments in financial services are made in accordance with the General Agreement on Trade in Services and the Annex on Financial Services. All the commitments are subjects to entry requirements, domestic laws, rules and regulations and the terms and conditions of the Reserve Bank of India, Securities and Exchange Board of India and any other competent authority in India.

Note:

The commitments in financial services are made in accordance with the General Agreement on Trade in Services and Annex on Financial Services. All the commitments are subject to entry requirements, domestic laws, rules and regulations and the terms and conditions of the Reserve Bank of India, Securities and Exchange Board of India and any other competent authority in India.
