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DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS  
STATISTICS DIVISION

**Meeting of the United Nations Technical Subgroup on  
Movement of Persons – Mode 4  
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Conference Room E**

## **BACKGROUND NOTE ON GATS MODE 4 MEASUREMENT**

**World Trade Organization**

## I. BACKGROUND

1. The UN Technical Sub-group on the Movement of Persons – Mode 4 (TSG) is working on the development of a statistical framework which aims at providing a complete and broad set of statistics covering the activities of persons moving across borders. This framework will encompass, for example, natural persons present in an economy engaged in the provision of goods and services, employees of international organisations, students, pensioners, etc, drawing together information on the balance of payments services account, total number of persons crossing borders, remittances and net worth, in order to respond to a wide range of information needs.

2. This paper, by contrast, is aimed at a narrower sub-set of that larger picture: the supply of services through the presence of natural persons (GATS Mode 4). It is set out to assist in the separate identification of the data necessary to assess this trade (value of services supplied and number of persons present and crossing borders) within the much broader framework being developed by the sub-group. The present paper was prepared following the recommendations of the TSG that WTO/OMC and OECD, in collaboration with UNSD, revise the paper presented at the previous TSG meeting (Paris, OECD Headquarters, 31 January-1 February 2005). Based on this paper, the agencies were asked to continue the work on identifying links between the information needed for GATS mode 4 and balance of payments components. In particular they were asked to clarify which indicators could be of interest for assessing GATS mode 4 for different categories of persons.

3. This paper aims at helping participants in their discussion on the identification of appropriate indicators to measure mode 4 trade (within the balance of payments, as well as other frameworks). The note also identifies as a starting point possible sources for measuring the number of persons crossing borders in the context of mode 4. To initiate the discussion some questions are included.

4. Part I provides a short general introduction to the GATS. Part II elaborates on the coverage of GATS mode 4. Part III undertakes a preliminary identification of the main information needs from a statistical point of view, and Part IV and V identify a number of relevant indicators for assessing GATS mode 4. Finally Part VI introduces the concept of labour migration related to the supply of services which is used in a number of regional trade agreements and which is of interest to some analysts. Relevant GATS provisions and related documents, as well as a brief note on the treatment of the movement of persons under regional trade agreements, are attached as Annexes.

## II. SHORT INTRODUCTION TO THE GATS AND MODES OF SUPPLY

5. One of the most important outcomes of the Uruguay Round of trade negotiations was the integration of services into the multilateral trading system. The General Agreement on Trade in Services (GATS) entered into force on 1 January 1995.

6. The GATS is a multilaterally agreed legal framework for trade in services which provides a system of predictable and enforceable conditions ("binding commitments") for services trade, applying to all Members of WTO. It has three main objectives:

- To progressively liberalize trade in services through rounds of negotiations;
- To encourage economic growth and development through liberalization of trade in services; and
- To increase participation of developing countries in world trade in services.

7. The GATS applies to measures affecting trade in services taken by governments at whatever level (central, regional or local) or by non-governmental bodies in the exercise of powers delegated by governments. Three main elements in the GATS are important for the discussion at hand:

- A set of general obligations and disciplines which apply to all WTO Members, e.g. the Most Favoured Nation (MFN) treatment (a Member shall treat all other Members in the same way as it treats its most favoured partners), transparency requirements (make publicly available at national level all relevant measures related to trade in services covered by the agreement);
- Schedules of specific commitments.<sup>1</sup> Unlike goods, access conditions are not determined by tariffs, but by regulations, quotas etc. Each WTO Member's commitments are laid down in the schedules of specific commitments, which show the services sectors and modes of supply in which foreign services and/or suppliers will be permitted and under which conditions, i.e. market access and national treatment<sup>2</sup>;
- Annexes on specific sectors (e.g. air transport services, financial services, movement of natural persons).

8. The Agreement covers all services, except the core of air transport services<sup>3</sup> (which are subject to bilateral agreements), and services provided in the exercise of governmental authority (i.e. services supplied neither on a commercial basis nor in competition with one or more service suppliers).

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<sup>1</sup> GATS commitments are a guaranteed minimum treatment offered to other WTO Members; countries are always free to offer better treatment if they wish, but they cannot offer worse. Commitments are binding – that is, they cannot be changed without compensation to other Members.

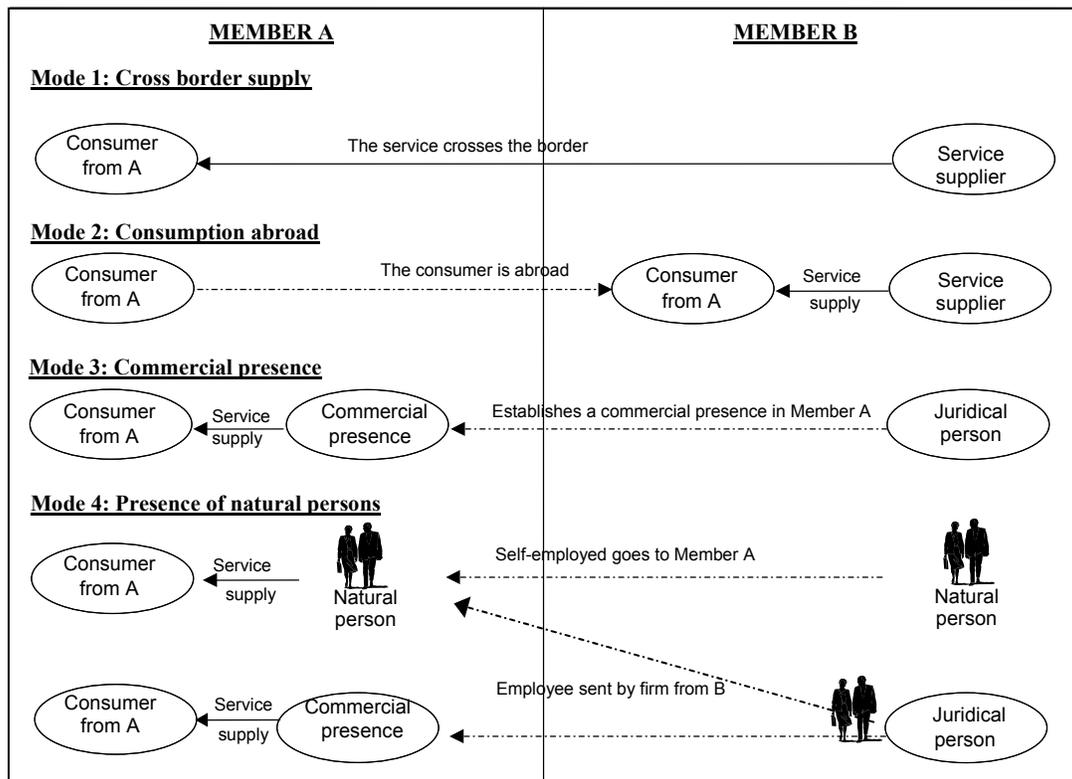
<sup>2</sup> Market access provisions of GATS cover six types of limitations or restrictions: number of service suppliers, total value of services transactions, number of services operations or quantity of output, total number of natural persons, specific types of legal entity or joint venture, participation of foreign capital. National treatment limitations refer to the fact that a national service or service supplier is given more favourable treatment than a like foreign service or service supplier (e.g., nationality or residency requirements, discriminatory subsidies etc.)

<sup>3</sup> This exclusion is subject to periodic review.

9. For undertaking commitments the WTO Secretariat's Services Sectoral Classification, contained in document GNS/W/120 (July 1991), may be used (see Annex 1).<sup>4</sup> Each sector contained in the WTO Secretariat list is identified by corresponding codes of the Central Product Classification (CPC), provisional version. Where it is necessary to refine a sectoral classification, this can be done on the basis of the CPC or any other classification (e.g. Financial Services Annex). The correspondence with the CPC provisional version is only made to assist in defining the sectors and sub-sectors listed in GNS/W/120.

10. Depending on the location of the supplier and the consumer, GATS defines four modes of supply (see Chart 1). In addition to the cross-border supply (mode 1), where both the supplier and the consumer remain in their respective home territories (which would correspond to the traditional notion of trade), GATS also covers cases where consumers move outside their home territory to consume services (mode 2 – consumption abroad), or cases where service suppliers move to the territory of the consumers to provide their services, whether by establishing a commercial presence abroad (mode 3 – commercial presence), or through the presence of natural persons (mode 4).<sup>5</sup>

**Chart 1. Synthetic view of GATS modes of supply<sup>6</sup>**



<sup>4</sup> Members may also use any other way of defining the service sectors for which they want to make commitments (e.g. national classifications, sector specific classifications)

<sup>5</sup> As we will see further down a single international transaction in services may include several modes of supply.

<sup>6</sup> A more detailed description of mode 4 is provided in section II.

### III. DEFINING THE SUPPLY OF SERVICES THROUGH GATS MODE 4

#### A. DEFINING GATS MODE 4

11. GATS Article I 2. (d) defines mode 4 as the supply of a service by “... a service supplier of one Member, through presence of natural persons of a Member in the territory of any other Member”(see Annex 2). The purpose of stay in the territory of the Member is to supply a service. When the service has been supplied the natural person leaves the country.

12. The GATS Annex on the Movement of Natural Persons supplying Services under the Agreement (see Annex 3) specifies that the GATS does not apply "to measures affecting natural persons seeking access to the employment market" nor does it apply "to measures regarding citizenship, residence or employment on a permanent basis". In addition the Annex provides for the possibility that commitments, and therefore access conditions, be scheduled by categories of natural persons, which introduces an element of flexibility. The Annex also clarifies that regardless of their obligations under the Agreement, Members may regulate the entry of natural persons and their temporary stay in their territory. This includes regulation through measures necessary to protect the integrity of, and to ensure the orderly movement of natural persons across its borders, provided that such measures are not applied in such a manner as to nullify or impair the benefits accruing to any Member under the terms of a specific commitment. The sole fact of requiring a visa for natural persons of certain Members and not for those of others shall not be regarded as nullifying or impairing benefits under a specific commitment.

*What is a natural person?*

13. A natural person of a Member is defined in GATS Article XXVIII(k) as a national of that Member or a natural person which has a right to permanent residence in that Member (see Annex 4).<sup>7</sup> A natural person which is not a national of a Member but is a permanent resident of it may be covered only when the Member concerned does not have nationals or, subject to additional qualifications in its acceptance to the GATS, accords substantially the same treatment to permanent residents as to nationals in respect of measures affecting trade in services.<sup>8</sup>

*What is a service?*

14. The GATS contains no definition of what a service is. It is not always easy to establish what a service actually refers to and this issue is not only limited to mode 4. For instance, a fruit-picker could be seen as a person supplying services incidental to agriculture (fruit picking services) or as an agricultural worker. It may also be difficult to interpret which types of services would fall under the GNS/W/120 categories "Services incidental to agriculture, hunting and forestry", "... to fishing", "... to mining", or "... to manufacturing".

15. Equally, while it is clear that services supplied under governmental authority are not covered by the GATS, there is some debate about what exactly falls under this carve out given the wide variety of institutional arrangements among WTO Members.

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<sup>7</sup> A natural person can be presented by opposition to a juridical person: according to GATS a juridical person refers to any legal entity which is engaged in substantive business operations (see Annex 4).

<sup>8</sup> Only a few countries have made such a notification.

*Which skill levels are covered?*

16. From the GATS text, it is possible to state that mode 4 includes service suppliers at all skill levels. In practice WTO Members' current commitments (see Annex 5) are generally limited to the highly skilled natural persons (managers, executives, specialists - although these terms are generally not further defined). However, given the scope of the agreement, persons at all skill levels have the potential to be included in this framework.

*What is temporary?*

17. "Temporary" is not defined in the GATS, but the Annex on the Movement of Natural Persons Supplying Services under the Agreement states that "The Agreement shall not apply to measures affecting natural persons seeking access to the employment market of a Member, nor shall it apply to measures regarding citizenship, residence or employment on a permanent basis".

18. For the purposes of specific commitments WTO Members have in general indicated the temporary nature of the presence of natural persons ("entry and temporary stay"). However Members have not always indicated the duration of stay which is being guaranteed under their specific commitment.<sup>9</sup> In practice, WTO Members which have indicated a duration of stay in their specific commitments, have done so distinguishing between the categories of natural persons considered (ranging from a few months to several years, see section II.B).

*Which categories of entrants are covered?*

19. As shown in Chart 1 in Section I, when defining Member B as the country of the service supplier and Member A as the country of the service consumer, from the GATS it is clear that the following natural persons are covered:

- Self-employed service supplier of Member B entering the territory of Member A in respect of the supply of a service;
- Employee (who is a natural person of a Member, either B or a third Member) of a service supplier of Member B:
  - the employee is sent to Member A in respect of the supply of a service; or
  - the service supplier of Member B has commercial presence in Member A and sends its employee to its affiliate in Member A. The supply of the service is linked to mode 3.

20. Members' commitments in mode 4 (see section II.B) have been undertaken largely on the basis of the categories identified above. They encompass self-employed service suppliers (remuneration received in host country); employees of a foreign company who are sent to fulfill a contract with a host country client and employees of foreign service suppliers established in the host country.

21. Many Members also made commitments for an additional category, business visitors. Although there is no service supply in the case of business visitors (short term stays, no remuneration received in host country), their movement in order to negotiate a service contract or

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<sup>9</sup> Note that the in the "Guidelines for the scheduling of specific commitments under the General Agreement on Trade in Services" (S/L/92), which was adopted by the WTO Council on Trade in Service on 23 March 2001, Members are encouraged to include in their commitments the duration of temporary stay of natural persons for the purpose of supplying a service. In the absence of a reference to a specific duration for the temporary stay of a foreign service supplier, it could be understood that no binding is being undertaken in respect of the duration of that stay.

to negotiate the establishment of commercial presence in Member A is made possible through mode 4.<sup>10</sup> This additional category can therefore be considered in the context of mode 4.

*Summary*

22. The table below provides a summary of what and who is covered by GATS mode 4, what is excluded and identifies the areas where it may be difficult to define the coverage with respect to the supply of services under GATS mode 4.

**Table 1: Summary of GATS mode 4 coverage**

	<b>Included</b>	<b>Excluded</b>	<b>Borderline</b>
<b>Duration of stay</b>	Temporary presence	Permanent migration (GATS does not apply to measures affecting residence, citizenship or employment on a permanent basis)	Temporary is undefined
<b>Purpose of stay</b>	Presence of natural persons for the supply of commercial services	Persons seeking to access the employment market  Presence of natural persons for the supply of goods (e.g., agricultural products, manufactures)  Services supplied under governmental authority	Scope of certain products, e.g. “services incidental to agriculture, hunting and forestry” (agricultural workers or suppliers of fruit-picking services?) etc.  Lack of certainty over precisely what would fall under the carve out for “services in the exercise of governmental authority”
<b>Skill level</b>	All skill levels included		
<b>Main categories of natural persons</b>	Self-employed service suppliers Employees of service suppliers sent abroad to supply a service Employees of foreign service suppliers established in the host country (linked to mode 3) Business visitors	Employees of host country—locally-owned juridical persons	Foreign employees of foreign service suppliers which are not related to intra-corporate movements

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<sup>10</sup> It should be noted that business visitors as defined in the GATS context (as well as in this note) are not the same as business visitors or travellers as defined in statistical frameworks (BPM5, SNA93, Manual on Statistics of International Trade in Services, Tourism Satellite Accounts: Recommended Statistical Framework, Recommendations on Statistics of International Migration) which have a much broader coverage (e.g. covering travellers supplying services). See Section V.

B. WHAT IS COVERED BY EXISTING WTO MEMBERS' COMMITMENTS?

23. WTO Members' commitments are usually based on functional criteria of the type of person involved (executive, manager, specialist) and/or the purpose of the presence (supply a service, establish business contacts, negotiate sales, set up commercial presence). They generally refer to the following categories of natural persons and Members which have indicated a duration of stay have done so distinguishing between these categories:

- contractual service suppliers – independent professionals and employees of a juridical person who enter the territory of another Member to supply a service. In current commitments the duration of presence indicated is of generally 3 months to one year, rarely more than 2 years;
- business visitors self-employed or employed by the service supplier who enter the territory of another Member for the purpose of establishment of commercial presence or sales negotiations (short-term stays, often limited to 3 months); and
- intra-corporate transferees (ICTs) of service suppliers, who enter the territory of another Member to work in the affiliate of the service supplier. Duration of stay is generally limited to 2-5 years. A majority of commitments for intra-corporate transferees actually specify a duration of stay of more than 3 years or have not specified a time limit.

24. A number of Members refer to separate categories such as Installers and servicers, Artists, sportsmen or sportswomen or other suppliers of services taking part in public performances, Graduate trainees etc. However for simplification reasons, in the statistical framework, these separate categories may be seen as falling under one of the three above categories (e.g., installers and servicers as contractual service suppliers or intra-corporate transferees, artists as contractual service suppliers, graduate trainees as intra-corporate transferees etc.). Further information with respect to the categories of natural persons is at Annex 5 which presents a summary of descriptions of categories included in WTO Members' current schedules of commitments.

25. The main categories presented above are used for defining the categories identified in the statistical framework (see table 2) for assessing mode 4. In terms of the coverage of more specific categories identified in statistical frameworks, border workers should also be considered insofar as they fall under the GATS (i.e. they are independent professionals supplying services or employees of a foreign contractual service supplier). Finally, although the coverage of this category is not clear (to what extent have they not entered the labour market), other foreign employees of "services foreign affiliates" in the host country (i.e. foreign employees of affiliates of a foreign service supplier which are not intra-corporate transferees) could also be considered. Note that the latter from a statistical point of view should be treated in a similar way to intra-corporate transferees.

**Table 2. Categories of GATS mode 4 persons identified for the statistical framework**

<b>Contractual service suppliers</b>	Independent professionals*	Foreign self-employed service suppliers
	Employees of juridical persons*	Foreign employees of foreign service suppliers sent abroad to supply a service (not linked to mode 3)
<b>Foreign employees of services foreign affiliates</b>	Intra-corporate transferees*	Foreign employees of foreign service suppliers established in the host country (linked to mode 3)
	Other foreign employees of foreign affiliates	
<b>Business visitors</b>	Service sellers*	Foreign business visitors
	Setting up a commercial presence*	

\* Categories referred to in Members' schedules of commitments.

#### IV. GATS MODE 4 INFORMATION NEEDS

26. The detailed information needs listed below correspond to what would ideally be needed from a trade perspective to assess the supply of services through GATS mode 4 from the viewpoint of the recipient/importing country. The sections IV and V will map identified needs with existing balance of payments/national accounts and employment/migration/tourism indicators/frameworks and suggest further breakdowns of these (and additional sources) to provide an appropriate and technically feasible response to the demand.

##### A. INFORMATION NEEDS

27. With respect to the information needs, two types of statistics were identified in order to assess mode 4: the **value** of the service provided and the **number of natural persons** moving (flows) and temporarily present (stocks) abroad in the context of the supply of a service.

28. Information on the number of persons and the value of services created should be provided for each of the Mode 4 categories of natural persons (types of contracts) identified. As shown in sections IV and V, information for each category can, through further disaggregation, be found in different parts of existing statistical frameworks.

29. The types of contracts/categories of natural persons identified above can be taken as major groups of natural persons for which statistical frameworks should provide information. As stated above, other categories such as graduate trainees, installers and servicers, personalities of international recognized reputation, etc. are considered in this note as sub-categories of either of these major groups.

**Table 3. Information needs for measuring mode 4**

	<b>Contractual service suppliers</b>	<b>Employees of services foreign affiliates (including ICTs)</b>	<b>Business visitors</b> (negotiations of sales or local establishment)
<b>Value of service supplied</b>	<b>Yes</b>	No (supply linked to mode 3)	No (no service is supplied)
<b>Number of natural persons</b>	<b>Yes</b>	<b>Yes</b>	Yes

30. As shown in table 3, information on the number of natural persons moving in the context of the supply of services should be collected for all mode 4 categories of persons, the priority being contractual service suppliers and intra-corporate transferees. However, in terms of the actual **value of the services trade, services provided by contractual service providers are of major interest**. These considerations are linked to the fact that:

- Business visitors are actually not engaged in the supply of a service. They are visiting the host country on behalf of the company they are representing in order to negotiate a service contract or to establish a commercial presence. The presence of these natural persons is linked to the supply of a service but they are not supplying the service themselves. The supply of the service to the consumer actually takes place under the other modes of supply (it may be supplied through mode 4 if that is what the business visitor has negotiated in the sales contract, but it is not his visit that is the actual supply);
- The presence of employees of services foreign affiliates (including intra-corporate transferees) takes place in relation with services supplied through mode 3 commercial presence. That is, it

is actually the juridical person which is the service supplier and the service will be provided through mode 3. However given the inclusion of this category under mode 4 (i.e. it is the mode 4 commitment that guarantees the right of the person to be present abroad in order for the affiliate to supply the service), it might still be interesting to have some sense of the contribution of these individuals to the value of the service supplied (see Section IV).

**B. BREAKDOWN OF INFORMATION NEEDS**

31. The breakdowns suggested correspond to what ideally would be of interest in order to assess GATS mode 4. However due to the structure of existing statistical frameworks such breakdowns will not always be feasible.

*Services supplied*

32. Information should be provided according to the services supplied by the services supplier. This should be drawn according to appropriate product or activity classifications (e.g.: BPM5/EBOPS, ISIC etc.). As this type of breakdown is seen as a first priority when collecting mode 4 related trade information, more detail regarding this particular aspect will be provided in sections V and VI.

*Country of origin*

33. As shown in table 4 in terms of bilateral trade (movement) information, it is the country of origin of the service supplier that matters. Therefore for independent professionals or self-employed business visitors it is the citizenship of the natural persons (or the territory of permanent residence for countries which accord the same treatment to residents as they do to nationals in respect to the supply of a service) that should be considered. The country of origin of the juridical person should be identified for the following categories of natural persons: contractual service suppliers – employees of juridical persons, business visitors employed by a juridical person and employees of services foreign affiliates (including intra-corporate transferees). However it will also be interesting to obtain information according to the citizenship of the natural persons.

**Table 4. Country of origin by mode 4 category of natural person**

	<b>Contractual service suppliers</b>		<b>Employees of services foreign affiliates</b>		<b>Business visitors</b> (negotiations of sales or local establishment)	
	Independent professionals	Employees of juridical person	Intra-corporate transferees	Other	Self-employed	Employees of juridical person
<b>Natural person</b>	X	X	X	X	X	X
<b>Juridical person</b>		X	X	X		X

### *Duration of stay*

34. There is no standard upper limit for the duration of stay. The durations indicated throughout this document correspond to a summary of what WTO Members have indicated in their commitments.<sup>11</sup> Depending on the category of natural person the existing statistical area which will most closely provide relevant information will differ as the inclusion or exclusion in current statistical frameworks often depends on a "one-year rule" (see Sections IV and V). In addition, commitments made by Members are actually a minimum that they guarantee to their partners. In reality, Members may be more liberal than what they have committed.

35. As a first stage, it seems that the best way to proceed is to focus on the categories of natural persons without any limit in the duration of stay, and then try to identify a breakdown into more specific time periods. A one year guideline could probably still be useful in order to separate short-term (less than one year) and long-term movements (more than one year). For categories such as contractual service suppliers and business visitors stays may often be short (e.g. less than three months) and information for these categories may be difficult to capture in some areas.

### *Type of occupation / skills*

36. A number of Members' commitments refer to certain types of occupations (or skills) of natural persons such as managers, executives, specialists (please note that occupations/skills may not exclusively be limited to the ones listed here). It may therefore be useful to obtain information by type of occupation, derived using for instance the ILO International Standard Classification of Occupations (ISCO). If this is possible, statistics should also be provided according to a breakdown of skills and this could be done using ISCO as it is built according to skill level and skill specialization. The updated ISCO-08<sup>12</sup> should improve the international comparability of occupation data classified by skill level as there will be no parallel groups at different skill levels. It seems important to note that skill levels are not always comparable between countries. The International Standard Classification of Education (ISCED) could also provide a useful breakdown according to the education level.

### Questions for discussion:

1. Do you agree with the identified information needs with respect to the different mode 4 categories ?
2. Do you agree that the use of the one year guideline would provide a good starting point in separating short movements from longer term ones?
3. Could the proposed breakdowns of information by country of origin/destination, by type of occupations/skills, etc. be envisaged?

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<sup>11</sup> Contractual service suppliers: 3 months – 1 year (rarely more than 2)  
Business visitors: less than 3 months  
Intra-corporate transferees: > 2 years and < 5 years (or more)

<sup>12</sup> ISCO-08, is scheduled to be formally approved by the ILO's Governing Body in 2008.

## V. MEASURING THE VALUE OF SERVICES SUPPLIED THROUGH GATS MODE 4

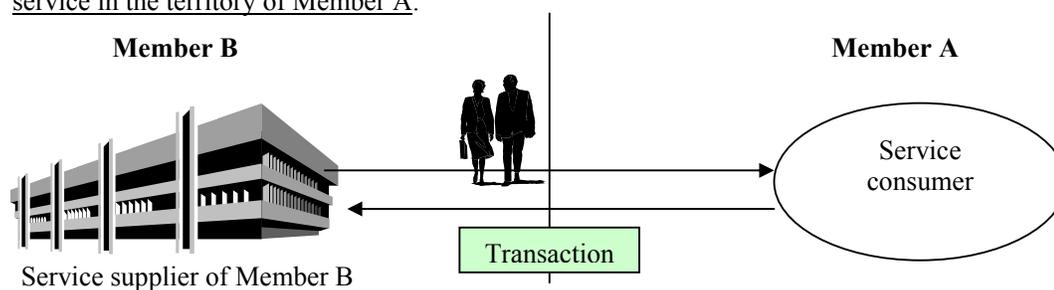
37. The aim of this section is to identify in the existing BPM and SNA frameworks a number of monetary indicators that would help in evaluating the value of services supplied through mode 4. The information necessary to assess mode 4 is believed to be already covered by existing statistics but not yet available separately. These indicators will therefore probably need some refinement.

38. For the estimation of the value of services supplied through mode 4, the indicators will differ depending on the category of natural persons considered. This section therefore links the categories of persons identified in the previous section to categories of persons as defined in the BOP / SNA frameworks. For each of these categories, table 6 summarizes the BOP items to which the transactions (imports of services, compensation of employees and workers' remittances) should in principle be classified according to the BPM5 (and SNA) and the Manual on Statistics of International Trade in Services.

### A. CONTRACTUAL SERVICE SUPPLIERS

39. As indicated in Section III this category actually corresponds to the **heart of the valuation of mode 4 flows** which deserves particular attention (even though it is likely that these do not represent important flows in the overall Services account of the balance of payments). In order to illustrate the cases identified, consider the provision of a computer service by a service supplier of Member B in the territory of Member A. Considering the one year guideline for residency in the balance of payments, this would cover four cases (from the point of view of the receiving/importing country, Member A):

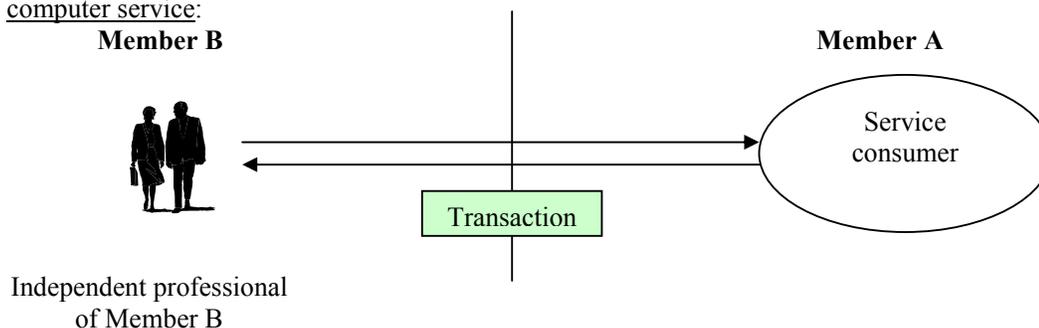
- A computer service supplier of Member B sends his employee(s) to supply a computer service in the territory of Member A:



The balance of payments should record the flows as follows:

- a) < 1 year Imports of computer services
- b) > 1 year Imports of computer services (transaction between the Member A client and the Member A-based service supplier remains): according to BPM5 (para. 73 and 78), if production (e.g. services) is undertaken outside the economic territory of the resident enterprise but the enterprise does not maintain a production establishment in the country (i.e. does not plan to operate indefinitely, does not maintain a separate set of accounts), the activity should be classified as an export of services by a resident enterprise.

- Independent professional of Member B enters the territory of Member A to provide a computer service:



The balance of payments should record the flows as follows:

- a) < 1 year Imports of computer services
- b) > 1 year Workers' remittances, debits: as in this case the service supplier is no longer a non-resident, the balance of payments will no longer show a resident/non-resident service transaction. However the independent service supplier will still be receiving a remuneration for the service provided and the only flow that will appear in the balance of payments will be the amount (residual between his remuneration, consumption and saving in the host country) he remits to his home country (if he does remit). In national accounts the appropriate flow will be recorded as compensation of employees (which will be the best approximation of the services contract in this case).

40. As shown above **balance of payments services statistics** include transactions relating to services supplied through non-resident service suppliers (including the supply through the movement of natural persons) and **should cover the majority of the total value of services provided by contractual service suppliers.**

41. Balance of payments services transactions are thus relevant to mode 4. However in many cases a single service transaction covers more than one mode of supply and for a number of service items of the balance of payments the mode 4 component is believed to be statistically relatively marginal, but ideally it would be of interest to identify this component separately.

42. It would therefore be worthwhile investigating through a survey (or other means?) how this information could be identified (or estimated) separately for services items where the country believes it has a particular interest in the supply of this service through the movement of their contractual service suppliers. Of course this would have to be adapted to each country's system for recording balance of payments statistics. India, which has a strong interest in this particular mode of supply especially in the context of computer services, recently surveyed its IT companies on their trade in services (first results were released in RBI, *Computer Services Exports from India: 2002-03*, September 2005). This survey, which covered all companies identified as being software and IT services exporters, included questions relating to the four modes of supply (as defined by the GATS). From this survey the Reserve Bank of India concluded that 15% of its exports of computer services for 2002-2003 took place through mode 4. It would therefore be interesting to learn more about this experience, and see what could be used in this context (how were the questions formulated, etc.).

43. Although it should probably not only be limited to these items (depending in each country's interest), the following BPM5 services items where the supply through the presence of a foreign natural person is believed to possibly be an important component for a number of countries, are particularly relevant for measuring mode 4: computer and information services, other business services, personal, cultural, and recreational services, and construction services.<sup>13</sup> As stated above, mode 4 related items are deemed to cover indistinguishably transactions related to other modes of supply: mainly mode 1 (cross-border supply) for computer and information services, other business services, personal, cultural, and recreational services, and mode 3 (commercial presence) for construction services, which may be indeed statistically more significant in many cases.

44. The table below lists items which may be relevant in the context of mode 4 information gathering in the balance of payments/Extended Balance of Payments Services Classification (EBOPS) frameworks. As stated earlier and as identified in the Manual on Statistics of International Trade in Services, items (and their breakdowns) shown in bold are believed to be more relevant in a GATS mode 4 context for a large number of countries.

**Table 5. BPM5/EBOPS items to be considered in the context of GATS mode 4**

205	Transportation
206	Sea transport (207 Passenger, 208 Freight, 209 Other)
210	Air transport (211 Passenger, 212 Freight, 213 Other)
214	Other transport (215 Passenger, 216 Freight, 217 Other, and Extended classification)
<b>249</b>	<b>Construction services</b>
250	Construction abroad
251	Construction in the compiling economy
253	Insurance services
258	Auxiliary services
260	Financial services
<b>262</b>	<b>Computer and information services</b>
263	Computer services
<b>268</b>	<b>Other business services</b>
273	Miscellaneous business, professional and technical services
274	Legal, accounting, management, consulting, and public relations
275	Legal services
276	Accounting, auditing, bookkeeping, and tax consulting services
277	Business and management consulting and public relations services
278	Advertising, market research, and public opinion polling
279	Research and development
280	Architectural, engineering, and other technical services

<sup>13</sup> It should be noted that these categories do not readily correspond with those used by many WTO Members for the purposes of making commitments under Mode 4 (see Annex 1) and that the types of services which may be provided through mode 4 are not limited to the BPM5 categories listed in this document.

281	Agricultural, mining, and on-site processing services
283	Agricultural, mining, and other on-site processing services
284	Other business services
<b>287</b>	<b>Personal, cultural and recreational services</b>
288	Audiovisual and related services
289	Other personal, cultural and recreational services
895	Education services
896	Health services
897	Other

See Manual on Statistics of International trade in services for definition of items listed in the table.

45. The Manual on Statistics of International Trade in Services proposes a simplified approach as a starting-point to extract trade values by modes of supply. The merit of such an approach is more to illustrate the relationship between modes of supply and services items than to allow their full allocation.<sup>14</sup> In fact there is no one-to-one mapping between modes of supply and service transactions.

46. At a later stage, statistics referring to the supply of services by contractual service suppliers should ideally be broken down according to appropriate BPM5 or EBOPS items. Again, information broken down by category of natural persons (independent professional and employee of a foreign service supplier) would of course also be of interest.

47. Difficulties may appear for the collection of information for independent professionals (either non-residents or residents). For non-residents, the border line between a service contract and an employment contract may be difficult to define (see box 1 for a discussion on the differentiation between employment and service contracts), which could lead to the different allocation of this information (for practical reasons or not) in the balance of payments. How do statistical compilers differentiate between services contracts (transactions falling under the appropriate services item) and employment contracts (classified as compensation of employees)? For resident independent service suppliers the corresponding transactions will also have to be collected and they should in theory appear in the balance of payments under workers' remittances. In the national accounts the remuneration received for the service supplied will be recorded as compensation of employees.<sup>15</sup> Given the size of transactions involved it may be extremely difficult to identify this specific mode 4 category within the item workers' remittances (in the balance of payments) and compensation of employees (in national accounts).

#### B. FOREIGN EMPLOYEES OF SERVICES FOREIGN AFFILIATES (INCL. INTRA-CORPORATE TRANSFEREES)

48. This section provides more detail on what should be measured in value terms with respect to the presence and the movement of foreign employees of services foreign affiliates and ICTs. The section also identifies more specific cases where the supply of the service is taking

<sup>14</sup> Singapore has published results according to this approach in 2000 but has never updated this information. Australia published a number of results according to modes of supply, which consisted in separating their mode 2 related transactions (travel) from other services transactions (shown as mode 1+4).

<sup>15</sup> Actually compensation of employees (in the national accounts) could be seen as an approximation of the value of services, whereas workers' remittances (in the balance of payments) could be used to assess the benefits to the sending country.

place through contractual service suppliers (from the point of view of the importing country) and where an affiliate located in a third country may be involved in the contract/transactions.

*Presence/movement of employees linked to mode 3 and supply of services in the host country*

49. Although the service is actually supplied through mode 3, the presence (and movement) of intra-corporate transferees and other foreign employees of services foreign affiliates is covered by mode 4 commitments. It still may be of interest to have a sense of the contribution of these persons to the supply of the service through mode 3. Actually the ICTs and other foreign employees of the services foreign affiliate do not necessarily have to be directly involved in the provision of the service. For instance, in the case of a financial services company, the person which enters A, as an ICT or as a foreign employee of the affiliate located in Member A, may be sent as a financial or computer specialist to work for this company. But what is relevant is the financial service provided by the company (i.e. through mode 3) to the final consumer located in Member A.

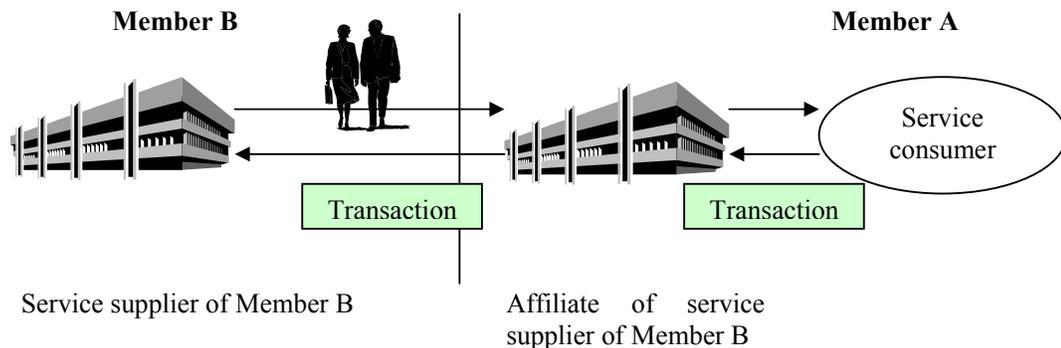
**Box 1. The difference between employment contracts and service contracts :**

There may be several ways of differentiating between employment and services contracts:

1. The System of National Accounts 1993 (para 7.27) states that "A distinction can be drawn between two cases which, in principle, are quite different from one another:
  - a. The person is remunerated directly, or indirectly, on the basis of the amount of work done-i.e., by the amount of labour that is contributed as an input into some process of production, irrespective of the value of the output produced or the profitability of the production process. This kind of remuneration implies that the worker is an employee; or
  - b. The income received by the person is a function of the value of the outputs from some process of production for which that person is responsible, however much or little work was put in. This kind of remuneration implies that the worker is self-employed."
2. Law in several OECD countries (such as France, Portugal, Greece or Canada) enables to distinguish between both types of contracts in a different way. An employment contract is defined using the following criteria: a) remuneration that does not depend on profits; b) work under supervision or strict guidelines; c) use of capital equipment, information services, or premises of others; d) presence of a link of subordination between the employee and the employer, (i.e. the employer organises, controls the work and sets the working hours). The distinction between employment contracts and services contracts is usually made using the fourth criteria: in certain cases, the courts of justice have to question the existence of an employment contract between two parties before being able to state on the application of an employment regulation. This can be the case with service contractors that habitually provide their services to the same business. The existence or not of an employment contract will depend on the existence of the link of subordination, consequently the court will look for organisation constraints, for the presence of controls and at the definition of working hours. This will have important consequences : i.e. application or not of the employment legislation in case of dismissal, industrial injuries, existence of paid vacations, affiliation to the social security and payment of the relevant contributions.
3. ICSE 93 also provides information for the distinction between employment contracts (i.e. for 'employees') and self-employment contracts (i.e. for 'service providers') with the main emphasis placed on 'economic risks' and 'authority'  
<http://www.ilo.org/public/english/bureau/stat/class/icse.htm>.

50. Theoretically four cases may be identified in the balance of payments depending on the statistical residency status of the intra-corporate transferee, as well as on which payrolls he/she appears (does he/she remain on the payrolls of the company located in B or is he/she on the payrolls of the affiliate in A?). The treatment for the other foreign employees of the services foreign affiliate is covered by the cases where the employee is on the payrolls of the affiliate.

- A financial service supplier of Member B sends his employee(s) (either a financial services person or a computer specialist for instance) to work in its affiliate located in the territory of Member A in the context of the supply of a financial service to consumers in A:



The balance of payments should record the flows as follows:

- a) < 1 year
  - aa) remains on payrolls of Member B Imports of services (financial or computer)
  - ab) on payrolls of affiliate in A Compensation of employees
- b) > 1 year
  - ba) remains on payrolls of Member B Imports of services (financial or computer)  
What is the likelihood of such an arrangement?
  - bb) on payrolls of affiliate in A Worker's remittances (or compensation of employees in the national accounts framework)

51. If the person is on the payroll of the affiliate of Member A, the related information should in principle be recorded under the balance of payments labour related flows (compensation of employees and workers' remittances). Estimating separately compensation of employees and worker's remittances in the context of intra-corporate movements (and other employment of foreigners in the context of mode 3) would provide a very rough proxy for the contribution of these persons to the supply of the service through mode 3.

52. This information could also be drawn from the FATS framework (compensation of employees) or the national accounts however long the intra-corporate transferee is paid by the affiliate. Whatever solution is retained, this information could be broken down according to the main activity of the enterprise, as a first priority differentiating between goods and services related activities, and if possible in the future according to the services activities of the ISIC Categories for Foreign Affiliates (ICFA, see Manual on Statistics of International Trade in Services).

53. According to the Balance of Payments Manual the case aa) would appropriately be included in services transactions. However what happens when the person remains on the payrolls of the enterprise located in Member B and continues working for the affiliate located in A after one year? One could assume that they would still be recorded as an import of services (does this occur as for the case of contractual service suppliers?). If these flows are appropriately classified as services, these should be recorded in the balance of payments under the service that

is actually provided by the natural person to the enterprise, which will not always correspond to the service that is actually supplied in the territory of Member A by this enterprise. As presented by the Bank of Japan ("Corporation to corporation transfers related to intra-company transferees"), if these are classified as services, at the time of writing they will most probably be included in the EBOPS item Services between affiliated enterprises n.i.e. (which should be suppressed in the future version of EBOPS, and these intra-firm transactions should be classified according to the service actually supplied).

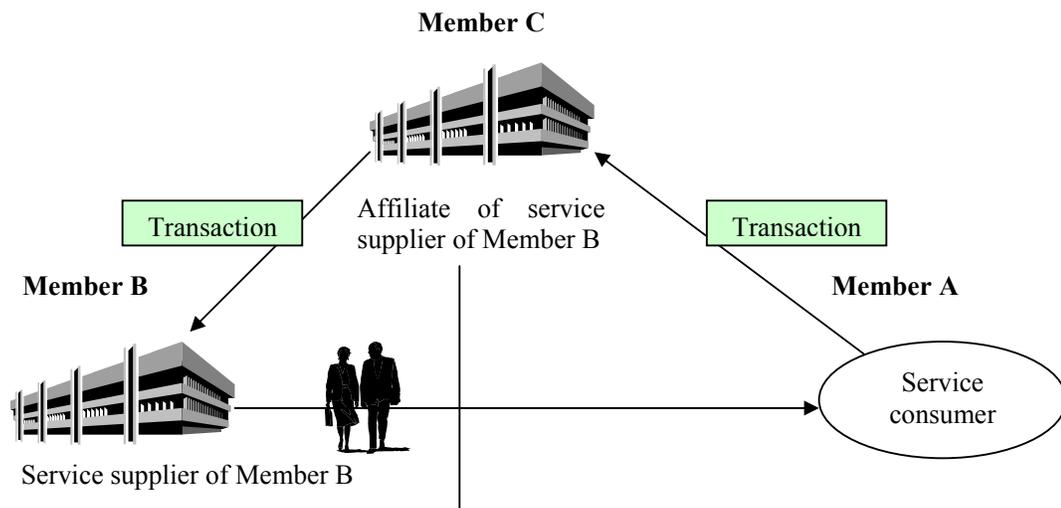
54. The link of subordination rule that allows to distinguish between an employment contract and a services contract (see box 1.) also is a rule that can be applied in distinguishing between intra-corporate transfers that involve intra-firm service trade as defined in statistical frameworks (subordination remains with the sending legal entity, located in Member B) and those that involve transfers of personnel abroad (the link of subordination is with the receiving legal entity in Member A unless he/she is the chief executive officer). In general the former will be for short periods and the latter for extended periods. These considerations could bring to the conclusion that in practice options aa) and bb) are likely to be the most appropriate cases in the context of intra-corporate transferees.

55. The Bank of Japan provided a number of other interesting points with respect to the specific treatment of flows related to intra-company transferees. It identified a number of additional ways of recording the flows relating to intra-corporate transferees (other current transfers, direct investment, services, other investment or workers' remittances). It concluded that it may be appropriate to consider a new item in the balance of payments for intra-corporate transferees. As noted by the Bank of Japan the recording of flows associated with this category of entrants should probably be further explored by the technical sub group.

*What happens when several Members are involved in the supply of a service?*

56. The following example is provided as it shows how difficult it may be in reality to estimate and classify trade in services by mode of supply, especially when the supply of the service implies commercial presence in the territory of a Member which differs from the Member where the service is supplied.

- A computer service supplier of Member B sends his employee(s) to Member A in the context of the supply of a computer service to consumers in A; the service contract (and corresponding transactions) is between the affiliate of the service supplier of B located in C:



57. The case shown above is worth mentioning as it may be quite common for a number of services suppliers (notably for computer services). It could either refer to a service supply through mode 3 which includes a mode 4 element (as an ICT) or a contractual service supply through mode 4 depending on the point of view you adopt. From the point of view of Member A (the importing/receiving country) this would be a mode 4 contractual service supply as only a commitment for this category will enable the natural person to enter its territory. B could consider this as sales through mode 3 (with a mode 4 ICT element which enables the supply of the service through mode 3).

58. In balance of payments statistics A will record an import of service from C and C will record an export to A. B and C will record direct investment related income flows or services flows. This should be the same if the service supplier is located in Member C, negotiates the contract and asks its affiliate in B to send a person to fulfil the supply of the service in Member A. For B and C this information may also be available through a geographical breakdown of exports/imports of services in FATS statistics. However such a breakdown does not seem realistic.

### C. SUMMARY

59. Table 6 provides a summary of identified BOP/SNA indicators for assessing GATS mode 4, for each of the categories of entrants identified, and broken down according to the type of contract and the residency principle ("one year guideline") as defined in economic statistical frameworks. With respect to breakdowns identified in the information needs, having such breakdowns by service product (or activity, including a distinction between related/unrelated trade) and by partner country are part of the recommendations of BPM5 and the Manual on Statistics of International Trade in Services. In addition, as stated previously, using the "one-year guideline" should provide useful information on the duration of stay (short-term versus long-term) for the provision of various services. However having a breakdown according to the type of occupation/skills is not seen as possible.

#### Questions for discussion:

1. Do you agree with the proposed collection of information for contractual service suppliers, i.e. separate identification of **mode 4 component in services transactions**, and in workers' remittances (or compensation of employees in national accounts) for the case of resident self-employed persons? Are there other ways of identifying the value of services provided by contractual service suppliers?
2. It would be useful to conduct case studies and pilot projects in order to have a clearer idea of the importance of mode 4 (and of mode 1) in the balance of payments services transactions. Could this be implemented? How?
3. For services provided by non-resident self-employed persons, are the related transactions classified in the balance of payments under service transactions? To what extent these transactions will not fall under compensation of employees?
4. Should the collection of mode 4 BOP services information be limited to the four BPM5 items listed above or expanded to other categories of interest to a country?
5. With respect to intra-corporate transferees and other foreign employees of services foreign affiliates, do you agree with the proposed allocation of flows in balance of payments items (or FATS or SNA frameworks)?
6. As suggested by the Bank of Japan, should the recording of transactions related to intra-corporate transferees be further explored?

**Table 6. GATS mode 4: How to estimate the value of imports of services of the host country?<sup>16</sup>**

Type of contract	GATS Mode 4 category of natural persons	Where would host country record corresponding payments according to BPM5/SNA?	
		Working non-resident (< 1 year)	Working resident (> 1 year)
I. Service contracts, delivered in the host country	Contractual service suppliers: <ul style="list-style-type: none"> <li>➤ Employees of foreign service supplier</li> <li>➤ Independent professionals</li> </ul>	<ul style="list-style-type: none"> <li>➤ Imports of services</li> <li>➤ Imports of services</li> </ul>	<ul style="list-style-type: none"> <li>➤ Imports of services (transaction between resident consumer and non-resident supplier remains)</li> <li>➤ Workers' remittances? (or CoE in national accounts)</li> </ul>
II. Employment contracts with foreign (service producing) firms which have commercial presence in the host country	Employees of services foreign affiliates: Intra-corporate transferees Others	<b>No</b> (supply linked to mode 3) To have a sense of their contribution in the supply of the service through mode 3: <ul style="list-style-type: none"> <li>➤ Imports of services</li> <li>➤ Compensation of employees, debits</li> <li>➤ Or other BOP items or FATS or SNA (CoE)?</li> </ul>	<b>No</b> (supply linked to mode 3) To have a sense of their contribution in the supply of the service through mode 3: <ul style="list-style-type: none"> <li>➤ Imports of services</li> <li>➤ Workers' remittances, debits</li> <li>➤ Or other BOP items or FATS or SNA (CoE)?</li> </ul>
III. Self-employed or employed with foreign service producing firm but service is not actually supplied in host country	Business visitors for establishment of commercial presence for sales negotiations	<b>No</b> (no service is supplied)	

<sup>16</sup> Note that business visitors as defined in the GATS context (as well as in this note) are not the same as business visitors and travellers as defined in statistical frameworks (see section II for further information).

## VI. MEASURING THE NUMBER OF NATURAL PERSONS IN THE CONTEXT OF GATS MODE 4

60. Much in the same way as for the value of the service supplied, the estimation of the number of persons may depend on the category of natural persons considered and on the treatment of the duration of stay: for stays of more than one year migration/employment statistics may provide information and for the lengths of stay of less than 12 months tourism statistics may apply. For example, *business visitors* can be subject to a separate visa category, but can also be hidden under tourist visas, although some countries have “GATS” or “service seller” visas which roughly correspond to this category. *Intra-corporate transferees* are also covered by special visa categories in some OECD countries and industry surveys can also be a useful source, as can the FATS statistical framework. *Foreign employees of foreign established companies* could appear under intra-corporate transferee visas. As shown below, border surveys could also be an interesting source of information.

61. Unlike for the value of services traded where BOP (and SNA/FATS) seemed to be the most appropriate source, it seems unclear at this stage to establish where mode 4 information on the number of persons could be drawn from (and how). Such information may in some instances be available in more than one statistical framework (see above). In addition information on both the number of persons moving abroad (**flows**) and staying temporarily abroad (**stocks**) in the context of a mode 4 supply of a service should be collected.

62. This section provides a list of possible sources (established by the OECD) where it is believed that such information could be derived and separately identified. A table (similar to the one prepared for the value of services) for the number of people crossing borders (and staying temporarily abroad) for the supply of services was also prepared (table 7).

63. Further research in this field will be necessary and experience of appropriate experts (migration/labour/tourism) would be invaluable to identify a set of useful information. Estimating the number of persons crossing borders in the context of contractual service suppliers (including independent professionals) and foreign employees of services of foreign affiliates (mainly intra-corporate transferees) is seen as a priority. Although this is not seen as a priority from a GATS perspective, it may probably be of interest to also obtain such information for business visitors.

### A. MIGRATION/LABOUR STATISTICS AND PERMITS SYSTEMS

64. Migration/labour statistics in a number of countries provide useful information on temporary foreign workers.

#### 1. United Nations Recommendations on Statistics of International Migration Revision 1

65. The Recommendations on Statistics of International Migration Revision 1 (RSIM) define two main groups of internationally mobile persons: non-migrants, and international migrants (of which short-term migrants and long-term migrants). RSIM also provides a framework for the compilation of statistics on inflows and outflows of these groups of persons. As shown below, a number of categories and subcategories within these groups and related frameworks are relevant in the context of mode 4 measurement.<sup>17</sup>

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<sup>17</sup> Note that the list below only contains partial information, which is considered relevant in the context of this paper. For a more detailed description of categories and breakdowns, refer to the UN Recommendations on Statistics of International Migration, Revision 1.

66. Two types of international migrants are identified in the RSIM. Short-term migrants refer to persons admitted in a country other than that of their usual residence for a period of at least 3 months and less than 12 months, except in cases where the movement to that country is for purposes of recreation, holiday, visits to friends and relatives, business, medical treatment or religious pilgrimage. Long-term migrants are persons who move to a country other than their usual residence for a period of at least a year, so that the country of destination becomes their country of usual residence. The following categories may include categories of persons relevant with respect to mode 4:

- (a) From the point of view of a receiving country (inflows and outflows):
- (i) **Foreign trainees:** persons admitted by a country other than their own to acquire particular skills through on-job training. This could cover the specific categories of mode 4 ICT persons (those moving for training purposes).
  - (ii) Within the category of foreigners admitted for employment, **(foreign) migrant workers** admitted by a country other than their own for the explicit purpose of exercising an economic activity remunerated from within the receiving country. It is recommended that appropriate distinctions with respect to duration of stay be made.<sup>18</sup> With respect to GATS mode 4, this category should cover independent professionals and intra-corporate transferees which are remunerated by the services foreign affiliate established in the host country.

It is unclear whether the categories (iii) and (iv) below are relevant in a mode 4 context.

- (iii) **Migrants having the right to free establishment or movement:** Foreigners who have the right to enter, stay and work within the territory of a State other than their own by virtue of an agreement or treaty concluded between their State of citizenship and the State they enter. This category could cover persons falling in any of the mode 4 groups.
- (iv) **Migrants for settlement:** foreigners who are granted permission to stay for a lengthy or unlimited period, who are subject to virtually no limitations regarding the exercise of an economic activity.
  - **Employment based:** foreigners selected for long-term settlement because of their qualifications and prospects in the receiving country's labour market. However they are not admitted expressly to exercise a particular economic activity.
  - **Entrepreneurs and investors:** Foreigners granted the right to long-term settlement in a country on condition that they invest a minimum sum of money or create new productive activities in the receiving country. This could include independent professionals, and would be linked to mode 3.

- (b) From the point of view of a sending country (outflows and inflows):

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<sup>18</sup> At least 3 months but less than 12; one year or more but limited; unlimited; unknown.

- (i) Citizens departing to study or be trained abroad (or returning)
- (ii) Citizens departing for employment abroad (or returning): Persons leaving their own country for the explicit purpose of exercising an economic activity abroad that will be remunerated from within the country of destination. Seasonal migrant workers, contract workers, project-tied workers, temporary migrant workers, self-employed workers and highly skilled workers should all be included in this category.
- (iii) Citizens departing to exercise their right of free establishment abroad
- (iv) Citizens departing to settle abroad
- (v) Other migrating citizens

67. Non migrants refer to categories of internationally mobile persons who do not satisfy the general definition of international migrant, whether long-term or short-term, or who are traditionally excluded from international migration statistics (mainly diplomatic or consular personnel, military personnel, and their dependants and employees). With respect to non-migrants, the following categories include persons which could be relevant for GATS mode 4:

- (a) From the point of view of a receiving country (inflows and outflows):
  - (i) Within the category of foreign visitors (from abroad to the country), **Foreign business travellers**<sup>19</sup> cover persons on short visits related to business or professional activities not remunerated from within the country of arrival, whose length of stay is restricted and cannot surpass 12 months. According to this definition this subcategory would cover indistinguishably persons entering a country as a mode 4 business visitors, contractual service suppliers as employees of foreign juridical persons or intra-corporate transferees who remain employees of the foreign established legal entity. Of course this category would also cover non-mode 4 related persons such as those whose visit is related to the provision of goods.
- (b) From the point of view of a sending country (inflows and outflows):
  - (i) **Foreign visitors (from country to abroad)** covers notably foreigners whose place of usual residence is the country from which they depart and who intend to remain abroad for less than 12 months for business or professional activities. However no breakdown of foreign visitors (from country to abroad) is recommended. In addition no indication is provided with the source (country of origin) of his/her remuneration. It should therefore also cover the same categories of mode 4 persons from the point of view of a sending country as well as independent professionals and employees of locally owned enterprises.
  - (ii) Within the category of "citizen" visitors (from country to abroad), "**citizen" business travellers** cover citizens on short visits abroad for business or professional activities not remunerated from within the country of destination whose length of stay abroad does not surpass 12 months.

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<sup>19</sup> The separate identification of this category is recommended. Note that business visitors as defined in the GATS context (as well as in this note) are not the same as business visitors and travellers as defined in statistical frameworks (see section II for further information).

Border workers (both from the receiving and sending point of view, whether foreigners or citizens) may include some information of interest under the condition they are present in the context of GATS mode 4.

## 2. Sources of migration statistics

68. The principal sources of migration statistics include population registers, residence or work permits, censuses and surveys, as well as other sources<sup>20</sup>:

- "**Population registers** are accounts of residents within a country. They are typically maintained via the legal requirement that both nationals and foreigners residing in the country must register with the local authorities. Aggregation of these local accounts results in a record of population and population movement at the national level. As a result, the registers can provide data on all migrant flows (inflows and outflows of both nationals and foreigners) as well as data on stocks of foreigners and nationals. For this reason they tend to be widely used. However there are some drawbacks: individuals often fail to record their departures and therefore data on outflows can be less reliable. Also, there are differences in the type of migrants counted which must be taken into account in international comparisons.
- **Permit data:** Residence and work permit data commonly form the basis of flow statistics for countries which do not have population registers. The data are necessarily more limited in scope as they do not capture all flows and it can be difficult to use them to generate stock and outflow data as these require careful accounting of the number of permits both issued *and* expired.
- **Census and household survey data:** Census data enables comprehensive, albeit infrequent analysis of the stock of immigrants (censuses are generally conducted every 5 to 10 years). In addition, many labour force surveys now include questions about nationality and place of birth, thus providing a source of annual stock data. However, some care has to be taken with detailed breakdowns of the immigrant population from survey data as sample sizes can be very small. Inevitably, both census and survey data may under-represent migrants, especially where they tend not to be registered for census purposes, or where they do not live in private households (labour force surveys do not usually cover those living in institutions, such as reception centres and hostels for immigrants)."
- A wide variety of other data sources (*e.g.* special surveys, counts at border crossings, analysis of landing cards) may sometimes be used.

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<sup>20</sup> Source: OECD International Migration Statistics CD ROM. "In International Migration Statistics (IMS), data for the European Union countries are taken from the 1995 Community Labour Force Survey. Since 1992, questions have been included in the survey which ask both the nationality and place of birth, thus enabling a comprehensive evaluation of the immigrant population (note that for Germany, data on place of birth are not available). Data for the United States and Canada are based on census data for 1990 and 1991 respectively, and for Australia from the 1996 Labour Force Survey. For the United States, the data allow the population to be divided into three categories: the foreign-born who are foreign nationals, the foreign-born who are US nationals and, the native born who are nationals (note that the possibility of being native-born and a foreign national only exists under exceptional circumstances). The data for Australia and Canada allow the population to be divided into two groups, the native-born and the foreign-born. Note that the data for the foreign-born in Canada exclude those who are non-permanent residents (about 190 thousand compared with 4.1 million permanent residents according to the 1991 Census). Data on the socio-economic characteristics of the immigrant population are in Part II of IMS (files IIORIGC, IIREGIO, IISAGEGR etc.)"

### 3. Available information and limitations with respect to mode 4 measurement

69. With respect to work permits, this could be a useful source, depending upon the extent to which mode 4 type workers (mainly contractual service suppliers and intra-corporate transferees) can be identified separately from workers seeking to enter the labour market (making this distinction may require the combined use of visa and work permit information). Work permits and visas indicate the country of origin of the worker and may indicate the economic sector, but information on occupation or educational level tends to be less frequent. However, where work permit systems are geared towards identifying higher skilled persons, information on occupation and education may be more readily available. While information on the type of contract may be collected as part of some visa or work permit schemes (where it is relevant to the criteria for a given category), this is unlikely to generally be the case. In general, such information is likely to be difficult to both obtain and interpret.

70. The OECD collects in its international migration statistics information about socio-economic characteristics of immigrant population. The most commonly used sources of socio-economic data on immigrant populations are censuses and labour force surveys. These could be of interest in the context of the measurement of the number of people involved in mode 4. The data presented are information about for instance total population, labour force, employment and unemployment of people born overseas and foreigners or foreigner/ country of birth unknown.

71. Household surveys may not adequately cover temporary cross-border movement. Even if the survey scope was designed to cover such people, the numbers involved in the survey observations may not permit detailed classification by occupation or by duration of the stay abroad. Administrative sources (immigration entry and exit cards, etc.) may not have data on occupation and skill. However when they do, will the quality of reporting and level of detail collected be sufficient to respond to mode 4 information needs?

72. Some of the issues in using currently available migration statistics include:

- Migration categories generally do not distinguish between service and non-service activities.
- It is not always possible to judge whether the activities covered by some visa categories are commercial and would qualify as the supply of a service under the GATS (for example, occupational trainees, professional exchange programs).
- Some visa categories include persons both consuming and supplying services (for example, exchange visitors encompass exchange students and visiting lecturers).
- In some countries, numbers for foreign temporary entrants may also include family members.
- Some movements are not recorded by visa and work permit registrations - e.g., for those nationalities which benefit from regional or bilateral agreements (e.g., within the EU or between the Nordic countries or Australia and New Zealand).
- Information not just on the types of visa issued, but on the number of actual arrivals for those visa categories would be useful; however, not all countries collect this.

73. In addition many countries lack special visa categories for short-term visitors and similar categories of particular interest to mode 4. In some countries, the choice can be between tourist and permanent migration visas - service providers in such countries often enter as tourists.

74. More work is necessary in order to identify GATS mode 4 categories (or at least refine breakdowns) within the categories of the RSIM (and national statistics on international migration). In addition as stated in WTO/OMT's document entitled "Clarifying the place of tourism in balance of payments and related macroeconomic frameworks", in the case of migration statistics it would be useful to clarify the case of all short-term visits for the supply of

services even those remunerated from within the country visited, as well as the case of persons staying more than one year in the host country, which remain remunerated by their country of origin.

75. Finally, the OECD is currently preparing a new questionnaire: "The Residence permit systems in OECD Member countries questionnaire"<sup>21</sup>. The aim of this questionnaire is to document for each country the national system of permits. A synthetic report will be prepared on the basis of information collected. As noted in the presentation of the questionnaire: "The scope of the project is defined as all visas and permits concerning international cross-border movements. Even short movements, for example of entertainers, are covered, provided they involve a permit or authorisation of some sort. The reason for including short stays is that such movements fall under trade in services (being addressed in the GATS negotiations) and it is useful to know what the current regulatory environment for these movements is. Tourist and business visit visas should be covered as well because, although they do not constitute international migration in the conventional sense or involve the exercise of an economic activity based in the host country, they are sometimes the only means for persons of certain nationalities to enter a particular country. Since a significant part of illegal migration is believed to be due to visa overstaying, it is not without interest to know what the means of legal entry are, even if the movements concerned are not generally considered international migration." The responses to this questionnaire could be useful in the context of future work on the measurement of mode 4.

#### B. TOURISM STATISTICS AND BORDER/PASSENGER SURVEYS

76. According to the Tourism Satellite Account: Recommended Methodological Framework (TSA), "the persons referred to in the definition of tourism are termed visitors". They are defined as "any persons travelling to a place other than that of his/her usual environment for less than 12 months and whose main purpose of trip is other than the exercise of an activity remunerated from within the place visited". Visitors coming for business and professional purposes<sup>22</sup> comprise activities such as "installing equipment, inspection, purchases, sales for foreign enterprises, attending meetings, conferences or congresses, trade fairs and exhibitions, employer incentives tourism, giving lectures or concerts,; programming tourism travel, contracting of accommodation and transport, working as guides and other tourism professionals; participation in professional sports activities; government missions, including diplomatic, military or international organization personnel, except when stationed on duty in country visited; crews on land vehicles; paid study and research, such as university sabbatical leaves, language, professional or other special courses in connection with and supported by visitor's business or profession." In other words in the TSA, "business visitors" refer to travellers whose purpose of visit is to perform a professional activity not remunerated from within the economy visited. This would mean that it would cover GATS mode 4 business visitors, contractual service suppliers as employees of foreign juridical persons and intra-corporate transferees not remunerated from within the country visited.

77. The World Tourism Organization (WTO/OMT) is currently developing a "Border Survey Model"<sup>23</sup> which, as stated above, includes visitors not supposed to be remunerated from the place visited (he/she can then still be remunerated by his home country). The proposed questionnaire is divided into four blocks: information about (i) travellers; (ii) means of transport; (iii) their stay

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<sup>21</sup> Questionnaire is attached in Annex 7.

<sup>22</sup> Note that business visitors as defined in the GATS context (as well as in this note) are not the same as business visitors and travellers as defined in statistical frameworks (see section II for further information).

<sup>23</sup> The Tourism Satellite Account, Understanding Tourism and Designing Strategies, Contributions of the WTO to the Iguazu conference (3-6 October 2005)

and (iv) trip/visit organization and total expenditure. The WTO/OMT border survey asks some questions about the purpose of the visit into the host country that can be interesting in the mode 4 context. The possible answers are:

- A. Business / Professionals
  - A.1 Business
  - A.2 Attending congresses, fairs and exhibitions
  - A.3 Government mission
  - A.4 Crew members
  - A.5 Other reasons
- B. Shopping
- C. Transit
- D. Other

78. A further breakdown of the category "A.1 Business" (and probably "A.5 Other reasons") would provide information of great interest from a mode 4 point of view.

79. The United Kingdom publication "Travel Trends: A report on the 2004 International Passenger Survey" undertaken by the UK Office for National Statistics contains helpful data on the number of visits by purpose of visit and country of residence. The main aims of this survey are to provide information for the balance of payments, tourism policy or international migration. While the number of business visits is probably a good proxy for trade in services through the movement of people, additional information on mode 4 trade in various sectors could be obtained from breaking down the category "Visits for miscellaneous purposes". This category includes visitors for study, to attend sporting events, for shopping, health, religious or other purposes, etc). For more information see: [http://www.statistics.gov.uk/downloads/theme\\_transport/tt2003web.pdf](http://www.statistics.gov.uk/downloads/theme_transport/tt2003web.pdf)

80. Below is a model questionnaire which could be used in the context of a frontier survey for gathering information for balance of payments, tourism and migration purposes, and which could be useful for measuring mode 4:

- Q 1 Reason for travel
- Q2 Length of stay
- Q3 Expenditure by type of traveller

	Business travellers			Other travellers	
Travel Expenditure	Employed in host economy	Employed in home economy	Self-employed in home economy	Students	Others
Goods					
Accommodation					
Food and beverage serving services					
Other services					

C. FOREIGN AFFILIATES TRADE IN SERVICES (FATS) DATA:

81. The Foreign Affiliates Trade in Services data on the number of employees includes national and foreign employees (including ICTs) of the affiliates. Identifying ICTs and other foreign employees of the affiliates would of course be of great interest when assessing mode 4.

However as noted in the Manual on Statistics of International Trade in Services §4.57, “Although data would not, in general, appear to be available to identify separately the portion of employment by affiliates that is accounted for by employees from abroad, such information could be used for elaborating on the GATS presence of natural persons mode of supply”.

82. In the OECD FATS database information about the number of employees from abroad is not available separately but it could be of interest to look at for instance the number of employees working in specific services sectors such as “software consultancy and supply” (Item 722 of ISIC rev 3) or the legal, accounting, book-keeping, auditing activities” (Item 741 of ISIC) as such categories may refer to jobs that may be held by relatively high proportions of intra-corporate transferees. It could be of interest to investigate further whether it is possible to use this potential source of information.

#### D. SECTORAL STATISTICS FROM MINISTRIES, PROFESSIONAL REGISTERS AND COMPANIES:

83. Valuable information on mode 4 trade can sometimes be found at the industry (or sectoral ministry) level. Some professions - such as accountancy, architecture, consultancy, engineering, law and nursing - have become increasingly good sources - at least in some countries - of data on mode 4 trade. Companies and/or Ministries in these sectors have often collected extensive data on the number of people moving in the sector, to which countries, for what purpose and for how long. For example, a study undertaken on legal services in the UK by International Financial Services London [2003] provide relatively detailed information on the number of foreign lawyers working in the UK. PricewaterhouseCoopers has also undertaken a survey of how 271 companies from 24 countries organise their international assignments.<sup>24</sup> Another useful source of information, especially at the sector-specific level, could be recruitment firms. In some sectors such firms are already being closely monitored in terms of recruitment of temporary workers.

84. Some EU countries have started to keep registers on the movement and migration of health personnel within the EU and the EFTA countries. Similar exercises could be undertaken in other countries, and probably for other sectors.

#### E. SUMMARY

85. Table 7 summarizes this preliminary attempt to identify possible sources for measuring the number of persons crossing borders and staying temporarily abroad in the context of GATS mode 4 (shown in italics). Table 7 also attempts to link mode 4 categories of natural persons with the categories identified in the following statistical frameworks: UN Recommendations on Statistics of International Migration (RSIM) from the point of view of a receiving country and Tourism statistics (TSA). Using this table as a starting point, more work is necessary in order to identify appropriate categories of persons relevant in the GATS mode 4 context.

86. At the time of writing it seems very difficult (or impossible) to achieve a breakdown by type of service supplied by the service supplier as well as classify information according to the country of origin of the service supplier (except in the case of independent professionals).

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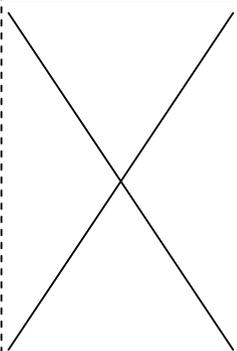
<sup>24</sup>. See PricewaterhouseCoopers, 2001; a previous survey was undertaken in 1997. PricewaterhouseCoopers is also greatly improving its in-house collection of data related to movement of people within the company. As a professional services company, employing 160 000 people in 150 countries, the company has, at any one time, 5 000 employees working outside their home country. The company is now systematically collecting monthly figures on inbound and outbound assignees in different areas of its operations.

However collecting information through the sources identified in this section would enable a classification according to the country of origin of the natural person. Finally, as stated above, a breakdown by type of occupation and/or skills seems difficult to achieve except in the case of population censuses (albeit infrequent).

Questions for discussion:

1. Do you agree with the list of sources identified for measuring the number of persons crossing borders and staying temporarily abroad for each GATS mode 4 category of persons? Are there other possible sources of information?
2. Do you agree that further research in this field is necessary?
3. Where would the following persons fall: contractual service supplier remaining in host country for more than one year and remunerated from outside the host country; independent professionals staying less than 3 months in the country visited (i.e. they are remunerated from within the country visited)?

**Table 7. Very preliminary attempt of possible sources for measuring the number of persons involved in GATS mode 4<sup>25</sup>**

Type of contract	GATS Mode 4 category of natural persons	What possible source for measuring the number of persons?		
		<3months	> 3months and < 1year	> 1 year
I. Service contracts, delivered in the host country	Contractual service suppliers:	<i>Residence permit systems</i> <i>Border/passenger surveys</i> <i>Statistics from sectoral ministries</i> <i>Professional registers</i>		
	➤ Employees of foreign service supplier	<b>RSIM:</b> foreign business travellers (non migrants)  <b>TSA:</b> business visitors	<i>Population censuses-household surveys</i>	?
	➤ Independent professionals	?	<b>RSIM:</b> foreign migrant workers (migrants)	
II. Employment contracts with foreign (service producing) firms which have commercial presence in the host country	Employees of services foreign affiliates:	<i>Residence permit systems</i> <i>Border/passenger surveys</i> <i>Foreign Affiliates Trade in Services (FATS)</i>		
	Intra-corporate transferees Others	<b>RSIM:</b> foreign business travellers (non migrants)  <b>TSA:</b> business visitors	<b>RSIM:</b> foreign trainees, foreign migrant workers, free establishment or movement, migrants for settlement (employment based, entrepreneurs/investors)? (migrants)	
III. Self-employed or employed with foreign service producing firm but service is not actually supplied in host country	Business visitors for establishment of commercial presence for sales negotiations	<i>Residence permit systems</i> <i>Border/passenger surveys</i>  <b>RSIM:</b> foreign business travellers (non migrants)  <b>TSA:</b> business visitors		

<sup>25</sup> Note that business visitors as defined in the GATS context (as well as in this note) are not the same as business visitors and travellers as defined in statistical frameworks (see section II for further information).

## VII. SERVICES LABOUR MIGRATION: A BROADER APPROACH TO THE SUPPLY OF SERVICES THROUGH THE MOVEMENT OF PERSONS

### A. DEFINING SERVICES LABOUR MIGRATION

87. Services labour migration as defined in this note refers to the movement of persons for work purposes in relation with the provision of services. It covers: :

- GATS mode 4 categories of persons as defined in this paper (see sections I to V);
- other services labour migration:
  - (a) natural persons from country B (the sending country) employed in country A (the receiving country) by a service firm of country A.<sup>26</sup> Given the interest in foreign natural persons employed by host country service suppliers, it seems interesting to accommodate this additional category in the statistical framework; and
  - (b) natural persons from country B (the sending country) with a service occupation employed in country A (the receiving country) by a non-services firm located in A (either locally owned or foreign).

88. A number of WTO Members consider all foreign temporary workers, even those supplying services on a contractual basis, to be employees for the purposes of bringing them under domestic labour law. These considerations do not mean that the coverage of the GATS is expanded, but they actually complicate efforts to separately identify foreign independent professionals from foreign individuals employed by host country (locally-owned) service suppliers (see box 1 in Section IV for a discussion on the difference between employment and service contracts).

89. Regional trade agreements can go beyond the categories of persons covered by GATS mode 4, or even the category of natural persons employed by a locally-owned service firm as outlined above. While some agreements only cover GATS mode 4 or movement in relation to services, others - while still focused on trade-related movement - are not limited simply to trade in services, but can include investors and persons from other sectors (e.g., manufacturing) (see Annex 6).

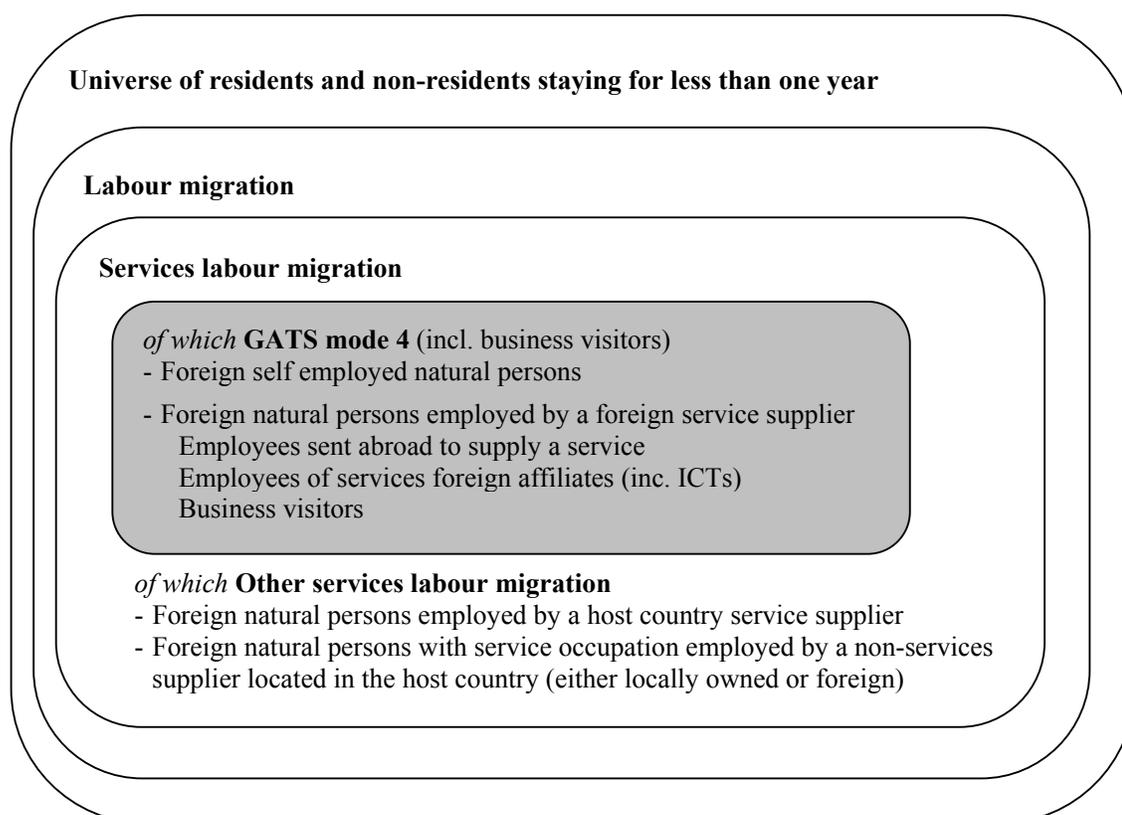
90. It would therefore also be interesting to consider foreign natural persons who have a service occupation and are employed by a host country firm engaged in services activity or any firm engaged in a non-services one (i.e. locally owned or foreign). This would permit to respond to some of the additional information needs of a number of regional trade agreements and analysts.

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<sup>26</sup> There is debate amongst a number of experts about whether this category of persons should be covered by GATS mode 4. This debate is based on the text of the GATS Annex on Movement of Natural Persons Supplying Services under the Agreement. The Annex applies to "measures affecting natural persons who are service suppliers of a Member, and natural persons of a Member who are employed by a service supplier of a Member, in respect of the supply of a service". The first category is clear - "natural persons who are service suppliers of a Member" covers self-employed (or independent service suppliers) who obtain their remuneration directly from customers (covered by the GATS definition above). The debate focuses on who is covered by the second category ("natural persons of a Member who are employed by a service supplier of a Member"). However as stated earlier in this note GATS mode 4 covers only employees of service suppliers of a Member sent to another Member in the context of the supply of a service (i.e. employees of a contractual service supplier sent to another Member to fulfil a service contract or to work in foreign affiliates of the service supplier established in another Member).

91. Chart 2 summarizes the different categories of persons identified in the broader universe recommended by the TSG for the measurement of the movement of persons (i.e. residents and non-residents staying abroad for less than one year).<sup>27</sup> It presents the subcategories of persons which should be covered when looking at the GATS mode 4 definition (considered in the previous sections of this note), the services labour migration approach and more generally labour migration. It shows how approaches complement each other. As stated earlier in this paper each category of natural persons (i.e., independent professionals, contractual service suppliers as employees of juridical persons, intra-corporate transferees, business visitors and employees of host country companies) should be considered separately in the framework in order to respond to all information needs with respect to both the GATS mode 4 definition and the broader services labour migration approach.

**Chart 2. Services labour migration and GATS mode 4** within the universe for the framework on the movement of persons

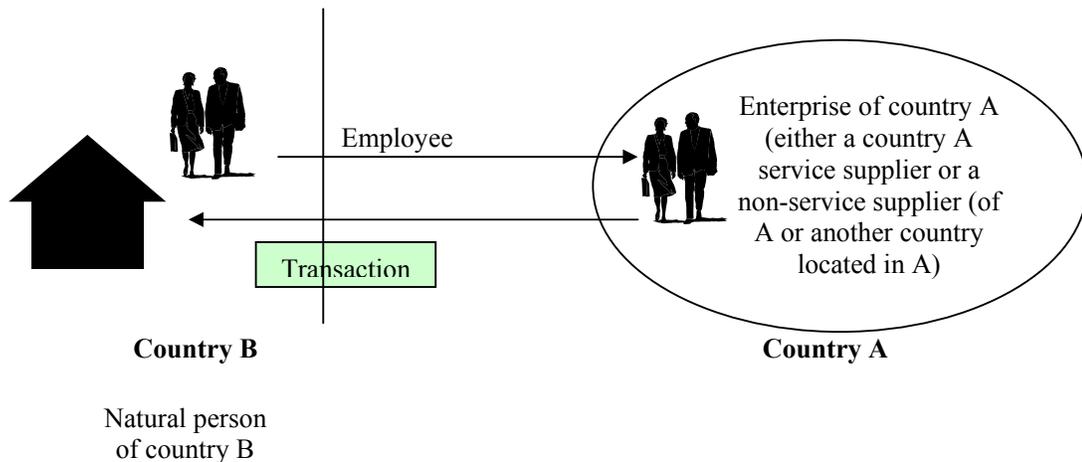


**B. MEASURING THE VALUE OF SERVICES SUPPLIED (OR WAGES) AND THE NUMBER OF PERSONS MOVING IN THE CONTEXT OF SERVICES LABOUR MIGRATION**

92. It may either be the service supplied by the firm that is of interest (best approximation will be compensation of employees) or the compensation received by the employee for the work performed depending on which category of "other services labour migration" considered. To illustrate the BOP/SNA transactions involved consider the case below:

<sup>27</sup> "Outcome Paper 2: Definition of the Universe for the Framework on the Movement of Persons", available at <http://unstats.un.org/unsd/tradeserv/subgroup.asp>.

Foreign natural persons employed by a country A service supplier or foreign natural person with service occupation employed by a non-services firm located in country A:



The balance of payments should record the flows as follows:

- a) < 1 year            Compensation of employees
- b) > 1 year            Worker's remittances (or compensation of employees in the national accounts framework)

93. Looking at existing balance of payments statistics, this information could be derived (with adjustments, i.e. service producing companies, exclusion of intra-corporate transferees, employees of international organisations, identify separately border workers, seasonal workers etc.) from the balance of payments item compensation of employees for stays of less than one year and worker's remittances for longer stays. Note that knowing the compensation of foreign employees of services foreign affiliates (intra-corporate transferees and others, Mode 4 category identified in previous sections) would also allow to separately identify the compensation received by persons covered by the "other services labour migration categories". Information could also be derived from the national accounts framework (compensation of employees).

94. With respect to the number of persons crossing borders and staying abroad in the context of services labour migration, the possible sources should be the same as those identified in section V and the same considerations apply with respect to the possibilities in terms of breakdowns. As stated above identifying the appropriate population seems to be the first stage in order to respond to information needs with respect to services labour migration.

95. The RSIM includes relevant categories to be considered in the context of services labour migration: foreign migrant workers, free establishment or movement and migrants for settlement (employment based, entrepreneurs/investors).

Questions for discussion:

1. Do you agree with the above sources identified for estimating the value of services provided (or wages)?
2. Do you agree with the above sources identified for estimating the number of persons crossing borders in the context of services labour migration?
3. Where would non-migrant workers (e.g.: seasonal workers for less than 3 months) be classified within the migration and tourism statistical frameworks?

## Annex 1. WTO Services Sectoral Classification List – MTN.GNS/W/120

<u>SECTORS AND SUB-SECTORS</u>	<u>CORRESPONDING CPC</u>
1. <u>BUSINESS SERVICES</u>	<u>Section B</u>
A. <u>Professional Services</u>	
a. Legal Services	861
b. Accounting, auditing and bookkeeping services	862
c. Taxation Services	863
d. Architectural services	8671
e. Engineering services	8672
f. Integrated engineering services	8673
g. Urban planning and landscape architectural services	8674
h. Medical and dental services	9312
i. Veterinary services	932
j. Services provided by midwives, nurses, physiotherapists and para-medical personnel	93191
k. Other	
B. <u>Computer and Related Services</u>	
a. Consultancy services related to the installation of computer hardware	841
b. Software implementation services	842
c. Data processing services	843
d. Data base services	844
e. Other	845+849
C. <u>Research and Development Services</u>	
a. R&D services on natural sciences	851
b. R&D services on social sciences and humanities	852
c. Interdisciplinary R&D services	853
D. <u>Real Estate Services</u>	
a. Involving own or leased property	821
b. On a fee or contract basis	822
E. <u>Rental/Leasing Services without Operators</u>	
a. Relating to ships	83103
b. Relating to aircraft	83104
c. Relating to other transport equipment	83101+83102+83105
d. Relating to other machinery and equipment	83106-83109
e. Other	832
F. <u>Other Business Services</u>	
a. Advertising services	871
b. Market research and public opinion polling services	864
c. Management consulting service	865
d. Services related to man. consulting	866
e. Technical testing and analysis serv.	8676
f. Services incidental to agriculture, hunting and	881

	forestry	
g.	Services incidental to fishing	882
h.	Services incidental to mining	883+5115
i.	Services incidental to manufacturing	884+885
		(except for 88442)
j.	Services incidental to energy distribution	887
k.	Placement and supply services of Personnel	872
l.	Investigation and security	873
m.	Related scientific and technical consulting services	8675
n.	Maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment)	633+
		8861-8866
o.	Building-cleaning services	874
p.	Photographic services	875
q.	Packaging services	876
r.	Printing, publishing	88442
s.	Convention services	87909*
t.	Other	8790
2.	<u>COMMUNICATION SERVICES</u>	
A.	<u>Postal services</u>	7511
B.	<u>Courier services</u>	7512
C.	<u>Telecommunication services</u>	
a.	Voice telephone services	7521
b.	Packet-switched data transmission services	7523**
c.	Circuit-switched data transmission services	7523**
d.	Telex services	7523**
e.	Telegraph services	7522
f.	Facsimile services	7521**+7529**
g.	Private leased circuit services	7522**+7523**
h.	Electronic mail	7523**
i.	Voice mail	7523**
j.	On-line information and data base retrieval	7523**
k.	electronic data interchange (EDI)	7523**
l.	enhanced/value-added facsimile services, incl. store and forward, store and retrieve	7523**
m.	code and protocol conversion	n.a.
n.	on-line information and/or data processing (incl.transaction processing)	843**
o.	other	

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\*The (\*) indicates that the service specified is a component of a more aggregated CPC item specified elsewhere in this classification list.

\*\* The (\*\*) indicates that the service specified constitutes only a part of the total range of activities covered by the CPC concordance (e.g. voice mail is only a component of CPC item 7523).

D.	<u>Audiovisual services</u>	
a.	Motion picture and video tape production and distribution services	9611
b.	Motion picture projection service	9612
c.	Radio and television services	9613
d.	Radio and television transmission services	7524
e.	Sound recording	n.a.
f.	Other	
E.	<u>Other</u>	
3.	<u>CONSTRUCTION AND RELATED ENGINEERING SERVICES</u>	
A.	<u>General construction work for buildings</u>	512
B.	<u>General construction work for civil engineering</u>	513
C.	<u>Installation and assembly work</u>	514+516
D.	<u>Building completion and finishing work</u>	517
E.	<u>Other</u>	511+515+518
4.	<u>DISTRIBUTION SERVICES</u>	
A.	<u>Commission agents' services</u>	621
B.	<u>Wholesale trade services</u>	622
C.	<u>Retailing services</u>	631+632 6111+6113+6121
D.	<u>Franchising</u>	8929
E.	<u>Other</u>	
5.	<u>EDUCATIONAL SERVICES</u>	
A.	<u>Primary education services</u>	921
B.	<u>Secondary education services</u>	922
C.	<u>Higher education services</u>	923
D.	<u>Adult education</u>	924
E.	<u>Other education services</u>	929
6.	<u>ENVIRONMENTAL SERVICES</u>	
A.	<u>Sewage services</u>	9401

B.	<u>Refuse disposal services</u>	9402
C.	<u>Sanitation and similar services</u>	9403
D.	<u>Other</u>	
7.	<u>FINANCIAL SERVICES</u>	
A.	<u>All insurance and insurance-related services</u>	812**
a.	Life, accident and health insurance services	8121
b.	Non-life insurance services	8129
c.	Reinsurance and retrocession	81299*
d.	Services auxiliary to insurance (including broking and agency services)	8140
B.	<u>Banking and other financial services</u> (excl. insurance)	
a.	Acceptance of deposits and other repayable funds from the public	81115-81119
b.	Lending of all types, incl., inter alia, consumer credit, mortgage credit, factoring and financing of commercial transaction	8113
c.	Financial leasing	8112
d.	All payment and money transmission services	81339**
e.	Guarantees and commitments	81199**
f.	Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:	
	- money market instruments (cheques, bills, certificate of deposits, etc.)	81339**
	- foreign exchange	81333
	- derivative products incl., but not limited to, futures and options	81339**
	- exchange rate and interest rate instruments, inclu. products such as swaps, forward rate agreements, etc.	81339**
	- transferable securities	81321*
	- other negotiable instruments and financial assets, incl. bullion	81339**
g.	Participation in issues of all kinds of securities, incl. under-writing and placement as agent (whether publicly or privately) and provision of service related to such issues	8132
h.	Money broking	81339**
i.	Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial depository and trust services	8119+** 81323*
j.	Settlement and clearing services for financial assets, incl. securities, derivative products, and other negotiable instruments	81339** or 81319**
k.	Advisory and other auxiliary financial	8131

	services on all the activities listed in Article 1B of MTN.TNC/W/50, incl. credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy	or	8133
I.	Provision and transfer of financial information, and financial data processing and related software by providers of other financial services		8131
C.	<u>Other</u>		
8.	<u>HEALTH RELATED AND SOCIAL SERVICES</u> (other than those listed under 1.A.h-j.)		
A.	<u>Hospital services</u>		9311
B.	<u>Other Human Health Services</u>		9319 (other than 93191)
C.	<u>Social Services</u>		933
D.	<u>Other</u>		
9.	<u>TOURISM AND TRAVEL RELATED SERVICES</u>		
A.	<u>Hotels and restaurants (incl. catering)</u>		641-643
B.	<u>Travel agencies and tour operators services</u>		7471
C.	<u>Tourist guides services</u>		7472
D.	<u>Other</u>		
10.	<u>RECREATIONAL, CULTURAL AND SPORTING SERVICES</u> (other than audiovisual services)		
A.	<u>Entertainment services</u> (including theatre, live bands and circus services)		9619
B.	<u>News agency services</u>		962
C.	<u>Libraries, archives, museums and other cultural services</u>		963
D.	<u>Sporting and other recreational services</u>		964
E.	<u>Other</u>		
11.	<u>TRANSPORT SERVICES</u>		
A.	<u>Maritime Transport Services</u>		
a.	Passenger transportation		7211

b.	Freight transportation	7212
c.	Rental of vessels with crew	7213
d.	Maintenance and repair of vessels	8868**
e.	Pushing and towing services	7214
f.	Supporting services for maritime transport	745**
B.	<u>Internal Waterways Transport</u>	
a.	Passenger transportation	7221
b.	Freight transportation	7222
c.	Rental of vessels with crew	7223
d.	Maintenance and repair of vessels	8868**
e.	Pushing and towing services	7224
f.	Supporting services for internal waterway transport	745**
C.	<u>Air Transport Services</u>	
a.	Passenger transportation	731
b.	Freight transportation	732
c.	Rental of aircraft with crew	734
d.	Maintenance and repair of aircraft	8868**
e.	Supporting services for air transport	746
D.	<u>Space Transport</u>	733
E.	<u>Rail Transport Services</u>	
a.	Passenger transportation	7111
b.	Freight transportation	7112
c.	Pushing and towing services	7113
d.	Maintenance and repair of rail transport equipment	8868**
e.	Supporting services for rail transport services	743
F.	<u>Road Transport Services</u>	
a.	Passenger transportation	7121+7122
b.	Freight transportation	7123
c.	Rental of commercial vehicles with operator	7124
d.	Maintenance and repair of road transport equipment	6112+8867
e.	Supporting services for road transport services	744
G.	<u>Pipeline Transport</u>	
a.	Transportation of fuels	7131
b.	Transportation of other goods	7139
H.	<u>Services auxiliary to all modes of transport</u>	
a.	Cargo-handling services	741
b.	Storage and warehouse services	742
c.	Freight transport agency services	748
d.	Other	749
I.	<u>Other Transport Services</u>	
12.	<u>OTHER SERVICES NOT INCLUDED ELSEWHERE</u> <sup>95+97+98+99</sup>	

## **Annex 2. Extract from the General Agreement on Trade in Services**

Reproduced below are the Preamble and Part I of the text of the agreement which defines the scope of the agreement as concerns trade in services.

### **General Agreement on Trade in Services**

- *Recognizing* the growing importance of trade in services for the growth and development of the world economy;
- *Wishing* to establish a multilateral framework of principles and rules for trade in services with a view to the expansion of such trade under conditions of transparency and progressive liberalisation and as a means of promoting the economic growth of all trading partners and the development of developing countries;
- *Desiring* the early achievement of progressively higher levels of liberalisation of trade in services through successive rounds of multilateral negotiations aimed at promoting the interests of all participants on a mutually advantageous basis and at securing an overall balance of rights and obligations, while giving due respect to national policy objectives;
- *Recognizing* the right of Members to regulate, and to introduce new regulations, on the supply of services within their territories in order to meet national policy objectives and, given asymmetries existing with respect to the degree of development of services regulations in different countries, the particular need of developing countries to exercise this right;
- *Desiring* to facilitate the increasing participation of developing countries in trade in services and the expansion of their service exports including, *inter alia*, through the strengthening of their domestic services capacity and its efficiency and competitiveness;
- *Taking* particular account of the serious difficulty of the least-developed countries in view of their special economic situation and their development, trade and financial needs;

**Hereby agree as follows:**

#### ***Part I: Scope and Definition***

##### ***Article 1***

##### ***Scope and Definition 1***

1. This Agreement applies to measures by Members affecting trade in services
2. For the purposes of this Agreement, trade in services is defined as the supply of a service:
  - a. from the territory of one Member into the territory of any other Member;
  - b. in the territory of one Member to the service consumer of any other Member;

- c. by a service supplier of one Member, through commercial presence in the territory of any other Member;
  - d. by a service supplier of one Member, through presence of natural persons of a Member in the territory of any other Member.
1. For the purposes of this Agreement:
- e. “measures by Members” means measures taken by:
    - (i) central, regional or local governments and authorities; and
    - (ii) non-governmental bodies in the exercise of powers delegated by central, regional or local governments or authorities;
- In fulfilling its obligations and commitments under the Agreement, each Member shall take such reasonable measures as may be available to it to ensure their observance by regional and local governments and authorities and non-governmental bodies within its territory;
- f. “services” includes any service in any sector except services supplied in the exercise of governmental authority;
  - g. “a service supplied in the exercise of governmental authority” means any service which is supplied neither on a commercial basis, nor in competition with one or more service suppliers.

### **Annex 3. GATS Annex on Movement of Natural Persons Supplying Services under the Agreement**

1. This Annex applies to measures affecting natural persons who are service suppliers of a Member, and natural persons of a Member who are employed by a service supplier of a Member, in respect of the supply of a service.
2. The Agreement shall not apply to measures affecting natural persons seeking access to the employment market of a Member, nor shall it apply to measures regarding citizenship, residence or employment on a permanent basis.
3. In accordance with Parts III and IV of the Agreement, Members may negotiate specific commitments applying to the movement of all categories of natural persons supplying services under the Agreement. Natural persons covered by a specific commitment shall be allowed to supply the service in accordance with the terms of that commitment.
4. The Agreement shall not prevent a Member from applying measures to regulate the entry of natural persons into, or their temporary stay in, its territory, including those measures necessary to protect the integrity of, and to ensure the orderly movement of natural persons across, its borders, provided that such measures are not applied in such a manner as to nullify or impair the benefits accruing to any Member under the terms of a specific commitment.<sup>28</sup>

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<sup>28</sup> The sole fact of requiring a visa for natural persons of certain Members and not for those of others shall not be regarded as nullifying or impairing benefits under a specific commitment.

#### **Annex 4. Definition of natural and juridical person in the GATS**

##### **GATS Article XXVIII**

- (j) "person" means either a natural person or a juridical person;
- (k) "natural person of another Member" means a natural person who resides in the territory of that other Member or any other Member, and who under the law of that other Member:
  - (i) is a national of that other Member; or
  - (ii) has the right of permanent residence in that other Member, in the case of a Member which:
    - 1. does not have nationals; or
    - 2. accords substantially the same treatment to its permanent residents as it does to its nationals in respect of measures affecting trade in services, as notified in its acceptance of or accession to the WTO Agreement, provided that no Member is obligated to accord to such permanent residents treatment more favourable than would be accorded by that other Member to such permanent residents. Such notification shall include the assurance to assume, with respect to those permanent residents, in accordance with its laws and regulations, the same responsibilities that other Member bears with respect to its nationals;
- (l) "juridical person" means any legal entity duly constituted or otherwise organized under applicable law, whether for profit or otherwise, and whether privately-owned or governmentally-owned, including any corporation, trust, partnership, joint venture, sole proprietorship or association;
- (m) "juridical person of another Member" means a juridical person which is either:
  - (i) constituted or otherwise organized under the law of that other Member, and is engaged in substantive business operations in the territory of that Member or any other Member; or
  - (ii) in the case of the supply of a service through commercial presence, owned or controlled by:
    - 1. natural persons of that Member; or
    - 2. juridical persons of that other Member identified under subparagraph (i);
- (n) a juridical person is:
  - (i) "owned" by persons of a Member if more than 50 per cent of the equity interest in it is beneficially owned by persons of that Member;
  - (ii) "controlled" by persons of a Member if such persons have the power to name a majority of its directors or otherwise to legally direct its actions;
  - (iii) "affiliated" with another person when it controls, or is controlled by, that other person; or when it and the other person are both controlled by the same person;

## **Annex 5. Summary of descriptions of categories of natural persons in WTO Member's schedules of commitments**

### **A. INTRA-CORPORATE TRANSFEREES (ICT)**

96. Close to 60 per cent of the schedules reviewed contain a category referring to intra-corporate transferees (ICTs). About 40 per cent of these ICT entries contain descriptions of three sub-categories - executives (E), managers (M) and specialists (S), and incorporate the common elements listed below. An equal percentage of schedules does not provide definitions for ICTs at all. About 20 per cent of schedules contain descriptions on executives, managers (and other top-level employees) and specialists without explicitly indicating that these commitments refer to ICTs. A small number of schedules combine elements of executives and managers in a category of "senior managerial position."

97. Entries on intra-corporate transferees typically refer to:

- (a) Executives, managers, specialists;
- (b) working within a juridical person/firm/enterprise established in the territory of a WTO Member;
- (c) being temporarily transferred in the context of the supply of a service through commercial presence (either through a branch, subsidiary or affiliate) in the territory of another Member.

### **2. Executives (E)**

- (i) Primarily direct the management of the organization;
- (ii) exercise wide latitude in decision-making;
- (iii) receive only supervision or direction from high-level executives (the board of directors or stockholders);
- (iv) do not directly perform tasks related to the provision of the service(s) of the organization.

### **3. Managers (M)**

- (i) Primarily direct the organization, or department or sub-division of the organization;
- (ii) with supervisory and control function over other supervisory, professional or managerial staff;
- (iii) have authority to hire or dismiss personnel, recommend their hiring or dismissal or take other personnel action;
- (iv) exercise discretionary authority over day-to-day activities.

#### **4. Specialists (S)**

- (i) Possess knowledge at an advanced level of expertise (or uncommon knowledge) essential to the establishment or the provision of the service;
- (ii) possess proprietary knowledge of the organization's products, services, research equipment, techniques or management.

#### **B. BUSINESS VISITORS (BV) AND SERVICES SALESPERSONS (SS)**

98. About 40 percent of the schedules reviewed use the categories of business visitors (BV), and/or services salespersons (SS). A wide degree of overlap exists between definitions relating to the description of activities carried out by these categories of natural persons. Some schedules use the term 'business visitors' to refer to foreign natural persons seeking entry into another Member's territory for the purpose of setting up a commercial presence, and refer to 'service sellers' as persons seeking entry for the purpose of negotiating for the sale of a service on behalf of an enterprise. Other schedules define these activities in exactly the opposite way. (i.e., they use the category BV to describe sales negotiations and refer to SS to describe the setting up of a commercial presence).

99. A third group of schedules merge the two categories (with some referring to them as BV, and others as SS). Due to this interchangeable use of terms, it appears for the purposes of this Note useful to only describe the activities referred to in the schedules without categorizing these activities under either business visitors or services salespersons. We refer below to the activities of (a) sales negotiations, and (b) setting up of a commercial presence.

#### **2. Sales Negotiations**

- (a) Involves persons employed or mandated by an enterprise to conclude the contract for the sale of a service on behalf of enterprise which employs them or mandated them;
- (b) the persons should not be engaged in supplying the service themselves or making direct sales to the general public within the other Member's territory;
- (c) several schedules specify that persons performing these activities do not receive any remuneration from a source located within the host Member.

#### **3. Setting up of a Commercial Presence**

- (a) Involves employees of an enterprise not having commercial presence in another Member;
- (b) purpose of the visit is to set up a commercial presence of that enterprise in the territory of another Member;
- (c) representatives are not to engage in direct sales to the public or supply services themselves;
- (d) some schedules also detail that persons performing these activities do not receive any remuneration from a source located within the host Member;
- (e) some schedules specify that such persons occupy a managerial or executive position with the entity which mandates it to conduct such business.

#### **4. Sales Negotiations/Setting up of Commercial Presence - Merged category**

100. Some 10% of schedules have combined in one category elements of both activities. Relevant definitions include the following elements:

- (a) Representatives of a service supplier seeking entry and temporary stay for the purpose of negotiating for the sale of services or entering into agreements to sell services for that service supplier, and performing similar activities, including attending business meetings;
- (b) representatives will not be engaged in making direct sales to the general public or in supplying services themselves;
- (c) persons working in a senior position within a juridical person, who are responsible for the setting up of a commercial presence of a service supplier of a Member.

#### **C. CONTRACTUAL SERVICE SUPPLIERS (CSS)**

101. Some 15% per cent of schedules contain a category of contractual service suppliers. These suppliers are typically described as foreign natural persons supplying the service in the territory of the Member concerned on the basis of a contract that provides the primary justification for granting access. Entries on contractual service suppliers refer to either employees of a foreign-based enterprise or, very rarely, to self-employed/independent service suppliers (usually specified as professionals or specialists with technical expertise).

#### **2. CSS - Employees of Juridical Person**

- (a) Engaged in the supply of a service on a temporary basis as employees of a juridical person supplying the service, with no commercial presence in the territory of the Member where the service is to be provided;
- (b) the juridical person has obtained a service contract for a service to be provided in the territory of another Member;
- (c) the employees receive remuneration from their employer while abroad;
- (d) the employees may not engage in other employment in the territory of the Member where the service is to be provided;
- (e) the employees have appropriate educational and professional qualifications relevant to the service to be provided;
- (f) commitment relates only to the service activity which is the subject of the contract; it does not confer entitlement to exercise the professional title of the Member State concerned;
- (g) commitment applies only to the list of sectors specified by the Member and the employee provides the service as a professional/specialist in the specified sectors.

#### **3. CSS - Independent Professionals**

- (a) Normally refers to professionals and specialists carrying out professional or technical activities;

- (b) the natural person supplies the service as a self-employed person and is based in the territory of another Member;
- (c) the natural person has obtained a service contract in the territory of the Member where the service is to be provided;
- (d) appropriate educational and professional qualification relevant to the service to be provided and/or recognized by and registered with professional bodies in the territory of the Member where the service is to be provided;
- (e) commitment relates only to the service activity which is the subject of the contract; it does not confer entitlement to exercise the professional title of the Member State concerned;
- (f) commitment applies only to the list of sectors specified by the Member.

D. OTHER CATEGORIES INCLUDED IN INDIVIDUAL MEMBERS' SCHEDULES:

- (a) Installers and servicers: covers natural persons who are installers and servicers of machinery and/or equipment, where such installation and/or servicing by the supplying company is a condition of purchase of the machinery or equipment mentioned in commitment;
- (b) Graduate trainees: persons with a university degree who are being transferred for career development purposes or to obtain training in business techniques or methods;
- (c) Personalities of internationally recognized reputation: persons invited by higher educational institutions, scientific research institutes or public educational institutions;
- (d) Legal representatives: natural persons occupying a senior position, who have the power to undertake formally obligations in the name of the establishment;
- (e) Personnel of foreign enterprises providing international land, air or water transport under a foreign flag and foreign registration;
- (f) Artists, sportsmen or sportswomen or other suppliers of services taking part in public performances;
- (g) Fashion Models and Specialty Occupations;
- (h) Personnel of public or private enterprises with a State contract;
- (i) Spouses and Partners of ICTs and Professionals.

## **Annex 6. Treatment of movement of natural persons under regional trade agreements**

Although mode 4 under the GATS is limited to the temporary movement of natural persons with respect to the supply of services, when discussing regional trade agreements (RTAs), we use the broader term "labour mobility" because many agreements are broader in their coverage than GATS mode 4.

RTAs approach labour mobility in a wide variety of ways. Some agreements cover the mobility of people in general, including permanent migration and non-workers; others offer free movement of labour, including entry to the local labour market; some are limited to facilitated movement for certain kinds of trade- or investment-related activities; and still others are, like the GATS, confined to temporary movement and only for service suppliers (and explicitly exclude entry to the labour market or permanent migration). While some agreements cover workers at all skill levels, most are limited to higher skilled workers. Some agreements provide for broad labour mobility, but exclude some sectors, while others include all sectors, but limit mobility to certain defined groups.

An important factor in labour mobility is the extent to which countries are aiming at deep integration agreements, or at agreements more focused on opening or facilitating trade. The former tend to result in agreements with free labour mobility (or close to it), while the latter focus on provision of certain forms of mobility for some categories of persons related to trade. Within each of these forms, the agreements generally contain basic types of similar provisions, with differences reflecting the depth and extent of access granted, rather than fundamentally different approaches. Agreements often use each other, and the GATS, as a model for key provisions (e.g., related to exceptions).

Labour mobility under regional trade agreements can include categories of persons beyond GATS mode 4, or even by the broader definition used above. While some agreements only cover movement in relation to the services chapter and mode 4 (e.g., MERCOSUR), others no longer deal with mobility under the trade in services section, but group intra-corporate transferees, service suppliers, and investors together in a separate chapter on movement of natural persons more generally (e.g., Japan-Singapore). While still focused on trade-related movement, they are no longer limited simply to trade in services, but can include investors and businesspeople from other sectors (e.g., manufacturing). Other agreements devote a separate chapter to the temporary movement of all types of businesspeople (e.g., the Group of Three and some bilateral agreements in Latin America). Some agreements, while including mode 4 in the services chapter, will also include provisions in the investment chapter on companies' needs to bring in key personnel. For example, the ASEAN Investment Framework Agreement calls for the promotion of freer movement of skilled labour and professionals; the US-Jordan agreement includes visa commitments for investors; and the EU-Mexico agreement section on financial services includes provisions on the nationality of key personnel. Although these provisions may be more concerned with mode 3 (establishment), they illustrate the linkages between modes 3 and 4. Finally, some agreements provide for access to the home country labour market (EU, EFTA, EEA, Trans-Tasman Travel Arrangement).

## **Annex 7. Residence permit systems in OECD Member countries Questionnaire**

### **A. INTRODUCTION**

1. Migration policy interest in most countries is directed toward flows of foreign persons who intend to work in the receiving country, have a settlement intention for a greater or lesser period, or plan for an extended stay for whatever reason. The entry, stay and activity of such persons in the receiving country are generally subject to authorisation and regulation through a system of “permits”, which define the conditions thereof. Movements of tourists and business visitors are generally not under so close a scrutiny, except perhaps for certain countries whose nationals it is feared may tend to overstay and who also may need a visa to enter the country.

2. This document describes the rationale for and the framework for documenting, for each country, the national system of permits. There are a number of reasons why this is being undertaken. Firstly, knowledge of the regulatory apparatus that structures cross-border movements of persons can contribute to a better understanding of the number and composition of international migration movements. Indeed, one can hardly make sense of international migration without some knowledge of the constraints on the movements of persons across international borders. Secondly, what is regulated is often (if not always necessarily) measured. Permit systems potentially can provide data that can improve the transparency of official national estimates of migration and indeed, in some cases are the only data source for certain short-term movements (seasonal work, international study) that generally have no lasting demographic effects on the receiving country. The information collected in the course of this project will be used, among others, to draft a report describing in synthetic form the regulatory frameworks governing international movements in OECD countries.

### **B. THE GREAT VARIETY OF PERMIT SYSTEMS**

3. The regulations governing international movements vary considerably from state to state. In the first instance, all OECD countries regulate the movements of non-nationals, to a greater or lesser extent. Nationals generally enjoy the right of free movement, both with respect to entry into or departure from their home country. This right, however, does not preclude the registration and monitoring of their movements, such as is commonly done in countries where there exist population registers. In almost all countries, certain non-nationals are accorded the right of free entry and of stay for short periods, as part of reciprocal agreements between countries. Most other non-nationals require an entry visa before they can enter the territory of a receiving state. The visa generally only accords the right to stay in the country for a short period of time, often three months. The right of free entry and stay may be extended, both in time and in scope, to include the right of residence and the exercise of an economic activity, either as part of regional agreements (Australia/New Zealand, the Nordic countries) or broader supra-national political or economic unions (the European Union).

4. The right of a non-national to stay or reside in a country for a more extended period manifests itself through the granting of a residence permit. This is generally granted prior to entry into a country, though it may not actually be physically delivered until the person actually enters the territory of the receiving state and reports to the appropriate authorities. The criteria considered in assessing whether or not to grant a permit generally includes the candidate’s reasons for wishing to stay in the country, which can vary from extended visit, study, family reunification or formation, protection from persecution, employment or settlement. Persons granted a permit for reasons other than employment or settlement may or may not be authorised to exercise an economic activity in the country or may be authorised to do so on a limited basis.

5. The duration of a residence permit will vary depending on the circumstances and/or reason for migration and the permit itself may or may not be renewable. Permit durations can vary from as little as three months for seasonal workers in some countries, one year for students or unskilled

workers, more extended stays for the highly qualified or immigrants admitted for humanitarian reasons and indefinite duration in the case of settlement migration. However, the permit durations for the same category of migrants are not necessarily the same from country to country, nor is the nature of the permit granted for entry or the conditions which must be satisfied in order to obtain the permit. In addition, the permit held by an immigrant may change over time and indeed, may even do so during the first year that the person is present in the country.

6. Once a person has entered with or been granted a residence permit to stay in the host country, the liberty to come and go at will within the host country is more or less circumscribed, depending on the country. In certain cases or countries, the right of residence and employment is conditional on holding a job with a particular employer and indeed, residing in a particular municipality. In other cases, there are no restrictions whatsoever. Even where restrictions are limited or non-existent, there may exist a requirement to report to municipal authorities once a permit is obtained and a place of residence is acquired or rented. This is the case in countries where there are population registers. Note that the process of registration and remaining registered associates an immigrant with a physical address on an on-going basis. Although this does not necessarily constitute proof of presence in the host country – it is well known that departures from a country are not well recorded in population registers – it does indicate that a permit holder was present for at least a certain period of time in the host country.

#### C. DOCUMENTING PERMIT SYSTEMS

7. The scope of the project is defined as all visas and permits concerning international cross-border movements. Even short movements, for example of entertainers, are covered, provided they involve a permit or authorisation of some sort. The reason for including short stays is that such movements fall under trade in services (being addressed in the GATS negotiations) and it is useful to know what the current regulatory environment for these movements is. Tourist and business visit visas should be covered as well because, although they do not constitute international migration in the conventional sense or involve the exercise of an economic activity based in the host country, they are sometimes the only means for persons of certain nationalities to enter a particular country. Since a significant part of illegal migration is believed to be due to visa overstaying, it is not without interest to know what the means of legal entry are, even if the movements concerned are not generally considered international migration.

8. The emphasis in this effort is on stay or residence and not on work except in so far as it is associated with a stay permit. There are some countries where stay/residence permits and work permits are separate, others where access to the labour market depends on the type of residence permit granted. Note that by "residence permit" here is simply meant the right to stay in a country for a length of time, whatever the length or reason; it has no connotations of lengthy or permanent stay, as is the case with the usage of the term in a number of countries.

#### D. INSTRUCTIONS REGARDING COMPLETING OF THE QUESTIONNAIRE

9. As will be seen below, this information collection exercise has been organised around a summary table and individual information sheets, as a means to facilitate the task and to structure the information provided. It goes without saying that certain items or questions may not seem pertinent for certain permits, while in other cases, the questionnaire items in the information sheets may not be sufficient to describe the nature of the permit. Feel free to augment the requested information if need be. The objective in all cases should be to provide enough information for an outsider to be able to understand in a reasonably succinct form the rules governing the different types of entry into a country.

10. The tasks to carry out are as follows. You are first asked to fill in a summary table (Questionnaire PartA.xls) listing the various visas/permits in your regulatory system and to provide a

certain amount of information about each visa/permit. In the final column of this table, you are requested to list the groups or persons to whom the permit in question applies. The latter is requested because in certain countries, **the same type of permit may be given to different categories of persons**, for example, students and short-term workers, who may have to satisfy different conditions to obtain the permit and for whom the possibility of renewal or for changing status, etc., may be different. For this reason, some of the information asked in general for each permit in the summary table (A) is requested again on the information sheet (see B below), which cover categories of entries rather than types of permits.

11. The second part of the request consists of an information sheet (Questionnaire PartB.xls), which **should be provided for each type of situation/category governed by different conditions of entry. To do this, please save each sheet as a separate file (File – save as). Rename the saved Excel document as followed: Questionnaire Part B1.xls, Questionnaire Part B2.xls...**. There should be as many information sheets as there are different entry categories with different requirements. In some countries, there is a different permit for each different type of entry; in other countries a limited number of general permits may govern a broad range of different entry situations. It is these different entry situations that are of interest (that is, situations such as skilled worker, intra-company transferee, investor, performer, au pair, self-employed, student, trainee, visiting professor, seasonal worker, family member, etc.), rather than the permits per se. **Please do not add any row or column in the questionnaire and enter your answers in the blue and yellow cells.**

12. Most items on the information sheets are check-off items, which are fairly simple to provide. If you feel that the check-off items are not sufficient to describe a particular type of entry and the conditions governing it, please supplement them with any additional information which you might have.

13. It would be useful as well, to obtain, for a recent year, as well as for a year five years earlier, some basic statistics on new permits granted to persons entering the country, on renewals and on status conversions by previous permit, where possible, for each type of permit documented. If the information and statistics on permits can be found on a web site or sites, please specify the address of the site(s). In situations where a permit can apply to different categories of entries, it would be useful if the number of permits granted could be disaggregated by entry category.

permits granted could be disaggregated by entry category.



**B. For each category of migrant identified in the preceding table (last column), please fill out the following form.**

Country under review:   
 Category of migrant:  Please use the name of the category in the last column of Table A  
 Name of the stay/residence permit:  Please enter the name of the stay or residence permit granted

**1. Permit requirements:**

Age limits	<input type="text"/>	→ Please enter <b>y</b> if the corresponding requirement is relevant, <b>n</b> if it is not. → Specify the age
Minimum level of education	<input type="text"/>	→ Please enter <b>y</b> if the corresponding requirement is relevant, <b>n</b> if it is not. → Specify the level
Geographic restrictions	<input type="text"/>	→ Please enter <b>y</b> if the corresponding requirement is relevant, <b>n</b> if it is not. → Specify the region if relevant (e.g. : EU, Nordic countries, North America, Pacific Area)
Sponsorship by a resident or national	<input type="text"/>	→ Please enter <b>y</b> if the corresponding requirement is relevant, <b>n</b> if it is not.
An offer of employment	<input type="text"/>	→ Please enter <b>y</b> if the corresponding requirement is relevant, <b>n</b> if it is not.
Minimum financial resources	<input type="text"/>	→ Please enter <b>y</b> if the corresponding requirement is relevant, <b>n</b> if it is not. → Specify the amount if relevant
Housing requirements	<input type="text"/>	→ Please enter <b>y</b> if the corresponding requirement is relevant, <b>n</b> if it is not. → Which requirements: Specify if relevant
Minimum length of residence in the host country (In the case of a non-initial permit)	<input type="text"/>	→ Please enter <b>y</b> if the corresponding requirement is relevant, <b>n</b> if it is not. → If relevant, indicate the minimum residence period required (in years)
Belongs to one of the following humanitarian categories: refugee, stateless, asylum seeker, person in need of temporary protection	<input type="text"/>	→ Please enter <b>y</b> if the corresponding requirement is relevant, <b>n</b> if it is not. → If relevant, please specify the category
Good health	<input type="text"/>	→ Please enter <b>y</b> if the corresponding requirement is relevant, <b>n</b> if it is not.
Other	<input type="text"/>	→ Please enter <b>y</b> if the corresponding requirement is relevant, <b>n</b> if it is not.
Feel free to give more details below <input type="text"/>		

**2. Conditions governing the granting of the permit**

a. Is the granting of a permit to this category of migrants subject to a quota ?  Please enter **y** if relevant, **n** if not.  
 If relevant, please describe briefly how the quota system works (quota by region, by sector of activity,...)

b. Is the permit delivered to the eventual recipient in the receiving country?  Please enter **y** if relevant, **n** if not,  
 v if it depends on the situation.  
 Please give details if necessary

**3. Characteristics of the stay / residence permit**

a. Period of initial validity of the permit.  Please specify  
 (Number of months, indefinite, variable depending on  
 the work contract)

b. Possibility of renewal:  Please enter **y** if relevant, **n** if not.  
 If the answer is "No", please pass directly to question c.  
 Under what conditions is the permit renewed?  
 (e.g. : extension of the work contract, ...)  
 Feel free to describe

Maximum number of renewals possible:  Please enter the number

Maximum length of stay authorised by successive renewals  
 (including the initial period):  Please specify

**c. Possibility of a change in status** (excluding change due to marriage )  Please enter **y** if relevant, **n** if not.

Is a return to the country of origin necessary in order to receive a new type of permit?  Please enter **y** if relevant, **n** if not.

What types of new permits can be granted, and under what conditions? *Feel free to specify:*

**d.1. Does this permit give the holder the right to work?**  Please enter **y** if relevant, **n** if not.  
If no, please pass to question d.2

Details, if necessary:

What type of activity can be exercised (salaried work, independent work...)?  
*Specify:*

Under what conditions?  
(limit of number of hours; employment limited to one employer, to one sector of activity, to a geographic area or a profession; to a labour market test):  
*Specify :*

**d.2. If this permit does not give the right to work, can the migrant obtain another permit ?**  Please enter **y** if relevant, **n** if not.  
(for instance, an authorisation/work permit which will allow the holder of the stay / residence permit to work)  
Details, if necessary:

**e. Does this permit also allow other members of the family to accompany the applicant?** Please indicate **y** in the relevant box

⇒ Yes, the permit covers all members of the family (including the applicant).   
Indicate which members of the family are concerned (spouse, children, parents...)

⇒ Yes, and the members of the family are issued with individual permits.   
Indicate which members of the family are concerned (spouse, children, parents...) and what type of permit is granted to them.  
Please specify also whether minors receive an individual permit

⇒ No, but with this permit, the applicant can request family reunification later, subject to certain conditions.   
Indicate which members of the family are concerned (spouse, children, parents...) and what type of permit is attributed to them.

⇒ No, there is no possibility for members of the family to enter the country.

⇒ Not applicable (the migrants under review are family members).

**f. Can this permit be withdrawn?**  Please enter **y** if relevant, **n** if not.  
(e.g.: through a judicial procedure or because of a long period of residence abroad for instance)

If yes, for what reason?

4. Other comments/problems in filling in the questionnaire:  
If certain aspects seem insufficiently covered in the questionnaire, please add below your comments and remarks.