

## WTO Financial Services Agreement Reached, December 1997

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Washington, DC, December 19, 1997 - On December 13, 1997, the U.S. and its trading partners in the World Trade Organization reached an agreement on a financial services package that will help open global markets in financial services. Under the agreement, the U.S. committed to maintain its open market in financial services, and other countries—including many emerging market countries—made commitments to open their markets to foreign firms.

The WTO agreement reached in Geneva last week represents a significant step forward in the efforts to open asset management markets around the world. A number of emerging market countries in Asia, Latin America, Africa, and Eastern Europe have committed to permit foreign firms to establish wholly owned asset management subsidiaries. Some emerging market countries also made liberal commitments to provide cross-border access to their asset management industries, although in general, cross-border supply of financial services was not a major focus of these negotiations.

At the conclusion of the negotiations, Institute President Matthew P. Fink issued the following statement:

"The Institute believes that the agreement represents a significant step toward market liberalization. It helps break down discriminatory barriers and creates important opportunities for U.S. asset management firms in developing nations. Moreover, it provides a measure of legal certainty for Institute members interested in offering these services outside the United States. I would stress, however, that although the agreement is the close of an important chapter, it is by no means the end of efforts to obtain open markets. The Institute and its members will continue to work with the U.S. Government to achieve that goal."