

COMMUNICATION FROM AUSTRALIA

Negotiating Proposal for Accountancy Services

The following communication has been received from the delegation of Australia with the request that it be circulated to the Members of the Council for Trade in Services.

1. This paper sets out a negotiating proposal from Australia for the accountancy services sector. Australia reserves the right to submit further and more detailed proposals on this sector at a later date.

I. IMPORTANCE OF TRADE LIBERALISATION IN THE SECTOR

2. Accountancy services play a vital support role for firms, providing advice and assistance on taxation matters, financial reporting and commercial strategy. The internationalisation of accountancy firms has occurred in tandem with the globalisation of world markets and the internationalisation of the clients they serve. Many accountancy firms have established an offshore commercial presence to develop new markets and to service clients that have expanded offshore. Services are also traded by accountants on short-term "fly-in, fly-out" assignments. Electronic commerce provides growing potential for greater crossborder supply.

II. IMPEDIMENTS TO FURTHER LIBERALISATION

3. Australian exporters have identified a number of impediments to further liberalisation of the accountancy sector. These include:

- restrictions on establishing a commercial presence or foreign equity limitations in some markets including:
 - limitation on the number of foreign or national accountants that can be employed and or the number of new licences,
 - limitation on the form of business organization that is permitted,
 - overly burdensome fees and/or taxes on repatriation of profits;
- unduly onerous and/or non-transparent temporary visa procedures;
- citizenship or residency requirements for licensing or certification:
 - less favourable treatment of certified foreign accountants,

- discriminatory treatment in respect of foreign partners in a joint venture;
- limited or no recognition of qualifications or unreasonable requirements for qualifying examinations;
- restrictions on the use of firm names;
- restrictions on electronic transmission of reports and accounting documents.

III. PROPOSALS

4. Australia considers that the accountancy disciplines concluded by the Working Party on Professional Services: “Disciplines on Domestic Regulation in the Accountancy Sector”, are a valuable step towards assuring that licensing procedures, technical standards and qualification procedures are administered in the least trade-restrictive manner. However, Australia considers there is scope to strengthen the disciplines, including by extending their reach to measures subject to scheduling under Articles XVI and XVII of the GATS.

5. Australia proposes that the accountancy disciplines be reviewed with the aim of clarifying and elaborating GATS obligations to ensure that domestic regulations do not constitute unnecessary barriers to trade. In respect of regulations governing the entry of natural persons, Australia wishes to ensure that the procedures are efficient, expeditiously implemented and transparent.

6. Australia also proposes that members review any limitations on commercial presence with a view to eliminating barriers that cannot be justified on commercial grounds.
