

APPENDIX 2 TO ANNEX X

LIST OF RESERVATIONS OF ICELAND

Iceland undertakes the commitment to not maintain or introduce limitations inconsistent with Article 3.4 (Most-Favoured-Nation Treatment), Article 3.5 (Market Access) or Article 3.6 (National Treatment) of the Agreement apart from those reservations described in this List of Reservations.

EXPLANATORY NOTE TO THE LIST OF RESERVATIONS OF ICELAND

1. This List of Reservations sets out, pursuant to Article 3.17, the reservations taken by Iceland with respect to measures that do not conform with obligations imposed by Most-Favoured-Nation Treatment (Article 3.4), Market Access (Article 3.5) or National Treatment (Article 3.6)
2. The services sectors for which Iceland has inscribed reservations are listed in this document according to the WTO document MTN.GNS/W/120.
3. Reservations are listed as follows in this document:
 - a) **Sector** means the services sector listed in the WTO document MTN.GNS/W/120.
 - b) **Sub-Sector** means the sub-sector listed in the WTO document MTN.GNS/W/120.
 - c) **Industry Classification** means the classification code of the UN Provisional Central Product Classification that it is referenced in the WTO document MTN.GNS/W/120 for each services sector in that WTO document.
 - d) **Type of Reservation** identifies the specific Articles of the Agreement from which Iceland takes reservations (Article 3.4 (Most-Favoured-Nation Treatment), Article 3.5 (Market Access) or Article 3.6 (National Treatment)).
 - e) **Level of Government** identifies the level of government maintaining the measure.
 - f) **Legal basis** identifies the laws, regulations etc. under which Iceland takes reservations. “Legal basis” are identified for purely transparency purposes, and Iceland does not undertake any commitments under the Agreement to maintain the laws, regulation etc. mentioned. Iceland reserves the right to suspend, amend or to introduce new laws, regulations etc. Such changes shall not introduce restrictions beyond those indicated in the heading “Reservation” for sectors and sub-sectors in this List of Reservations unless otherwise qualified by the Reservation.
 - g) **Reservation** describes the reservation from Article 3.4 (Most-Favoured-Nation Treatment), Article 3.5 (Market Access) or Article 3.6 (National Treatment). Iceland undertakes to not introduce reservations beyond those described therein unless otherwise qualified by the Reservation.
4. The fact that a reservation contains a particular measure shall not be used to infer that the provisions of Chapter 3 of the Agreement cover necessarily such a measure.

1. Sector:

ALL SECTORS

New services, and services not explicitly included in the WTO services classification list contained in WTO document MTN.GNS/W/120 and Services falling under other services in that list for which no corresponding CPC number is listed

Sub-Sector:

Industry Classification:

Type of Reservation:

Most-Favoured-Nation Treatment (Article 3.4)
Market Access (Article 3.5)
National Treatment (Article 3.6)

Level of Government:

All

Legal basis:

Reservation:

Iceland reserves the right to maintain, adopt, modify and introduce any measures inconsistent with the obligations set out in Article 3.4 (Most-Favoured-Nation Treatment), Article 3.5 (Market Access) and Article 3.6 (National Treatment) for any new services and services not included in the WTO services classification list contained in the WTO document MTN.GNS/W/120 and services falling under the other services in that list for which no corresponding CPC number is listed.

2. Sector: **ALL SECTORS**

Sub-Sector:

Industry Classification:

Type of Reservation: Most-Favoured-Nation Treatment (Article 3.4)
Market Access (Article 3.5)
National Treatment (Article 3.6)

Level of Government: All

Legal basis:

Reservation: Iceland reserves the right to maintain, adopt, modify and introduce any measures inconsistent with the obligations set out in Article 3.4 (Most-Favoured-Nation Treatment), Article 3.5 (Market Access) and Article 3.6 (National Treatment) and for services supplied in the exercise of governmental authority or considered as public utilities at a national level or local level in Iceland. Such services may be subject to monopolies or exclusive rights granted to public or to private operators.

3. Sector:	ALL SECTORS
Sub-Sector:	
Industry Classification:	
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4)
Level of Government:	All
Legal basis:	Trade agreements notified under Article V or Article V bis of the GATS
Reservation:	Iceland does not extend to Hong Kong, China any preferences granted to third countries or EFTA States pursuant to agreements notified in accordance with Article V or Article V bis of the GATS.

4. Sector:	ALL SECTORS
Sub-Sector:	
Industry Classification:	
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4)
Level of Government:	All
Legal basis:	Measures aimed at promoting Nordic and Nordic-Baltic co-operation, such as: <ul style="list-style-type: none">• Guarantees and loans to investment projects and exports (The Nordic Investment Bank)• Financial support to research and development (R&D) projects (The Nordic Industrial Fund)• Funding of feasibility studies for international projects (The Nordic Fund for Project Exports)• Financial assistance to companies¹ utilizing environmental technology (The Nordic Environment Finance Co-operation)
Reservation:	Iceland does not extend to Hong Kong, China any preferences granted to third countries or EFTA States pursuant to measures aimed at promoting Nordic co-operation.

¹ Applies to East European companies, which are co-operating with a Nordic company.

5. Sector: **ALL SECTORS**

Sub-Sector:

Industry Classification:

Type of Reservation: Most-Favoured-Nation Treatment (Article 3.4)
Market Access (Article 3.5)
National Treatment (Article 3.6)

Level of Government: All

Legal basis:

Reservation: Iceland reserves the right to maintain, adopt, modify and introduce any measures inconsistent with the obligations set out in Article 3.4 (Most-Favoured-Nation Treatment), Article 3.5 (Market Access) and Article 3.6 (National Treatment) for public or private services and activities that may involve ionizing radiation hazard.

6. Sector: **ALL SECTORS**

Sub-Sector:

Industry Classification:

Type of Reservation: Most-Favoured-Nation Treatment (Article 3.4)
Market Access (Article 3.5)
National Treatment (Article 3.6)

Level of Government: National

Legal basis: Act No. 18/1996 on Genetically Modified Organisms

Reservation: Deliberate release of genetically modified organisms is subject to prior approval pursuant to Act No. 18/1996.

7. Sector: **ALL SECTORS**

Sub-Sector:

Industry Classification:

Type of Reservation: Most-Favoured-Nation Treatment (Article 3.4)

Level of Government: National

Legal basis: Bilateral Investment Treaties

Reservation: Iceland does not extend to Hong Kong, China any preferences granted under any existing or future bilateral investment treaties to which Iceland is a party.

8. Sector:	ALL SECTORS
Sub-Sector:	
Industry Classification:	
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4)
Level of Government:	All
Legal basis:	Agreements of the Nordic Council of Ministers, as qualified by the Reservation
Reservation:	Iceland does not extend to Hong Kong, China any preferences granted to the Member States of the Nordic Council of Ministers, including any future amendments thereof.

9. Sector:	ALL SECTORS
Sub-Sector:	
Industry Classification:	
Type of Reservation:	Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Articles 1 and 2 of Act No. 19/1966, on the Right of Ownership and Use of Real Property, as qualified by the Reservation
Reservation:	<p>Non-residents may only acquire real estate in conjunction to their business activities and can only obtain ordinary proprietary rights linked to the real estate. Non-residents are thus excluded from obtaining full property rights of real estate if unusual rights are linked to it, such as exploitation rights <i>inter alia</i> relating to waterfalls and geothermal energy.</p> <p>Non-residents cannot conclude an agreement on real-estate lease without the permission of the Ministry of the Interior if the lease is for a period exceeding three years and not for use in conducting its normal business activities.</p> <p>Contracts concerning ownership and long-term use of real-estate by non-residents are not valid until the Ministry of the Interior has endorsed it in writing.</p>

10. Sector: ALL SECTORS

Sub-Sector:

Industry Classification:

Type of Reservation: Market Access (Article 3.5)
National Treatment (Article 3.6)

Level of Government: National

Legal basis: Articles 3 and 66 of Act No. 2/1995 respecting Public Limited Companies
Articles 3 and 42 of Act No. 138/1994 respecting Private Limited Companies
Articles 7 and 97 of Act No. 3/2006 respecting Annual Accounts
Art. 2 and 4 of Act No. 28/1998 on Professional Commerce

Reservation: The majority of the founders of a Public Limited Company, and at least one of the founders of a Private Limited Company, shall be resident in Iceland, unless exempted from this requirement by the Minister of Economic Affairs. Citizens of other European Economic Area (EEA), EFTA Member States and Faroe Islands are exempted from the residency requirement.

The managers and at least a half of the members of the board of directors of Public and Private Limited Companies shall be resident in Iceland, unless exempted from this requirement by the Minister of Economic Affairs. Citizens of other EEA, EFTA Member States and Faroe Islands are exempted from the residency requirement.

At least one of the auditors of the annual account shall have domicile in Iceland.

At least one of the auditors of an Icelandic limited liability company must be a resident in Iceland or a competent resident Certified Professional Auditor (CPA) company.

Commerce or trade activity must be registered with the companies register, the register of limited companies, register of cooperatives, or the register of private non-profit organisations, as appropriate.

11. Sector:	ALL SECTORS
Sub-Sector:	
Industry Classification:	
Type of Reservation:	Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Act No. 17/2003 on Register of Enterprises, as qualified by the Reservation
Reservation:	Business Enterprises must be registered in the Icelandic Register of Business Enterprises unless otherwise specified in the Register of Business Enterprises Act. Registration requires fulfilment of limitations on corporate forms. Commercial presence requires establishment of limited liability company, unless otherwise specified in this List of Reservations.

12. Sector: **ALL SECTORS**

Sub-Sector:

Industry Classification:

Type of Reservation: Market Access (Article 3.5)
National Treatment (Article 3.6)

Level of Government: National

Legal basis: Articles 2, 3, 4, 8 and 9 of The Industrial Act No. 42/1978, with subsequent amendments

Reservation: Licence is required for the operation of an industry for professional purposes in Iceland or within Icelandic territorial waters. Industry includes both manual trades and manufacturing industry whichever materials or energy, machinery or other equipment are used and whichever goods or materials are produced. A licence can only be granted to Icelandic citizens. However, a license can also be granted to citizens from other countries, provided that they have had a domicile in Iceland for at least a year.

In case of a corporate applying for a licence, the manager and board members must fulfil the above criteria. In case of a corporate with unlimited liability, the same applies to owners with unlimited liability.

The right to engage in industrial work in such branches of industry belongs to Masters, Journeymen and apprentices in the trade. Branches of industry which are operated as manual shall at all times be operated under the management of a Master. The right to connect one's title to an authorized branch of industry belongs exclusively to those holding Journeymen's or Masters' certificates in the trade.

13. Sector: ALL SECTORS

Sub-Sector:

Industry Classification:

Type of Reservation: Most-Favoured-Nation Treatment (Article 3.4)
Market Access (Article 3.5)
National Treatment (Article 3.6)

Level of Government: All

Legal basis: Temporary provisions I and II of Act No. 87/1992 on Foreign Exchange. Rules on foreign exchange, No. 370/2010, Articles No 2, 3, 10 and 11 (the Rules are reviewed every six months)

Article 29 of Act No. 36/2001 on the Central Bank of Iceland, and Rules of the Central Bank on the Obligation to Provide Information in respect of Foreign Exchange Transactions and Cross-Border Capital Movements

Reservation: All foreign currency transfers must be reported to the Central Bank of Iceland for statistical purposes.

All cross-border movement of foreign-denominated capital according to Paragraph 1 of Temporary Provision I of Act No. 87/1992 is prohibited unless it is for the purchase of goods or services or is particularly exempted according to these Rules. Foreign exchange transactions between residents and non-residents are prohibited if domestic currency is part of the transaction.

Furthermore, a non-resident individual is permitted to transfer foreign currency in an amount not to exceed the equivalent of 3,000,000 kr. per calendar year, if it is demonstrated that the funds will be used for the individual's own living expenses.

Wages earned in Iceland by a non-resident in the past six (6) months are exempt from the Rules. Furthermore, foreign exchange transactions related to such movement of capital shall not be limited by Article 3, Paragraph 1. The same applies to wages earned by a resident domiciled abroad for purposes of work or study.

A resident individual is permitted to purchase foreign currency at a financial undertaking in Iceland, in an amount not to exceed the equivalent of 350,000 kr. in cash per calendar month, if it is demonstrated that the funds will be used for travel abroad.

The restrictions on cross-border capital movements or foreign exchange transactions related thereto are temporary and the intention is to abolish them as soon as possible.

Violations of the provisions of the Rules are subject to administrative fines and penalties.

14. Sector: ALL SECTORS

Sub-Sector:

Industry Classification:

Type of Reservation: Most-Favoured-Nation Treatment (Article 3.4)
Market Access (Article 3.5)
National Treatment (Article 3.6)

Level of Government: National

Legal basis: Article 4 of Act No. 34/1991 on Investment by Non-residents in Business Enterprises

Reservation: All foreign investment of a Foreign State or companies and organisations owned by a Foreign State requires a special concession of the Ministry of Economic Affairs.

Investment by non-residents in Iceland is subject to the following restrictions:

1. Only the following may conduct fishing operations within the Icelandic fisheries jurisdiction according to existing laws on Fishing Rights within the Icelandic Territorial Waters or own or run enterprises engaged in fish processing:

- 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.

Fish processing under this paragraph 1 means freezing, salting, drying or any other processing which protects fish and other marine products from decay, including the production of fish-oil and fish-meal. However, processing in this context does not include smoking, pickling, canning and retail packaging or further processing designed to render products more suitable for distribution, consumption, or cooking.

2. Only Icelandic citizens and other Icelandic persons are permitted to own energy exploitation rights as regards waterfalls and geothermal energy for other than domestic use. The same applies to enterprises which produce or distribute energy.

Individuals domiciled in another Member State of the EEA, an EFTA Member State or the Faroe Islands and legal persons which are domiciled in another EEA Member State shall have the same right. Investment agreements between Iceland and non-Member States of the EEA may stipulate that residents of such state or legal persons domiciled in such states shall also have the same right provided that such agreements are submitted to the Althingi for ratification by resolution.

A non-resident who obtains ownership or utilization rights over real estate in accordance with the provisions of law on ownership and utilization rights of real estate may utilize geothermal energy for direct use in his enterprise within the limits set by The Energy Act.

3. The combined share of non-residents in Icelandic airline companies may not at any time exceed 49%. Individuals domiciled in another Member State of the EEA and legal persons there domiciled are exempted from the provisions of this subparagraph.

4. Investment in Icelandic enterprises by foreign states, local authorities or other foreign authority involved in enterprises is prohibited except with a special permission from the Minister of Economic Affairs.

5. Non-residents may acquire title to real estate in Iceland for direct use in his enterprise in accordance with the provisions of the Act governing the ownership and utilization rights of real estate.

Icelandic person means the State Treasury and local governments as well as institutions, enterprises and

funds in Iceland which are wholly under their ownership, Icelandic citizens resident in Iceland and legal persons domiciled in Iceland which are wholly owned by Icelandic public institutions, Icelandic citizens resident in Iceland or other legal persons domiciled in Iceland and which are wholly owned by Icelandic citizens resident in Iceland. Icelandic legal person means a legal person domiciled in Iceland irrespective of the form of legal identity or ownership of the enterprise. A legal person is regarded as being domiciled in Iceland if it is registered as domiciled in this country, if its articles of association state its domicile in this country or if its effective management board is in Iceland. Icelandic legal person controlled by an Icelandic person or persons in this Reservation means an Icelandic legal person which is under the majority ownership of an Icelandic person, as through majority of share capital or majority of initial capital, which holds the majority vote or has effective control of the said legal person.

15. Sector:	ALL SECTORS
Sub-Sector:	
Industry Classification:	
Type of Reservation:	Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Article 7 and 8 of Act No. 34/1991, on Investment by Non-residents in Business Enterprises Article 29 of Act No. 36/2001 on the Central Bank of Iceland, and Rules of the Central Bank on the Obligation to Provide Information in respect of Foreign Exchange Transactions and Cross-Border Capital Movements
Reservation:	Service providers shall inform the Ministry of Economic Affairs of investments made by non-residents in business enterprises in Iceland and the Central Bank of Iceland of investments made by non-residents in securities in Iceland.

16. Sector:	ALL SECTORS
Sub-Sector:	
Industry Classification:	
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Act on the European Economic Area No. 2/1993 Treaty on the European Economic Area Act on Public Limited Liability Companies No. 2/1995 Act on Private Limited Liability Companies No. 138/1994
Reservation:	Treatment accorded to subsidiaries of third-country companies formed in accordance with the law of an EEA Member State or an EFTA Member State or the Faroe Islands and having their registered office, central administration or principal place of business within an EEA Member State or an EFTA Member State or the Faroe Islands may be extended to branches or agencies established in an EEA Member State or an EFTA Member State or the Faroe Islands by a third-country company only if they show that they possess an effective and continuous link with the economy of one of the EEA Member States or an EFTA Member State or the Faroe Islands.

17. Sector: **ALL SECTORS**

Sub-Sector:

Industry Classification:

Type of Reservation: Most-Favoured-Nation Treatment (Article 3.4)
National Treatment (Article 3.6)

Level of Government: All

Legal basis:

Reservation: Iceland reserves the right to maintain, modify or adopt any measures with respect to subsidies for all sectors which are not inconsistent with its commitments under the GATS.

18. Sector:	ALL SECTORS
Sub-Sector:	
Industry Classification:	
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	The Foreign Nationals' Right to Work Act No. 97/2002, with subsequent amendments Act No. 96/2002 on Foreigners, with subsequent amendments As qualified by the Reservation
Reservation:	For entering and staying, foreign nationals must have a residence permit or a visa. Any foreign national, who intends to take up work with or without remuneration or who wishes to be self-employed, must have a work permit. Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China regarding entry and temporary stay and work of natural persons, and to maintain, modify or adopt any measures relating to the entry and temporary stay and work of natural persons, with the exception of persons falling within the categories defined below, and subject to the limitations and conditions set out below and to the condition that entry, stay and work of foreign service suppliers in Iceland are subject to authorisation (requirement of visa, residence permit and work permit). In any instance, natural persons under these categories need to comply with immigration laws and regulations applicable to entry, temporary stay and work. All requirements regarding entry, stay, work, wages, working conditions and social security benefits shall continue to apply. <u>General provisions :</u> Natural persons with a permanent residence permit and permanent work permit in Iceland are not considered as persons residing in or entering Iceland for the purpose of temporary stay or temporary employment in Iceland.

Most-Favoured Nation Treatment Limitation :

Measures based on agreements between the Nordic countries, i.e. Denmark, Finland, Iceland, Norway and Sweden, with the objective of providing for the movement of all categories of natural persons supplying services.

Categories of natural persons allowed for entry and temporary stay:

**I. Intra-corporate transferees (ICT)
temporary work permit**

The Directorate of Labour may waive the condition of item 2. i. mentioned below regarding granting a temporary work permit in cases where an employer sends his employee to work temporarily at his branch in Iceland, providing that the person involved is an employee of the employer who holds an unrestricted contract of employment as:

- a. Executive: person who primarily directs the management of the branch covered by the agreement and establish its goals and generally have a wide decision making authority.
- b. Manager: person who directs the branch covered by the agreement, or its departments, at a senior level, responsible for service provision functions of the branch by supervising and controlling, and who also has the authority to hire and fire personnel or recommend such and other personnel actions.
- c. Specialist : person within the branch who possess knowledge at an advanced level of expertise or who is otherwise essential or proprietarial to the branches service, research equipment, techniques or management.

The Directorate of Labour may require the employer to cite reasons establishing why it is essential that the foreign national involved should come to work at his branch in Iceland, if the directorate considers this necessary.

Such a work permit which is granted for the first time shall not be granted for longer than one year, but in no case for longer than the engagement period specified in the employment contract. A permit may be extended for up to one further year providing certain conditions are met.

Temporary work permits are subject to the following conditions:

1. Compliance with an economic and labour market needs test.
2. General conditions for a temporary work permit.

A temporary work permit may be granted if the following conditions, amongst others, are met:

- i. That employees cannot be found either on the domestic labour market or within the EEA, the EFTA states or the Faroe Islands, or that there are other special reasons for granting the permit. Before a permit is granted, the employer shall have sought employees with the assistance of the Directorate of Labour, unless it is a foregone conclusion, in the opinion of the directorate, that such a search would prove fruitless.
- ii. That the local trade union in the relevant branch of industry, or the appropriate national federation, has made its comment on the application. A comment shall be made within seven days of receipt of a copy of the application for a work permit and of the employment contract. However, this condition may be waived where there is no overall organisation or national federation in the relevant branch of industry.
- iii. That an employment contract between the employer and the foreign national has been signed, covering a specific period or task and guaranteeing the foreign national wages and other terms equal to those enjoyed by Icelandic nationals and in conformity with the valid legislation and relevant collective agreements. In the case of jobs lying outside the scope of collective agreements, the foreign national shall be guaranteed wages and other terms equal to those applying to Icelandic nationals.
- iv. That it is demonstrated that the employer has taken out health insurance for the foreign national in accordance with the Foreign Nationals Act.

- v. That the employer guarantee to pay the cost of sending the employee back to his home at the end of the employment period in the event of the termination of employment for which the employee is not responsible or if the employee becomes incapable of working for a long period as a result of illness or an accident. The country to which the employee may be sent home shall be specified in the employment contract.

Temporary residence permit

Foreign nationals may be granted temporary residence permits in connection with the above-mentioned. The conditions for granting temporary residence permits under this Article shall include the following:

- a. that the foreign national meets the requirements below;
- b. that the above-mentioned work permit has been issued.

Such temporary residence permits shall not initially be issued for more than one year, and in no case for a longer period than the term of the work permit. Temporary residence permits may be extended if certain conditions are met.

Temporary residence permits are subject to the following conditions:

1. Compliance with an economic and labour market test
2. Basic conditions for a temporary residence permit.

A foreign national may be granted a temporary residence permit in response to an application if he meets the following basic requirements.

- i. his support, health insurance and accommodation are secure in accordance with further rules set by the Minister of the Interior,
- ii. he meets the requirements for a temporary residence permit as set forth in this Act and other regulations under the first paragraph of Article 3,
- iii. he gives his consent to undergo a medical examination within two weeks of his arrival in Iceland in accordance with current legislation and the instructions of the health

- authorities, and
- iv. no circumstances obtain which could result in his being refused entry into Iceland or residence in the country under other articles of this Act.

A foreign national's support under item 2 i. is considered secure if he receives wages or payments from independent activities that are sufficient to support him, or if he has sufficient private funds to cover his support during his stay in the country or if he receives a student loan or study grant that is sufficient to cover his support. Private funds, student loans or study grants must be denominated in a currency that is registered at the Central Bank of Iceland. Support may be based on more than one of these sources, in which case it shall be considered as secure if the foreign national is able to demonstrate that his overall financial capacity is sufficient to cover his support. Unemployment benefit or payment in the form of social assistance by the state or a local authority shall not be regarded as a secure means of support for the purpose of this Reservation. The same shall apply to social security payments to which the foreign national becomes entitled on the basis of permanent residence in Iceland.

II. Service sellers:

Representatives on business visits for companies that do not have branches in Iceland. Persons who, as representatives of a service provider covered by the agreement, are seeking temporary entry for purposes of negotiation of the sale of services or who are entering into agreements to sell services for that service provider, where this selling activity is not directed to the general public.

Access is subject to the following conditions :

- Temporary entry, stay and work limited up to four weeks period each year in Iceland;
- Compliance with an economic and labour market test is not required.

All commitments and limitations of Iceland relating to the supply of services through presence of a physical person (Mode 4) are covered wholly and exclusively in this Reservation.

19. Sector: BUSINESS SERVICES

Sub-Sector: Professional Services: Architectural services, engineering services, integrated engineering services, urban planning and landscape architectural services, Computer and Related Services, Other Business Services: Advertising services, technical testing and analysis services

Industry Classification: CPC Prov 8671 Architectural Services
CPC Prov 8672 Engineering Services
CPC Prov 8673 Integrated Engineering Services
CPC Prov 8674 Urban Planning and Landscape Architectural Services

CPC Prov. 841-844 and 849 Computer and Related Services
CPC Prov. 871 Advertising Services
CPC Prov. 8676 Technical Testing and Analysis Services

Type of Reservation: Market Access (Article 3.5)
National Treatment (Article 3.6)

Level of Government: National

Legal basis: Articles 2 and 3 of the Act respecting the Authorisation of Several Professional Titles of Specialists in Technical and Design Faculties No. 8/1996, with subsequent amendments

Reservation: The use of the following professional titles: Computer Scientists, Engineers, Chartered Engineers, Architects, Furniture and Interior Architects (Furniture and Interior Designers) or part of this title, Landscape Architects (Landscape Designers), Construction Engineers, Technicians, Planners, Electrical Specialists, Graphic Designers:

The right to use the above professional titles or words which cover these titles belongs only to those persons who have obtained the permission of the Minister of Industry, Energy and Tourism.

Nobody may be granted the permission unless he has completed a final examination in the faculty concerned.

20. Sector:	BUSINESS SERVICES
Sub-Sector:	Professional Services Legal Services
Industry Classification:	Part of CPC Prov. 861
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Act No. 77/1998 on Professional Lawyers Regulation No. 900/2004 on Granting Foreign Lawyers Licence to Practice Law in Iceland as District Court Lawyers
Reservation:	The term “attorney” refers to any person who is licensed as a representative in litigation before the Supreme Court or the district courts.

To be granted a licence to practice law as a district court attorney the person has to have completed legal studies with a final examination or a master’s examination from the legal faculty of a university recognised in Iceland in accordance with the Act on Universities and undergo an examination under the auspice of the Ministry of the Interior.

A licence to practice law as a Supreme Court attorney may be granted to any person applying for such licence and who has among other things had licenced as a district court attorney for a period of five years.

The Minister of the Interior assesses foreign lawyer’s applications requesting a licence to practice law as a District Court Attorneys on the basis of his or her lawyer’s licence. The applicant shall always undergo a test. The granting of licence shall always be dependent on the condition that the State, that granted the applicant attorney’s licence, will grant an Icelandic Attorney comparable rights with equivalent conditions.

Members of the Icelandic Bar Association have an exclusive right to represent clients before courts in Iceland.

The Advocate is personally responsible for his activities. To have an interest (own shares/ and/or be a member of the board of the firm) in a firm of Icelandic advocates is only possible when taking active part in the business.

Restrictions on cooperation with Icelandic advocates as a consequence of legislation on how a firm of Iceland advocates may be organized.

21. Sector:	BUSINESS SERVICES
Sub-Sector:	Professional Services Accounting, auditing and book-keeping services
Industry Classification:	CPC Prov. 862
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Articles 2, 3, 4, 6 and 12 of Act No. 79/2008 on Auditors
Reservation:	In order to be accredited as an auditor, the person concerned must be domiciled in Iceland or be a national of a Member State of the EEA, EFTA or the Faroe Islands.

Those applying for accreditation shall have completed their masters in auditing and accounting, acknowledged by the Council of Auditors and pass a special exam.

The majority of votes in an auditing company shall be held by auditors or auditing firms recognised in the EEA or the Member States of the Convention establishing the EFTA or in the Faroe Islands.

The Ministry of Economic Affairs will publish a list of auditors and auditing firms that have permits to operate in Iceland. Others than listed auditors and auditing firms can not call themselves auditors or auditing firms. Only listed auditors or auditing firms are authorised to provide auditing services.

22. Sector:	BUSINESS SERVICES
Sub-Sector:	Professional Services Medical and dental services
Industry Classification:	CPC Prov. 9312
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	
Reservation:	Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China service suppliers of medical and dental services and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.

23. Sector:	BUSINESS SERVICES
Sub-Sector:	Professional Services Veterinary services
Industry Classification:	CPC Prov. 932
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Article 6, 10 and 11 of Act No. 66/1998 on Veterinarians and Health Services to Animals Regulation No. 21/1983 on Granting Authorisation for Veterinary Medicine Regulation No. 773/2006 on Authorisation to Pursue the Occupation of Veterinarians in Iceland for Veterinarians who have Completed their Studies in States within the EEA
Reservation:	Only veterinarians who have completed their studies at a veterinary college recognised by Icelandic authorities are authorised to practice in Iceland. Veterinarians, who pursue their occupation in Iceland, are obliged to familiarise themselves with Icelandic law and regulations on veterinary practice. A veterinarian is authorised to refer to himself as a specialist and practice as such in Iceland if he has obtained authorisation from the Minister of Fisheries and Agriculture, has been authorised to practice as a specialist in a State, which is a Member to the Agreement on the EEA, or in a State Member to the Convention Establishing the EFTA. Ability in the Icelandic language is required.

24. Sector:	BUSINESS SERVICES
Sub-Sector:	Professional Services Services provided by midwives, nurses, physiotherapists and para-medical personnel
Industry Classification:	CPC Prov. 93191
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	
Reservation:	Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China suppliers of services provided by midwives, nurses, physiotherapists and para-medical personnel and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.

25. Sector:	BUSINESS SERVICES
Sub-Sector:	Professional Services Computer and related services
Industry Classification:	CPC Prov. 843-845 and 849
Type of Reservation:	National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Article 29 of Act No. 77/2000 on the Protection of Privacy as regards the Processing of Personal Data
Reservation:	Concession is needed from the Data Protection Authority if personal data is to be transferred, and/or processed outside Icelandic jurisdiction.

26. Sector:	BUSINESS SERVICES
Sub-Sector:	Research and development services R&D services on natural sciences
Industry Classification:	CPC Prov. 851
Type of Reservation:	National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Article 15 of Act No. 60/1992 on the Icelandic Institute of Natural History Article 3 of Act No. 51/1981 on Plant Disease and Pest Control
Reservation:	Permission by the Icelandic Institute of Natural History required for export of natural history specimens. A licence is needed for the importation of research equipment.

27. Sector:	BUSINESS SERVICES
Sub-Sector:	Research and development services R&D services for social sciences and humanities
Industry Classification:	CPC Prov. 852
Type of Reservation:	Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	The National Monuments Act No. 107/2001 Act No. 105/2001 on the export of objects of cultural value and on the return of objects of cultural value to other countries
Reservation:	Archaeological finds must not be exported from the country unless permitted by the Museum Council (Safnaráð). It is prohibited to transfer cultural objects to Iceland if the transfer is in violation of: <ul style="list-style-type: none">a. rules applicable in the EEA in regard to the return of cultural objects transferred illegally from a State in the area, orb. legislation of the State from where the cultural objects are transferred. This also applies to if the cultural objects are transferred legally to the country but not returned within the prescribed time-limit. All archaeological research whether by Icelandic or foreign researchers is subject to a permit granted by the Archaeological Preservation Agency (Fornleifanefnd ríkisins).

28. Sector:	BUSINESS SERVICES
Sub-Sector:	Real estate services involving own or leased property On a fee or contract basis
Industry Classification:	CPC Prov. 821, 822
Type of Reservation:	Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Articles 1, 2 and 5 of Act No. 99/2004, on Marine, Firms and Real Estate Agents Article 74 of the Rent Act No. 36/1994, with subsequent amendments
Reservation:	Authorisation required in order for parties to act on behalf of others as intermediaries in the buying, selling or trading of real estate, ships and business enterprises. One of the conditions for authorisation is that the person concerned is domiciled in Iceland. A real estate agent is obliged to possess a liability insurance to cover financial losses due to his negligence or the negligence of those working for him, as well as to cover the losses of clients for the reason the settlement of a real estate agent who has ceased to operate has not been completed. One of the conditions for receiving a licence from a Minister to operate a rental agency is that the person concerned is domiciled in Iceland. The rental agent is also obliged to possess a liability insurance. Condition of one year previous residency is required in order to obtain licence to provide services in residential building and land sales, and other related intermediary services for purchase and sale of real-estate.

29. Sector:	BUSINESS SERVICES
Sub-Sector:	Rental/Leasing Services without Operators
Industry Classification:	CPC Prov. 83101-83109 + 832
Type of Reservation:	Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government	National
Legal basis	Articles 3, 11, 20 and 50 of Act No. 161/2002 on Financial Undertakings Article 66 of Act No. 2/1995, on Public Limited Companies
Reservation	<p>Residence required for the establishment of a leasing company. The Minister of Economic Affairs may grant an exemption to citizens of other countries.</p> <p>Leasing services must be provided either by a corporation with a limited liability (i.e. leasing companies) or registered commercial banks or savings banks.</p> <p>Majority of the board of a leasing company shall be resident in Iceland. The manager shall be resident in Iceland.</p> <p>A leasing company is required to have an operating licence from the Financial Supervisory Authority.</p>

30. Sector:	BUSINESS SERVICES
Sub-Sector:	Rental/Leasing Services without Operators Relating to ships
Industry Classification:	CPC Prov. 83103
Type of Reservation:	Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Articles 1 and 2 of Act No. 115/1985 on the Registration of Ships
Reservation:	To be registered in the ship register, the ship must be owned by Icelandic natural or juridical persons who are resident in Iceland. Further nationality restrictions on fishing vessels.

31. Sector:	BUSINESS SERVICES
Sub-Sector:	Rental/Leasing Services without Operators Relating to aircraft
Industry Classification:	CPC Prov. 83104
Type of Reservation:	Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Article 10 of Act No. 60/1998 on Air Travel
Reservation:	To be registered in the aircraft register, the aircraft must be owned by Icelandic natural or juridical persons resident in Iceland.

32. Sector:	BUSINESS SERVICES
Sub-Sector:	Rental/Leasing Services without Operators Relating to other transport equipment
Industry Classification:	CPC Prov. 83101, 83102 and 83105
Type of Reservation:	Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Article 4 of Act No. 64/2000, on Car Rental Services
Reservation:	Residency requirement for car rental services.

33. Sector:	OTHER BUSINESS SERVICES
Sub-Sector:	Market research and public opinion polling services
Industry Classification:	CPC Prov. 864
Type of Reservation:	Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Article 29 of Act No. 77/2000 on the Protection of Privacy as regards the Processing of Personal Data
Reservation:	Concession is needed from the Data Protection Authority if personal data is to be transferred and/or, processed outside Icelandic jurisdiction.

34. Sector:	BUSINESS SERVICES
Sub-Sector:	Other business services Services incidental to fishing
Industry Classification:	CPC Prov. 882
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	
Reservation:	Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China suppliers of services provided incidental to fishing and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.

35. Sector:	BUSINESS SERVICES
Sub-Sector:	Other business services Services incidental to mining
Industry Classification:	CPC Prov. 883 and 5115
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	
Reservation:	Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China suppliers of services incidental to mining and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.

36. Sector:	BUSINESS SERVICES
Sub-Sector:	Other business services Services incidental to energy distribution
Industry Classification:	CPC Prov. 887
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	
Reservation:	Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China suppliers of services incidental to energy distribution and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.

37. Sector:	BUSINESS SERVICES
Sub-Sector:	Other business services Placement and supply of Personnel
Industry Classification:	CPC Prov. 872
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	
Reservation:	Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China suppliers of placement and supply services of Personnel and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.

38. Sector:	BUSINESS SERVICES
Sub-Sector:	Other business services Investigation and security
Industry Classification:	CPC Prov. 873
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	
Reservation:	Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China suppliers of investigation and security services and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.

39. Sector:	BUSINESS SERVICES
Sub-Sector:	Printing and publishing
Industry Classification:	CPC Prov. 88442
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Article 10 of the Printing Act No. 57/1956
Reservation:	Residency requirement for publishing of newspapers or magazines within the national territory. Residency requirement for editors.

40. Sector:	BUSINESS SERVICES
Sub-Sector:	Other business services Other
Industry Classification:	CPC Prov. 8790
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	
Reservation:	Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China suppliers of other business services and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.

41. Sector:	COMMUNICATION SERVICES
Sub-Sector:	Postal services
Industry Classification:	CPC Prov. 7511
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	
Reservation:	Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China suppliers of postal services and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.

42. Sector:	COMMUNICATION SERVICES
Sub-Sector:	Courier services
Industry Classification:	CPC Prov. 7512
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	
Reservation:	Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China suppliers of courier services and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.

43. Sector:	COMMUNICATION SERVICES
Sub-Sector:	New telecommunication services
Industry Classification:	
Type of Reservation:	Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	
Reservation:	<p>Iceland reserves the right to introduce any new measures to restrict market access for Telecommunication services that were not supplied on Icelandic territory before 1 January 2008.</p> <p>As regards commercial presence, such future restrictive measures shall grant national treatment. As regards cross-border trade, Iceland reserves the possibility to introduce any new discriminatory measure.</p> <p>For the purpose of this Reservation, new telecommunication services include services related to existing or new products or the manner in which a product is delivered.</p>

44. Sector:	COMMUNICATION SERVICES
Sub-Sector:	Telecommunication services: <ul style="list-style-type: none">- Electronic mail- Voice mail- On-line information and data base retrieval- Electronic data interchange (EDI)- Enhanced/value-added facsimile services, incl. store and forward, store and retrieve- Code and protocol conversion- On-line information and/or data processing (incl.transaction processing) except value added services
Industry Classification:	Part of CPC Prov. 7523, Part of CPC Prov. 843
Type of Reservation:	Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	
Reservation:	Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China suppliers of telecommunication services in the Sub-Sector above and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.

45. Sector:	COMMUNICATION SERVICES
Sub-Sector:	All Audiovisual Services
Industry Classification:	
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	All
Legal basis:	
Reservation:	Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China suppliers of all audiovisual services and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.

46. Sector:	COMMUNICATION SERVICES
Sub-Sector:	All Audiovisual Services
Industry Classification:	
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4)
Level of Government:	All
Legal basis:	Conventions and agreements of the Council of Europe, as qualified by the Reservation
Reservation:	Iceland does not extend to the other Party any preferences granted to Member States of the Council of Europe, including any future amendments thereof.

47. Sector:	AUDIOVISUAL SERVICES
Sub-Sector:	Motion picture and video tape production and distribution services Motion picture projection services Radio and television services Radio and television transmission services Sound recording
Industry Classification:	CPC Prov. 9611, 9612, 9613, 7524
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	
Reservation:	Measures based upon existing and future government-to-government framework agreements and plurilateral agreements, on co-production on audiovisual works, which confer national treatment to audiovisual works covered by these agreements, in particular in relation to distribution and access to funding. Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China suppliers of audiovisual services and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.

48. Sector:	CONSTRUCTION AND RELATED ENGINEERING SERVICES
Sub-Sector:	Other construction and related engineering services.
Industry Classification:	CPC Prov. 511, 515 and 518
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	
Reservation:	Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China suppliers of other construction and related engineering services and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.

49. Sector:	DISTRIBUTION SERVICES
Sub-Sector:	Retailing services
Industry Classification:	CPC Prov. 6111
Type of Reservation:	Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Articles 12 and 13 of Act No. 28/1998 on Professional Commerce
Reservation:	Anyone seeking to trade in or act as an agent with used vehicles shall possess an operating licence to do so.

One condition for such operating licence is to be domiciled in Iceland. In the case of a legal person, all members of the board shall fulfil the condition regarding domicile. The managers or director of the operation shall further fulfil the same condition.

Traders of used vehicles are obliged to possess a liability insurance with a recognised insurance undertaking, a bank guarantee or other acceptable guarantees to pay its clients compensation for any loss he may have caused them through his activities as a car sales agent.

50. Sector:	DISTRIBUTION SERVICES
Sub-Sector:	Distribution services related to imports, trade and sales in alcoholic beverages
Industry Classification:	CPC Prov. 621, 622, 631
Type of Reservation:	Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Act No. 63/1969 on the Sales of Alcoholic Beverages and Tobacco, Act No. 75/1998 Alcohol Act, Regulation No. 883/2005
Reservation:	<p>Licence required for import and wholesale of alcoholic beverages. Obligation to register with the Internal Revenue Directorate for wholesale and import of alcoholic beverages. Monopoly for all kinds of retail sales of alcoholic beverages exceeding 2,25% alcohol. When selecting alcoholic beverages the monopoly follows regulations on the selection and sale of alcoholic beverages and trade terms with suppliers.</p> <p>Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China service suppliers of distribution services related to imports, trade and sales in alcoholic beverages and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.</p>

51. Sector:	DISTRIBUTION SERVICES
Sub-Sector:	Distribution services related to imports, trade and sales in tobacco and tobacco products
Industry Classification:	CPC Prov. 621, 622, 631
Type of Reservation:	Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Act No. 63/1969 on the Sales of Alcoholic Beverages and Tobacco. Regulation No. 883/2005 Article 6, 7 and 8 of the Tobacco Control Act No. 6/2002 Regulation No. 325/2007 on the Retail Sale of Tobacco Regulation No. 236/2003 on Health Warnings on Tobacco and Measurements and Maximum Permissible Levels of Harmful Substances in Tobacco
Reservation:	Monopoly for all kinds of wholesale of tobacco products. The State Alcohol and Tobacco Company of Iceland (i.e. ÁTVR) is a monopoly in wholesales of tobacco products. When selecting tobacco products the ÁTVR follows regulations on the purchase and sale of tobacco and trade terms with suppliers. Tobacco may only be made available for sale or distribution if a warning appears on the packaging regarding the harmfulness of the product. A party who manufactures, imports or sells tobacco may not, without the consent of the Minister of Welfare, place his own information regarding the health effects of consuming the product on the product's packaging, in words or symbols. It is entirely prohibited to place on tobacco packaging texts, names, trademarks and figurative or other signs suggesting that the product is less harmful than other tobacco. All forms of advertising of tobacco and smoking accessories are prohibited in Iceland. It is, furthermore, prohibited to show consumption or any kind of handling of tobacco or tobacco accessories in advertisements or information on other products or services, or in illustrations of the products. Tobacco may neither be sold nor delivered to individuals under the age of 18 years.

The importation, manufacture and sale of toys or confectionery made to resemble cigarettes, cigars or pipes, or intended to refer to tobacco by other means, e.g. pictorially, is prohibited.

Sale of tobacco from self-service machines is prohibited. Sale of cigarettes in units of less than whole packets of 20 cigarettes is prohibited.

The importation, manufacture and sale of fine-grained snuff and all oral tobacco is prohibited, with the exception of chewing tobacco.

Tobacco may not be sold in schools, institutions for children and teenagers, or at health institutions.

Only persons who are at least 18 years of age may sell tobacco. The Board of Health of the relevant region may grant a temporary exemption from this provision regarding the age limit.

There is a restriction regarding the maximum permissible levels of harmful substances in tobacco and tobacco smoke, and how measurements and monitoring of the observation of these limits shall be carried out.

For retail sale of tobacco, a special permit is required from the Board of Health of the relevant region. For operation of a specialist tobacco shop, a special permit is also required from the Board of Health of the relevant region. A specialist tobacco shop shall be clearly identified. A permit under this Article shall be granted for a term of four years, and will only be granted to individuals or businesses fulfilling the general requirements of legislation on commercial employment.

Wholesalers of tobacco may only sell or deliver tobacco to those who have been granted a permit for retail sale of tobacco.

Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China service suppliers of distribution services related to imports, trade and sales in tobacco and tobacco products and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.

52. Sector:	DISTRIBUTION SERVICES
Sub-Sector:	Distribution services related to imports, trade and sales in arms and explosives
Industry Classification:	CPC Prov. 621, 622, 631, 6111, 6113 and 6121
Type of Reservation:	Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Weapons Act No. 16/1998. Regulation No. 787/1998 concerning firearms, ammunition, etc.
Reservation:	<p>No one may trade in firearms, ammunition, explosives or pyrotechnics without a licence from a police commissioner.</p> <p>Such a licence may only be granted to a person with a trade licence and a firearms pass or who has expertise relating to the relevant merchandise. In order to have a firearms pass issued the person concerned must have a domicile in Iceland.</p> <p>Police commissioners may grant an operating licence to a firearms rental, provided the relevant provision, including the condition that the operating licence may only be granted to a holder of a trade lease or a firearms pass, are met. In order to have a firearms pass issued the person concerned must have a domicile in Iceland.</p> <p>Only holders of firearms passes are permitted to own or use firearms. The firearms pass is issued by the Police Commissioner in the jurisdiction where the applicant is domiciled. Persons who apply for a firearms pass shall attend a course on the handling and use of firearms.</p> <p>Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China service suppliers of distribution services related to imports, trade and sales in arms and explosives and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.</p>

53. Sector:	DISTRIBUTION SERVICES
Sub-Sector:	Distribution services related to imports, trade and sales in pharmaceutical products
Industry Classification:	CPC Prov. 621, 622, 631
Type of Reservation:	Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Article 20 of the Medicinal Products Act No. 93/1994
Reservation:	<p>Only those who have received a licence for that purpose from the Icelandic Medicines Control Agency are authorised to sell medicinal products.</p> <p>The Icelandic Medicines Control Agency shall issue a licence to sell medicinal products to a party fulfilling the following conditions who applies for such licence:</p> <ol style="list-style-type: none">1. is a pharmacist licenced to practice in Iceland, <i>cf.</i> the Pharmacists' Act, and2. has worked as a pharmacist for three years. Exception made from this requirement if circumstances so warrant. <p>Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China service suppliers of distribution services related to imports, trade and sales in pharmaceutical products and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.</p>

54. Sector:	EDUCATIONAL SERVICES
Sub-Sector:	Primary education services Secondary education services Higher education services Adult education Other education services
Industry Classification:	CPC Prov. 921, 922, 923, 924 and 929
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	
Reservation:	Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China suppliers of educational services and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.

55. Sector:	FINANCIAL SERVICES
Sub-Sector:	Insurance Services
Industry Classification:	Part of CPC Prov. 812
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Act on Insurance Activities, No. 56/2010 Act No. 2/1995 on Public Limited Companies
Reservation:	<p>The supply of direct insurance is reserved for undertakings holding an operating licence issued by the Financial Supervisory Authority, insurance undertakings holding operating licences issued in other EEA Member States, EFTA states or the Faroe Islands. The same applies to the provision of reinsurance services. The Financial Supervisory Authority can grant exemptions to third country operators subject to mutual arrangements between the authority and the respective home supervisory authority.</p> <p>The founders and managers of insurance undertakings are subject to the residence requirements of the Act on Limited Liability Companies. Board members shall reside in an OECD Member State. The Financial Supervisory Authority can grant exemptions from the residence requirements.</p> <p>Managers and board members of insurance undertakings shall be resident in Iceland. The Financial Supervisory Authority may grant exemptions from this requirement.</p>

56. Sector:	FINANCIAL SERVICES
Sub-Sector:	Insurance Services
Industry Classification:	Part of CPC Prov. 8140
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Article 1, 7 and 8 of Act on Insurance Mediation, No. 32/2005
Reservation:	<p>The supply of insurance broker services is reserved for insurance brokers authorized by the Financial Supervisory Authority and insurance brokers holding an operating licence issued in another EEA Member State.</p> <p>Insurance brokers shall be resident in Iceland or another EEA Member State.</p> <p>The residency requirements of the Act on Limited Liability Companies apply to the founders, board members and managers of insurance broker services.</p>

57. Sector:	FINANCIAL SERVICES
Sub-Sector:	Services auxiliary to Insurance (including broking and agency services)
Industry Classification:	Part of CPC Prov. 81403
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Act No. 74/1938 on Authorised Average Adjusters
Reservation:	Persons authorised to carry out average adjustment by the Minister of the Interior must meet the conditions of having a domicile in Iceland.

58. Sector:	FINANCIAL SERVICES
Sub-Sector:	Banking and other financial services.
Industry Classification:	Part of CPC Prov. 81 (excluding insurance)
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Act No. 87/1992 on Foreign Exchange. Rules on foreign exchange, No. 370/2010 (the Rules are reviewed every six months) Article 29 of Act No. 36/2001 on the Central Bank of Iceland, and Rules of the Central Bank on the Obligation to Provide Information in respect of Foreign Exchange Transactions and Cross-Border Capital Movements Chapter II, Article 11, 13, 33, of Act on Financial Undertakings No. 161/2002, with subsequent amendments Act No 2/1995 on Public Limited Companies, para 2 of article 66 (domicile requirements) Act on Securities Activities No. 108/2007, with subsequent amendments
Reservation:	Activities of financial undertakings are reserved for undertakings holding an operating licence issued by the Financial Supervisory Authority, financial undertakings holding operating licences issued in another EEA Member State, EFTA or Faroe Islands. The Financial Supervisory Authority can grant an operating licence to a financial undertaking from a third country if the undertaking in question possesses an operating licence in its home country identical to its planned activities in Iceland and is subject to supervision on par with resident undertakings. The founders and board members of a financial undertaking must be resident in Iceland, an EEA Member State, EFTA, the Faroe Islands or in an OECD Member State. The managing director of a financial undertaking shall be a resident of Iceland, an EEA

Member State, EFTA or the Faroe Islands. The Financial Supervisory Authority can grant exemptions from the residency requirements.

59. Sector:	FINANCIAL SERVICES
Sub-Sector:	Operation of Pension Funds (Mandatory Funded Pension Schemes)
Industry Classification:	
Type of Reservation:	Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Act No. 129/1997, on Mandatory Pension Insurance and on the Activities of Pension Funds
Reservation:	Rights granted to pension funds operating mandatory funded pension schemes are considered as services supplied in the exercise of governmental authority.

60. Sector:	FINANCIAL SERVICES
Sub-Sector:	Operation of supplementary pension schemes
Industry Classification:	
Type of Reservation:	Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Act No. 129/1997, on Mandatory Pension Insurance and on the Activities of Pension Funds
Reservation:	The following parties, established and licensed in Iceland, may accept contributions, under a contract, for supplementary insurance coverage pursuant to the Act on Mandatory Pension Insurance and on the Activities of Pension Funds:

1. Commercial banks, savings banks and securities undertakings, as provided for in the Act on Financial Undertakings;
2. Life insurance companies, as provided for in the Act on Insurance Activities;
3. Pension funds, provided that they fulfil the requirements of Articles 4 and 5.

Commercial and savings banks, insurance companies, securities undertakings and pension funds desiring to offer agreements on supplementary insurance coverage and individual pension savings as provided for under the provisions of this Act must, in advance, seek confirmation from the Minister of Finance that their Rules concerning insurance coverage are in accordance with the provisions of this Act. Any amendments to the Rules must also be notified to the Minister of Finance and shall not take effect until the Minister has approved them after receiving the opinion of a public supervisory authority.

61. Sector:	ENVIRONMENTAL SERVICES
Sub-Sector:	Sewage Services Refuse Disposal Waste Other
Industry Classification:	CPC Prov. 9401, 9402 and 9409.
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Article 4a of Act No. 7/1998 on Health and Hygiene Practices and Pollution Prevention Act No. 55/2003 on the Treatment of Waste (Articles 5-8, Chapter III and V) Article 6 of Act No. 33/2004 on the Prevention of Pollution of the Sea and Coasts Article 7 of Regulation No. 785/1999 on Licensing of Businesses that may cause Pollution
Reservation:	Environmental operating licence required. Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China suppliers of environmental services with respect to cross border supply and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.

62. Sector:	ENVIRONMENTAL SERVICES
Sub-Sector:	Sanitation and similar services
Industry Classification:	CPC Prov. 9403
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	
Reservation:	Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China suppliers of environmental services with respect to cross border supply and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.

63. Sector:	HEALTH RELATED AND SOCIAL SERVICES
Sub-Sector:	Hospital services Other human health services Social services
Industry Classification:	CPC Prov. 9311, 9319 (other than 93191) and 933.
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	
Reservation:	Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China suppliers of health related and social services and to amend existing measures and /or introduce any new measures related to market access and national treatment in this field.

64. Sector:	TOURISM AND TRAVEL RELATED SERVICES
Sub-Sector:	Hotels and restaurants (incl. catering)
Industry Classification:	CPC Prov. 641-643.
Type of Reservation:	Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Articles 5, 7, 8, 17 and 18 of Act No .85/2007 on Restaurants, Collective Accommodation Establishments and Entertainment Services
Reservation:	<p>Licences required for the operation of restaurant, collective accommodation establishments and entertainment services.</p> <p>In order to obtain the operation licence, the applicant and/or his representative (if the applicant is a legal person) must meet the conditions of residency in Iceland.</p> <p>The same applies for licences for a single entertainment activities or events. The licence may prescribe restrictions on sales hours.</p> <p>Persons who sell or serve spirits, or other alcoholic beverages must be 20 years of age or more.</p>

65. Sector:	TOURISM AND TRAVEL RELATED SERVICES
Sub-Sector:	Hotel and restaurant (incl. catering)
Industry Classification:	CPC Prov. 641-643
Type of Reservation:	Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Article 3 of the Alcohol Act No. 75/1998
Reservation:	<p>A licence is required, for commercial purposes, for the import, wholesale, retail or production of alcoholic beverages. To be granted a licence to serve alcoholic beverages the conditions to obtain an operation license for restaurants, collective accommodation establishments and entertainment must be met.</p> <p>In order to obtain the operation licence, the applicant, and/or his representative (if the applicant is a legal person), must meet the condition of residency in Iceland.</p>

66. Sector:	TOURISM AND TRAVEL RELATED SERVICES
Sub-Sector:	Travel agencies and tour operators services
Industry Classification:	CPC Prov. 7471
Type of Reservation:	Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Articles 8, 9, 11, 12 and 14 of The Tourism Administration Act No. 73/2005
Reservation:	<p>Any party intending to operate as a tour operator or travel agency shall obtain a licence to do so from the Icelandic Tourist Board.</p> <p>In order to receive a licence, the applicant, or his representative if the applicant is a legal entity, must be resident of Iceland.</p> <p>Those intending to engage in operations for which registration is required pursuant to this Act shall send the Icelandic Tourist Board a written notice to this effect. Only those parties who have received a certificate are authorised to use the terms “booking service(s)” and “information centre” in the name or title of their operations.</p> <p>Requirement of deposits or liability insurance to cover loss caused to clients due to bankruptcy.</p>

67. Sector:	TOURISM AND TRAVEL RELATED SERVICES
Sub-Sector:	Tourist Guides Services
Industry Classification:	CPC Prov. 7472
Type of Reservation:	Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	The Tourism Administration Act No. 73/2005
Reservation:	The right to exercise the profession is reserved for resident tourist guides. Non-resident tourist guides may be granted temporary work permit on ad hoc basis.

68. Sector:	RECREATIONAL, CULTURAL AND SPORTING SERVICES (OTHER THAN AUDIOVISUAL SERVICES)
Sub-Sector:	Entertainment services (including theatre, live bands and circus services)
Industry Classification:	CPC Prov. 9619
Type of Reservation:	Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Articles 7, 8, 17 and 18 of Act No. 85/2007 on Restaurants, Collective Accommodation Establishments and Entertainment Services
Reservation:	Licences required for the operation of restaurant, collective accommodation establishments and entertainment services. In order to obtain the operation licence, the applicant and/or his representative (if the applicant is a legal person), must meet the conditions of residency in Iceland. The same applies for licences for a single entertainment activities or events.

69. Sector:	RECREATIONAL, CULTURAL AND SPORTING SERVICES (OTHER THAN AUDIOVISUAL SERVICES)
Sub-Sector:	News Agency Services
Industry Classification:	CPC Prov. 962
Type of Reservation:	Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Article 10 of the Printing Act No. 57/1956
Reservation:	Conditions of residency for the editor of a paper or magazine. Access to management functions is subject to discretionary authorisation by competent authorities.

70. Sector:	RECREATIONAL, CULTURAL AND SPORTING SERVICES (OTHER THAN AUDIOVISUAL SERVICES)
Sub-Sector:	Entertainment Services (including theatre, live bands, and circus services) Library, archive, museum and other cultural activities. Sporting and other recreational services
Industry Classification:	CPC Prov. 9619, 963 and 964
Type of Reservation:	Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	
Reservation:	Targeted financial support to specific local, regional or national activities.

71. Sector:	RECREATIONAL, CULTURAL AND SPORTING SERVICES (OTHER THAN AUDIOVISUAL SERVICES)
Sub-Sector:	Sporting and other recreational services
Industry Classification:	CPC Prov. 964
Type of Reservation:	Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Article 1 and 2 Act No. 92/1956 on the Prohibition of Boxing
Reservation:	Professional boxing is illegal but amateur boxing is allowed. Boxing competitions or shows are prohibited. Boxing instruction is also prohibited.

72. Sector: RECREATIONAL, CULTURAL AND SPORTING SERVICES (OTHER THAN AUDIOVISUAL SERVICES)

Sub-Sector: Sporting and other recreational services

Industry Classification: CPC Prov. 964

Type of Reservation: Market Access (Article 3.5)
National Treatment (Article 3.6)

Level of Government: National

Legal basis: Act No. 26/1986 on Numbers Games
Act No. 59/1972 on Sweepstakes
Act No. 73/1994 on Slot Machines
Articles 2 and 3 of Act No. 38/2005 on Lotteries

Reservation: Gambling, slot machines and like activities are subject to licensing.

It is prohibited to operate lotteries and tombola without a license from the District Commissioner. A license to operate a lottery or a tombola may only be granted to a company, association or institution that is established in the EEA, for the purpose of raising funds for social causes, philanthropic or cultural activities, sports or charity, and international humanitarian work. A lottery license may not be granted to the same body more than three times each calendar year.

73. Sector:	MARITIME TRANSPORT SERVICES
Sub-Sector:	Freight and Passenger transportation
Industry Classification:	CPC Prov. 7212, 7211
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Act No. 115/1985 on Registration in the Icelandic Ship Register Act No. 76/2001 and Regulation No. 416/2003, on Crews Serving on Board Icelandic Passenger and Cargo Ships
Reservation:	<p>Vessels registered in the Icelandic Ship Register must be owned by Icelandic nationals with domicile in Iceland or a legal entity registered and with domicile in Iceland.</p> <p>The Master of an Icelandic vessel must be an Icelandic national, exceptions may be granted to nationals of countries of the EEA, the EFTA, or the Faroe Islands.</p> <p>Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China service suppliers for establishment of a registered company for the purposes of operating a fleet under Icelandic flag and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.</p>

74. Sector:	MARITIME TRANSPORT SERVICES
Sub-Sector:	Maintenance and repair of vessels
Industry Classification:	Part of CPC Prov. 8868
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Ship Survey Act No. 47/2003.
Reservation:	Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China service suppliers for maintenance and repair of vessels and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.

75. Sector:	MARITIME TRANSPORT SERVICES
Sub-Sector:	Rental of vessels with crew Supporting services of maritime transport
Industry Classification:	CPC Prov. 7213 and 745
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	
Reservation:	Iceland reserves the right to accord less favourable treatment to Hong Kong, China service suppliers for rental of vessels with crew and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.

76. Sector:	MARITIME TRANSPORT SERVICES
Sub-Sector:	Pushing and towing services
Industry Classification:	CPC Prov. 7214
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Harbour Act No. 61/2003 Act No. 41/2003 on the Maritime traffic service Regulation No. 320/1998 on Guidance of Ships
Reservation:	Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China service suppliers for pushing and towing services and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.

77. Sector:	TRANSPORT SERVICES
Sub-Sector:	Internal Waterways Transport
Industry Classification:	CPC Prov. 7221, 7222, 7223, 8868, 7224, 745
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	
Reservation:	Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China service suppliers for internal waterway transport and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.

78. Sector:	TRANSPORT SERVICES
Sub-Sector:	Air Transport Services Maintenance and repair of aircraft
Industry Classification:	Part of CPC Prov. 8868
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	
Reservation:	Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China service suppliers for cross-border supply of maintenance and repair of aircrafts, and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.

79. Sector:	TRANSPORT SERVICES
Sub-Sector:	Space Transport
Industry Classification:	CPC Prov. 733
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	
Reservation:	Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China service suppliers for space transport and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.

80. Sector:	TRANSPORT SERVICES
Sub-Sector:	Rail Transport Services
Industry Classification:	CPC Prov. 7111, 7112, 7113, 8868, 743
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	
Reservation:	Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China service suppliers for rail transport services and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.

81. Sector:	TRANSPORT SERVICES
Sub-Sector:	Road transport services; passenger transportation
Industry Classification:	CPC Prov. 7121 and 7122
Type of Reservation:	Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Articles 4-7 of Act No. 73/2001 on Passenger and Freight Transport by Road Regulation No. 528/2002 on Passenger Transport by Road
Reservation:	Municipalities in Iceland may be granted exclusive licence for public transport. Access can be limited with exclusive licences on specific routes (i.e. administered by tender). Professional transporting of passengers in Iceland is subject to a licence. Among the conditions for such a licence is the completion of a course held by the Icelandic Road Administration. Such a course is generally held in Icelandic.

82. Sector:	TRANSPORT SERVICES
Sub-Sector:	Road transport services; freight transportation
Industry Classification:	CPC Prov. 7123
Type of Reservation:	Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Articles 4 and 5 of Act No. 73/2001 on Passenger and Freight Transport by Road Regulation No. 100/2006 on Freight Transport by Road
Reservation:	Professional transporting of goods in Iceland is subject to a licence. Among the conditions for such a licence is the completion of a course held by the Icelandic Road Administration. Such a course is generally held in Icelandic.

83. Sector:	TRANSPORT SERVICES
Sub-Sector:	Pipeline Transport
Industry Classification:	CPC Prov. 7131, 7139
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	
Reservation:	Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China service suppliers for pipeline transport and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.

84. Sector:	TRANSPORT SERVICES
Sub-Sector:	Services auxiliary to all modes of transport – Cargo-handling services except for maritime cargo handling services
Industry Classification:	CPC Prov. 741
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	
Reservation:	<p>Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China service suppliers of cargo-handling services and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field, except for “Maritime cargo handling services” and “Container and depot services”.</p> <p>For the purposes of this Reservation “Maritime cargo handling services” means activities exercised by stevedore companies, including terminal operators, but not including the direct activities of dockers, when this workforce is organised independently of the stevedoring or terminal operator companies. The activities covered include the organisation and supervision of:</p> <ul style="list-style-type: none">- the loading and discharging of cargo to and from a ship;- the lashing and unlashng of cargo;- the reception and delivery and safekeeping of cargoes before shipment or after discharge. <p>For the purposes of this Reservation “Container station and depot services” means activities consisting in storing containers, whether in port areas or inland, with a view to their stuffing or stripping, repairing, and making them available for shipments.</p>

85. Sector:	TRANSPORT SERVICES
Sub-Sector:	Services auxiliary to all modes of transport – Storage and warehouse services Customs Clearance Services
Industry Classification:	CPC Prov. 742 Part of CPC Prov. 748, as defined in Reservation
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Articles 48, 91, 96, 101 and 105 of the Customs Act No. 88/2005
Reservation:	<p>Licence for operating customs brokerage. Licence for the operation of a bonded warehouse. Licence for the operation of warehouses for duty free supplies. Licence for the operation of duty free shops in airports and seaports. Licence for the operation of a free zone. Licence for the operation of transit warehouses.</p> <p>Board members of the legal person that applies for the licences mentioned above shall have residence in Iceland.</p> <p>Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China service suppliers for cross-border supply of storage and warehouse services and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.</p> <p>For the purposes of this Reservation “Customs Clearance services” means activities consisting in carrying out on behalf of another party customs formalities concerning import, export or through transport of cargoes, whether this service is the main activity of the service provider or a usual complement of its main activity.</p>

86. Sector: OTHER SERVICES NOT INCLUDED ELSEWHERE

Sub-Sector:

Industry Classification: CPC Prov. 95+97+98+99

Type of Reservation: Most-Favoured-Nation Treatment (Article 3.4)
Market Access (Article 3.5)
National Treatment (Article 3.6)

Level of Government: National

Legal basis:

Reservation: Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China service suppliers for other services and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.

87. Sector:	ENERGY
Sub-Sector:	Prospecting, exploration and production of hydrocarbons
Industry Classification:	
Type of Reservation:	Most-Favoured-Nation Treatment (Article 3.4) Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Articles 3, 7, 14, 17, 18 and 30 of the Act on Prospecting, Exploration and Production of Hydrocarbons No. 13, 13 March 2001, with subsequent amendments
Reservation:	<p>The National Energy Authority grants licences for the exploration and production of hydrocarbons in specific areas which include exclusive rights for the exploration and production of hydrocarbons. Such licences can be granted on discretionary bases. Such a licence gives the licensee exclusive rights for exploration and production.</p> <p>Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China suppliers of services related to prospecting, exploration and production of hydrocarbons and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.</p>

88. Sector: ENERGY

Sub-Sector:

Industry Classification:

Type of Reservation: Market Access (Article 3.5)
National Treatment (Article 3.6)

Level of Government: National

Legal basis: Articles 8 and 14 of The Electricity Act No. 65/2003

Article 5 of Regulation No. 1040/2005 (enforcement of the Electricity Act)

Reservation: One company, appointed by the Minister, shall be responsible for the transmission of electricity and system management. The company shall be owned by majority ownership of the state, municipality and/or companies entirely owned by those entities.

Distribution system operators shall be owned by majority ownership of either state, municipality, and/or companies entirely owned by those entities.

89. Sector: **ENERGY**

Sub-Sector: Hydraulic power

Industry Classification:

Type of Reservation: Market Access (Article 3.5)
National Treatment (Article 3.6)

Level of Government: National

Legal basis: Article 2 of the Water Act No. 2/1923, with subsequent amendments

Reservation: The State, municipalities and companies, wholly owned by them, are prohibited to assign ownership of harnessable water, directly or indirectly and permanently, constituting power over 10 MW.

90. Sector:	ENERGY
Sub-Sector:	Heating plants
Industry Classification:	
Type of Reservation:	Market Access (Article 3.5) National Treatment (Article 3.6)
Level of Government:	National
Legal basis:	Article 30 of the Energy Act No. 58/1967
Reservation:	The Minister of Industry, Energy and Tourism is authorised to grant municipalities or their associations exclusive licence, with the conditions determined by The Energy Act, to operate heating plants.

91. Sector:

ENERGY

Sub-Sector:

Industry Classification:

Type of Reservation:

Most-Favoured-Nation Treatment (Article 3.4)
Market Access (Article 3.5)
National Treatment (Article 3.6)

Level of Government:

National

Legal basis:

Article 4 of Act No. 34/1991 on Investment by Non-residents in Business Enterprises

Reservation:

Solely Icelandic nationals and other Icelandic parties are authorised to possess the right to harness waterfalls and geothermal heat for other purposes than household heating. The same applies to companies engaged in energy production and energy distribution.

Iceland reserves the right at any time to accord less favourable treatment to Hong Kong, China service suppliers for energy and related services and to amend existing measures and/or introduce any new measures related to market access and national treatment in this field.
