

RECORD OF UNDERSTANDING
RELATING TO THE AGREEMENT BETWEEN
THE EFTA STATES AND SINGAPORE

RECORD OF UNDERSTANDING
RELATING TO THE AGREEMENT BETWEEN
THE EFTA STATES AND SINGAPORE

Chapters II, III and IV

It is understood that where the same terms as in Article XX of the GATT 1994 and Article XIV of the GATS are used in Articles 19 and 33, they shall be interpreted in the light of relevant decisions under the GATT/WTO dispute settlement mechanism.

While it is understood that Chapters II, III and IV apply to the telecommunications infrastructure of the Parties, nothing shall prevent a Party from taking action necessary to protect its critical telecommunications infrastructure from deliberate attempts intended to disable or degrade such infrastructure, provided that such action does not constitute a means of arbitrary or unjustifiable discrimination, or a disguised restriction on trade in goods, trade in services or investment.

Chapter II

Article 7

Regarding Risk Management

The Parties recognize that selective application of governmental controls based on risk assessment principles offers opportunities for both facilitating trade and enhancing compliance with border controls.

Regarding use of information technology

The Parties recognise their common objectives of serving the interests of their respective business communities and creating a trading environment allowing them to take advantage of the opportunities offered by the Agreement.

The Parties affirm their commitment to the use of efficient trade procedures aiming at reducing costs and unnecessary delays in the trade between them. The customs administrations of the Parties shall provide an electronic environment that facilitates transactions between each customs administration and its respective trading community.

Sharing of best practices

The Parties agree to facilitate initiatives for the exchange of information on best practices in relation to customs procedures.

Chapters III, IV and VI

For the purpose of this Agreement, activities of non-governmental bodies, including bodies in which the Government of Singapore or of any EFTA State holds shares, shall not be deemed to be measures taken by Singapore or any of the EFTA States unless such bodies exercise powers delegated by their respective governments.

Chapter III

Under cross-border or consumption abroad mode, as defined in Article 22, where a banking service is not supplied directly by a juridical person but through a branch, the treatment accorded to service suppliers shall, nonetheless, be extended to the branch through which the service is supplied. The following conditions shall apply:

- Under the law of the Party from which the service is supplied, the branch is subject to the same financial liability obligations as a juridical person, and is subject to equivalent supervisory, financial, organizational, or other similar requirements as a juridical person; to the extent that differences in the supervisory, financial, organizational or other similar requirements result from the inherent characteristics of a branch compared to a juridical person, such requirements shall be deemed to be equivalent;
- The branch possesses an effective and continuous link with the economy of the Party from which the service is supplied;
- The juridical person is subject to consolidated supervision of the competent authority of the jurisdiction under the law of which it is constituted;
- The juridical person is constituted under the law of a Member of the WTO to which the Party into which the service is supplied applies the multilateral trade agreements in Annexes 1 and 2 of the WTO Agreement.

Such treatment shall not be extended to any part of the service supplier located outside the territory of the Party from which the service is supplied.

Chapter IV

It is understood that Chapter IV does not impose obligations on a Party in relation to government procurement except that government procurement laws and their application shall be non-discriminatory.

Article 37

The Parties agree to review the definition “investor of a Party” on the occasion of the first meeting of the Joint Committee and to favourably consider including branches in this definition.

Article 40

It is understood that the obligation on a Party to grant MFN treatment, as defined in Article 40 (1), shall not apply in respect of concessions made under investment agreements concluded by a Party prior to the conclusion of this Agreement. It is also understood that the MFN obligation shall not apply in respect of concessions granted under agreements, other than those referred to in Article 40 (2), that a Party may conclude, unless MFN treatment or non-discrimination is explicitly provided for in the individual Articles of Chapter IV.

It is understood that the policies referred to in Article 40 (3) also include measures designed to preserve and promote cultural and linguistic diversity.

Article 42

In the context of Article 42 the Parties confirm their understanding that the term “public interest” covers the purposes mentioned in the existing law of Singapore for the expropriation of land and that compensation will be granted on the terms of that law.

Article 44

It is understood that for the purpose of this Chapter “freely convertible currency” includes the currencies of the Parties and that nothing in Article 44 (3) shall prejudice a Party’s policy with regard to the internationalisation of its own currency.

Article 49

It is understood that the exceptions under Article 49 apply to investments in all sectors.

It is understood that with regard to the reference to Article 19 (e) of Chapter II “product of prison labour” means “prison labour” in the context of this Chapter.

Annex VII

Singapore clarifies that the phrase "may be granted an initial stay of up to 1 month upon arrival" in the commitment for C. Employees of juridical persons seeking to establish commercial presence in Singapore in the horizontal commitments of Appendix 1 to Annex VII means that business visitors that satisfy all the criteria in that commitment shall be granted entry and stay for the period requested for by such persons or 30 days, whichever is shorter.

Singapore clarifies that the commitment for A. Intra-corporate transferees in the horizontal commitments of Appendix 1 to Annex VII means that intra-corporate transferees that satisfy all the criteria in that commitment shall be granted entry and stay for a total period of 5 years, or the requested period of stay, whichever is shorter. This stay shall be granted on the basis of an initial grant of 2 years, which will be followed by an extension of up to 3 years upon application.

IN WITNESS WHEREOF the undersigned, being duly authorised thereto, have signed this Record of Understanding.

Done at Egilsstadir, this 26th day of June 2002, in a single original in the English language, which shall be deposited with the Government of Norway. The Depositary shall transmit certified copies to all Signatory States.

For the Republic of Iceland

For the Republic of Singapore

.....

.....

For the Principality of Liechtenstein

.....

For the Kingdom of Norway

.....

For the Swiss Confederation

.....