

APPENDIX 5 TO ANNEX XV

ICELAND – SCHEDULE OF SPECIFIC COMMITMENTS

1. This Schedule of Specific Commitments indicates the sectors liberalised pursuant to Article 9.4 (Schedules of Specific Commitments) of the Agreement and, by means of reservations, the conditions and qualifications on national treatment that apply to juridical and natural persons of another State Party and to the commercial presence of such persons in those sectors.
2. This Schedule of Specific Commitments is composed of the following elements:
 - (a) the first column indicating the sector or sub-sector in which the commitment is undertaken by Iceland, and the scope of liberalisation to which the limitations on national treatment apply;¹ and
 - (b) the second column describing the applicable limitations on national treatment.
3. For the purposes of this Appendix, “ISIC Rev 4” means the International Standard Industrial Classification of all Economic Activities as set out in Statistical Office of the United Nations, Statistical Papers, Series M No. 4/Rev.4.
4. For greater certainty, non-discriminatory requirements as regards the type of legal form of an establishment do not need to be specified in this Schedule of Specific Commitments in order to be maintained or adopted by Iceland.
5. For greater certainty, this Schedule of Specific Commitments only covers activities which fall under the scope of Chapter 9 (Investment) of the Agreement. Where a listed sector or sub-sector also contains an element of supply of services, only the non-services aspects of the sector or sub-sector shall be committed in this Schedule of Specific Commitments.
6. This Schedule of Specific Commitments shall not restrict Iceland from applying mechanisms for screening of investments when it considers it necessary to safeguard its national security interests. Any such mechanism shall be applied in accordance with domestic law, in a non-arbitrary and good faith manner, in a way which does not constitute an unjustifiable barrier to investments. Investments, including participation in companies established in Iceland, may be subject to measures such as notification requirements, examination or authorisation by the relevant Icelandic authorities.

¹ For greater certainty, commercial presence in sectors or sub-sectors covered by Chapter 9 (Investment) of the Agreement and not mentioned in this Schedule of Specific Commitments is not committed.

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

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

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

Sector or Sub-Sector	Description of Reservations
A. AGRICULTURE, FORESTRY AND FISHING	
<u>Crop and Animal Production, Hunting and Related Service Activities</u> (ISIC Rev 4: 01, excluding 0170 related service activities)	None
<u>Forestry and Logging</u> (ISIC Rev 4: 02, excluding 0240 support services to forestry)	None
<u>Fishing and Aquaculture</u> (ISIC Rev 4: 03)	Only the following may conduct fishing operations within the Icelandic fisheries jurisdiction: (a) Icelandic citizens and other Icelandic persons. (b) Icelandic juridical persons which are wholly owned by Icelandic persons or Icelandic legal persons which: (i) are controlled by Icelandic entities; (ii) are not under more than 25% ownership of foreign residents calculated on the basis of share capital or initial capital. However, if the share of an Icelandic legal person in a legal person conducting fishing operations in the Icelandic fisheries jurisdiction or fish processing in Iceland is not above 5%, the share of the foreign resident may be up to 33%; (iii) are in other respects under the ownership of Icelandic citizens or Icelandic legal persons controlled by Icelandic persons. Only Icelandic citizens and Icelandic legal entities and citizens and legal entities from another EEA Member State, from

Sector or Sub-Sector	Description of Reservations
	another EFTA State or from the Faroe Islands are allowed to own and manage enterprises engaged in fish auctioning in Iceland. ⁴
B. MINING AND QUARRYING	
<u>Mining of Coal and Lignite</u> (ISIC Rev 4: 05)	None
C. MANUFACTURING	
<u>Manufacture of Tobacco Products</u> (ISIC Rev 4: 12)	None
<u>Manufacture of Textiles</u> (ISIC Rev 4: 13)	None
<u>Manufacture of Wearing Apparel</u> (ISIC Rev 4: 14)	None
<u>Manufacture of Leather and Related Products</u> (ISIC Rev 4: 15)	None

⁴ The exclusion of citizenship and legal entity criteria for residents of an EEA Member State, an EFTA State or the Faroe Islands is not a reservation on national treatment, but the sentence is included to give an exhaustive description of the measure.

Sector or Sub-Sector	Description of Reservations
<u>Manufacture of Wood and of Products of Wood and Cork, except Furniture; Manufacture of Products of Straw and Plaiting Materials</u> (ISIC Rev 4: 16)	None
<u>Manufacture of Paper and Paper Products</u> (ISIC Rev 4: 17)	None
<u>Printing and Reproduction of Recorded Media</u> (ISIC Rev 4: 18)	None
<u>Manufacture of Coke and Refined Petroleum Products</u> (ISIC Rev 4: 19)	None
<u>Manufacture of Chemicals and Chemical Products</u> (ISIC Rev 4: 20)	None
<u>Manufacture of Pharmaceuticals, Medicinal Chemical and Botanic Products</u> (ISIC Rev 4: 21)	None

Sector or Sub-Sector	Description of Reservations
<u>Manufacture of Rubber and Plastic Products</u> (ISIC Rev 4: 22)	None
<u>Manufacture of Other Non-Metallic Mineral Products</u> (ISIC Rev 4: 23)	None
<u>Manufacture of Basic Metals</u> (ISIC Rev 4: 24)	None
<u>Manufacture of Fabricated Metal Products, except Machinery and Equipment</u> (ISIC Rev 4: 25)	None
<u>Manufacture of Computer, Electronic and Optical Products</u> (ISIC Rev 4: 26)	None
<u>Manufacture of Electrical Equipment</u> (ISIC Rev 4: 27)	None
<u>Manufacture of Machinery and Equipment n.e.c.</u> (ISIC Rev 4: 28)	None

Sector or Sub-Sector	Description of Reservations
<u>Manufacture of Motor Vehicles, Trailers and Semi-Trailers</u> (ISIC Rev 4: 29)	None
<u>Manufacture of Other Transport Equipment</u> (ISIC Rev 4: 30)	None
<u>Manufacture of Furniture</u> (ISIC Rev 4: 31)	None
<u>Other Manufacturing</u> (ISIC Rev 4: 32)	None