

SERVICES PROTOCOL TO AMEND THE ASEAN FRAMEWORK AGREEMENT ON SERVICES

The Governments of Brunei Darussalam, the Kingdom of Cambodia, the Republic of Indonesia, Lao People's Democratic Republic, Malaysia, 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 South East Asian Nations (hereinafter referred to as "ASEAN");

RECALLING The Framework Agreement on Enhancing ASEAN Economic Cooperation signed on 28 January 1992 in Singapore, of which Article I paragraph 3 provides that all Member States shall participate in infra-ASEAN economic arrangements, provided that, in the implementation of these economic arrangements, two or more Member States may proceed first if other Member States are not ready to implement these arrangements;

RECALLING the decision of the ASEAN Economic Ministers (AEM) at their Retreat held in Genting Highlands, Malaysia on 6 July 2002 to accelerate services liberalization within Member States;

DESIRING to expedite the liberalization of trade in services within ASEAN through the implementation of the ASEAN-X formula, based on the parameters endorsed by the AEM at their 34th Meeting held in Bandar Seri Begawan, Brunei Darussalam on 12 September 2002;

NOTING the ASEAN Framework Agreement on Services (hereinafter referred to as "the Framework Agreement") signed on 15 December 1995 at the Fifth ASEAN Summit held in Bangkok, Thailand, where Article II paragraph 1 provides that two or more Member States may proceed first if other Member States are not ready to implement cooperation arrangements under the Framework Agreement;

REFERRING to Article XII of the Framework Agreement, which provides for amendments;

HAVE AGREED AS FOLLOWS:

ARTICLE 1

The Framework Agreement shall be amended by adding a new "Article IV bis" immediately after the existing Article IV to read as follows:

1. Notwithstanding the provisions of Article IV of this Framework Agreement, two or more Member States may conduct negotiations and agree to liberalize trade in services for specific sectors or sub-sectors (hereinafter referred to as "the participating Member States"). Any extension of such preferential treatment to the remaining Member States on an MFN basis shall be voluntary on the part of the participating Member States.

2. The participating Member States shall keep the remaining Member States informed through the ASEAN Secretariat of the progress or result