

2019 PROTOCOL TO IMPLEMENT THE EIGHTH PACKAGE OF COMMITMENTS ON FINANCIAL SERVICES UNDER THE ASEAN FRAMEWORK AGREEMENT ON SERVICES

Signed in Chiang Rai, Thailand on 5 April 2019

The Governments of Brunei Darussalam, the Kingdom of Cambodia, the Republic of Indonesia, the Lao People's Democratic Republic, Malaysia, the Republic of the Union of Myanmar, the Republic of the Philippines, the Republic of Singapore, the Kingdom of Thailand, and the Socialist Republic of Viet Nam, Member States of the Association of Southeast Asian Nations (ASEAN) (hereinafter collectively referred to as "Member States" or singularly as "Member State");

NOTING the *ASEAN Framework Agreement on Services (AFAS)* signed on 15 December 1995 in Bangkok, Thailand, which seeks to enhance cooperation in services amongst Member States, substantially eliminate restrictions to trade in services amongst Member States and liberalise trade in services by expanding the depth and scope of liberalisation beyond those undertaken by Member States under the *General Agreement on Trade in Services (GATS)* of the *World Trade Organization (WTO)*;

PURSUANT to the Protocol to Amend the AFAS signed on 2 September 2003 in Phnom Penh, Cambodia, which incorporates a new Article IV bis into AFAS that aims to expedite the liberalisation of trade in services within ASEAN;

RECALLING the decision of the Leaders to establish the ASEAN Community including the ASEAN Economic Community (AEC) made in the Declaration of ASEAN Concord II adopted on 7 October 2003 in Bali, Indonesia;

NOTING the Declaration on the AEC Blueprint signed in Singapore on 20 November 2007, which aims to transform ASEAN into a single market and production base, a highly competitive economic region, a region of equitable economic development and a region fully integrated into the global economy;

MINDFUL of the core elements to establish an ASEAN single market and production base including the element of free flow of services where there will be substantially no restriction to ASEAN services suppliers, and the targets and timelines of the AEC Blueprint;

RECALLING the Third ASEAN Finance Ministers' and Central Bank Governors' Meeting (AFMGM) that called on Member States to enter into the eighth round of negotiations on financial services beginning in 2017 and ending in 2018;

HAVING carried out and completed the negotiations on financial services pursuant to Article IV of AFAS and finalised the package of commitments under the eighth round of negotiations on financial services;

ACKNOWLEDGING the ASEAN Banking Integration Framework (ABIF) conducted by the ASEAN Central Bank Governors' process;

HAVE AGREED AS FOLLOWS:

1. Member States who are WTO Members shall continue to extend their specific commitments under GATS to other Member States who are non-WTO Members.
2. This Protocol and its Annexes shall form an integral part of AFAS.

3. The Annexes to this Protocol shall consist of each Member State's Consolidated Schedule of Specific Commitments on Financial Services which comprises the Member States' horizontal and sector specific commitments and the Lists of Most-Favoured-Nation (MFN) Exemptions.
4. Subject to each Member State's Consolidated Schedule of Specific Commitments on Financial Services and List of MFN Exemptions, Member States shall accord preferential treatment to one another on a MFN basis.
5. For the purpose of deepening regional banking integration, in accordance with Article IV bis of AFAS and guided by the principles and governance of ABIF as approved by the ASEAN Central Bank Governors Meeting (ACGM), two or more Member States may conduct negotiations and agree to liberalise their banking sectors. Notwithstanding Article X of AFAS that sets a minimum three-year requirement for modification or withdrawal of Schedules of Specific Commitments, each participating Member State may conclude negotiations at any time and shall inscribe its commitments in banking sectors in its respective Consolidated Schedule of Specific Commitments on Financial Services as referred to in paragraph 3. Any extension of preferential treatment in the banking sector to the remaining Member States on an MFN basis shall be voluntary on the part of the participating Member States.
6. This Protocol and its Annexes shall enter into force one hundred and eighty (180) days after the date of its signing. Subsequent commitments made in accordance with paragraph 5 shall enter into force one hundred and eighty (180) days after the date such commitments are notified in writing to the ASEAN Finance Ministers' Meeting (AFMM) by the Secretary-General of ASEAN in coordination with the participating Member States.
7. Each Member State undertakes to complete its internal procedures of ratification or acceptance for the entry into force of this Protocol and its Annexes.
8. Each Member State shall, upon the completion of its internal procedures of ratification or acceptance for the entry into force of this Protocol and its Annexes, deposit its Instrument of Ratification or Acceptance with the Secretary-General of ASEAN, who shall notify other Member States of such deposit.
9. (1) Where a Member State is unable to complete its internal procedures for the entry into force of this Protocol and its Annexes within one hundred and eighty (180) days from the date of its signing, the rights and obligations of that Member State under this Protocol and its Annexes shall commence on the first day following the date on which notification was made under paragraph 8.

(2) Where a participating Member State is unable to complete its internal procedures for the entry into force of the subsequent commitments made in accordance with paragraph 5 within one hundred and eighty (180) days after the date upon which its subsequent commitments are notified in writing to the AFMM, the rights and obligations of that participating Member State under the subsequent commitments shall commence on the first day following the date on which notification was made under paragraph 8.
10. This Protocol and its Annexes shall be deposited with the Secretary-General of ASEAN who shall promptly furnish a certified copy thereof to all Member States.

IN WITNESS WHEREOF, the undersigned, being duly authorised thereto by their respective Governments, have signed the Protocol to Implement the Eighth Package of Commitments on Financial Services under AFAS.

DONE at Chiang Rai, Thailand, this Fifth Day of April in the year Two Thousand and Nineteen, in a single original copy in the English language.