

WORLD TRADE ORGANIZATION

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Committee on Trade in Financial Services

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COMMUNICATION FROM CANADA

Transitional Review Mechanism Pursuant to Paragraph 18 of the Protocol on the Accession of the People's Republic of China

The following communication, dated 20 November 2008, from the delegation of Canada, is being circulated to the Members of the Committee on Trade in Financial Services.

In accordance with paragraph 18 of China's accession protocol, and in order to contribute to an informed discussion, Canada requests that China provide responses and relevant information concerning the following questions and comments during the meeting of the Committee on Trade in Financial Services to be held on 1 December 2008.

Questions and Comments

A. INSURANCE

1. In Canada's 2007 TRM submission (S/FIN/W/62), Canada highlighted its continuing concern that geographic expansion by foreign-invested insurance companies through branches and sub-branches remains hindered by lengthy license approval processes that domestic insurance companies do not appear to be subject to. Could China indicate what steps it will take to ensure treatment no less favourable between domestic and foreign insurers with regard to branch and sub-branch approvals?

2. According to the "*Moratorium on the Approval of Sales Office of Insurance Companies*" issued by the China Insurance Regulatory Commission on 17 September 2008 (CIRC Gazette No.75), CIRC has suspended approval of new insurance sales offices pending the release of revised regulations. While Canada understands that the moratorium applies to both domestic and foreign-invested insurance companies, it has a disproportionate impact on the expansion of foreign insurance companies given the lengthy branch approval processes noted above. Could China please clarify how the moratorium is consistent with China's accession protocol, which sets out that licensing procedures and conditions would not act as barriers to market access, and indicate when the moratorium will be removed?

3. On 28 June 2007, the China Insurance Regulatory Commission promulgated the "*Measure for the Overseas Investment with Insurance Funds*". Could China clarify whether these measures supersede the "*Provisional Measures Governing Insurance Assets Management Companies*"? In particular, can China confirm whether the minimum asset threshold requirements and seasoning requirements set out in Article 8 of the *Provisional Measures* are still applied to insurance companies seeking to set up asset management companies?
