

APPENDIX 2 TO ANNEX XVI

ICELAND – SCHEDULE OF SPECIFIC COMMITMENTS

1. The list of commitments below indicates the sectors liberalised pursuant to Article 4.5 (Schedule of Specific Commitments) of the Agreement and, by means of reservations, the national treatment conditions and qualifications that apply to juridical and natural persons of Indonesia, and to the commercial presence of such persons in those sectors. The list below is composed of the following elements:

- (a) the first column indicates the sector or sub-sector in which the commitment is undertaken by Iceland, and the scope of liberalisation to which the reservations apply; and
- (b) the second column describes the applicable reservations.

Sectors or sub-sectors not mentioned in the list below are not committed.

2. In identifying individual sectors and sub-sectors, for the purposes of this Appendix “ISIC Rev 4” means the International Standard Industrial Classification of All Economic Activities as set out in Statistical Office of the United Nations, Statistical Papers, Series M No. 4/Rev.4.

3. Notwithstanding Article 4.4 (National Treatment) of the Agreement, non-discriminatory requirements as regards the type of legal form of an establishment does not need to be specified in the below list of commitments in order to be maintained or adopted by Iceland.

4. For greater certainty, the list of commitments below only covers activities which fall under the scope of Chapter 4 (Investment) of the Agreement. Where a listed sector or sub-sector also contains an element of supply of services, only the non-services aspects of the sector or sub-sector is committed in this list.

5. The rights and obligations arising from the list below shall have no self-executing effect and thus not confer rights directly on natural or juridical persons.

Sector or Sub-sector	Description of Reservations
ALL SECTORS	The majority of the founders, the manager(s) and at least half the board of directors, of a private limited company or a public limited company must either be resident in Iceland, in another European Economic Area (hereinafter referred to as “EEA”) Member State, in another EFTA State or in the Faroe Islands. ¹ The Minister of Commerce may grant exemptions from these restrictions.
ALL SECTORS	Only Icelandic citizens and Icelandic legal entities and citizens and legal entities from another EEA Member State, another EFTA State or from the Faroe Islands are allowed to own real estate in Iceland unless the ownership and use is linked to an investment in real estate pertaining to the business activity of the investor. ² The same applies to the hiring of a real estate if the duration of the lease lasts for more than 3 years. These restrictions do not apply to a non- EEA citizen who has been residing in Iceland for at least five years. The Minister of Justice may grant exemptions from these restrictions.

¹ The exclusion of the residency criteria for residents of an EEA Member State, an EFTA State or the Faroe Islands is not a reservation on national treatment, but the sentence is included to give an exhaustive description of the measure.

² The exclusion of citizenship and legal entity criteria for residents of an EEA Member State, an EFTA State or the Faroe Islands is not a reservation on national treatment, but the sentence is included to give an exhaustive description of the measure.

A. AGRICULTURE, FORESTRY AND FISHING

Crop and Animal Production, Hunting and Related Service Activities

(ISIC Rev 4: 01, excluding 0170 related service activities)

None

Forestry and Logging

(ISIC Rev 4: 02, excluding 0240 support services to forestry)

None

Fishing and Aquaculture

(ISIC Rev 4: 03)

Only the following may conduct fishing operations within the Icelandic fisheries jurisdiction:

- (a) Icelandic citizens and other Icelandic persons.
- (b) Icelandic legal persons which are wholly owned by Icelandic persons or Icelandic legal persons which:
 - (i) are controlled by Icelandic entities;
 - (ii) are not under more than 25% ownership of foreign residents calculated on the basis of share capital or initial capital. However, if the share of an Icelandic legal person in a legal person conducting fishing operations in the Icelandic fisheries jurisdiction or fish processing in Iceland is not above 5%, the share of the foreign resident may be up to 33%;
 - (iii) are in other respects under the ownership of Icelandic citizens or Icelandic legal persons controlled by Icelandic persons.

	Only Icelandic citizens and Icelandic legal entities and citizens and legal entities from another EEA Member State, from another EFTA State or from the Faroe Islands are allowed to own and manage enterprises engaged in fish auctioning in Iceland. ³
B. MINING AND QUARRYING	
<u>Mining of Coal and Lignite</u> (ISIC Rev 4: 05)	None
<u>Extraction of Crude Petroleum and Natural Gas</u> (ISIC Rev 4: 06)	None
<u>Mining of Metal Ores</u> (ISIC Rev 4: 07)	None
<u>Other Mining and Quarrying</u> (ISIC Rev 4: 08)	None

³ The exclusion of citizenship and legal entity criteria for residents of an EEA Member State, an EFTA State or the Faroe Islands is not a reservation on national treatment, but the sentence is included to give an exhaustive description of the measure.

C. MANUFACTURING	
<p><u>Manufacture of Food Products</u> (ISIC Rev 4: 10)</p>	<p>Only the following may own or run enterprises engaged in fish processing in Iceland:</p> <ul style="list-style-type: none"> (a) Icelandic citizens and other Icelandic persons. (b) Icelandic legal persons which are wholly owned by Icelandic persons or Icelandic legal persons which: <ul style="list-style-type: none"> (i) are controlled by Icelandic entities; (ii) are not under more than 25% ownership of foreign residents calculated on the basis of share capital or initial capital. However, if the share of an Icelandic legal person in a legal person conducting fishing operations in the Icelandic fisheries jurisdiction or fish processing in Iceland is not above 5%, the share of the foreign resident may be up to 33%; (iii) are in other respects under the ownership of Icelandic citizens or Icelandic legal persons controlled by Icelandic persons. <p>Fish processing in this context is freezing, salting, drying and any other process used to initially preserve fish and fish products, including melting and meal processing. This reservation does not apply to secondary fish processing.</p>
<p><u>Manufacture of Beverages</u> (ISIC Rev 4: 11)</p>	<p>None</p>
<p><u>Manufacture of Tobacco Products</u> (ISIC Rev 4: 12)</p>	<p>None</p>

<p><u>Manufacture of Textiles</u> (ISIC Rev 4: 13)</p>	None
<p><u>Manufacture of Wearing Apparel</u> (ISIC Rev 4: 14)</p>	None
<p><u>Manufacture of Leather and Related Products</u> (ISIC Rev 4: 15)</p>	None
<p><u>Manufacture of Wood and of Products of Wood and Cork, except Furniture; Manufacture of Products of Straw and Plaiting Materials</u> (ISIC Rev 4: 16)</p>	None
<p><u>Manufacture of Paper and Paper Products</u> (ISIC Rev 4: 17)</p>	None

<p><u>Printing and Reproduction of Recorded Media</u></p> <p>(ISIC Rev 4: 18)</p>	<p>None</p>
<p><u>Manufacture of Coke and Refined Petroleum Products</u></p> <p>(ISIC Rev 4: 19)</p>	<p>None</p>
<p><u>Manufacture of Chemicals and Chemical Products</u></p> <p>(ISIC Rev 4: 20)</p>	<p>None</p>
<p><u>Manufacture of Pharmaceuticals, Medicinal Chemical and Botanic Products</u></p> <p>(ISIC Rev 4: 21)</p>	<p>None</p>
<p><u>Manufacture of Rubber and Plastic Products</u></p> <p>(ISIC Rev 4: 22)</p>	<p>None</p>

<p><u>Manufacture of Other Non-Metallic Mineral Products</u></p> <p>(ISIC Rev 4: 23)</p>	<p>None</p>
<p><u>Manufacture of Basic Metals</u></p> <p>(ISIC Rev 4: 24)</p>	<p>None</p>
<p><u>Manufacture of Fabricated Metal Products, except Machinery and Equipment</u></p> <p>(ISIC Rev 4: 25)</p>	<p>None</p>
<p><u>Manufacture of Computer, Electronic and Optical Products</u></p> <p>(ISIC Rev 4: 26)</p>	<p>None</p>
<p><u>Manufacture of Electrical Equipment</u></p> <p>(ISIC Rev 4: 27)</p>	<p>None</p>

<p><u>Manufacture of Machinery and Equipment n.e.c.</u></p> <p>(ISIC Rev 4: 28)</p>	<p>None</p>
<p><u>Manufacture of Motor Vehicles, Trailers and Semi-Trailers</u></p> <p>(ISIC Rev 4: 29)</p>	<p>None</p>
<p><u>Manufacture of Other Transport Equipment</u></p> <p>(ISIC Rev 4: 30)</p>	<p>None</p>
<p><u>Manufacture of Furniture</u></p> <p>(ISIC Rev 4: 31)</p>	<p>None</p>
<p><u>Other Manufacturing</u></p> <p>(ISIC Rev 4: 32)</p>	<p>None</p>