

ANNEX I

Schedule of El Salvador

Sector:	All Sectors
Obligations Concerned:	National Treatment (Article 10.3) Most-Favored-Nation Treatment (Article 10.4)
Level of Government:	Central
Measures:	<i>Constitución de la República de El Salvador</i> , Arts. 95 and 109
Description:	<u>Investment</u> Rural land may not be owned by a foreign person, including a branch of a foreign person, if the person is a national of a country or is organized under the law of a country that does not permit Salvadoran persons to own rural land, except in the case of land to be used for industrial plants. An enterprise organized under Salvadoran law, a majority of whose capital is owned by foreign persons, or a majority of whose partners are foreign persons, is subject to the preceding paragraph.

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Sector:	All Sectors
Obligations Concerned:	National Treatment (Article 10.3) Most-Favored-Nation Treatment (Article 10.4)
Level of Government:	Central
Measures:	<i>Constitución de la República de El Salvador</i> , Arts. 95 and 115 <i>Ley de Inversiones</i> , Legislative Decree No. 732, Art. 7 <i>Código de Comercio</i> , Art. 6
Description:	<u>Investment</u> Only the following persons may engage in small scale commerce, industry, and the supply of services in El Salvador: (a) Salvadoran nationals born in El Salvador; and (b) nationals of Central American Parties. An enterprise organized under Salvadoran law, a majority of whose capital is owned by foreign persons, or a majority of whose partners are foreign persons, may not establish a small scale enterprise to engage in small scale commerce, industry, and the supply of services (“small scale enterprise”). For purposes of this entry, a small scale enterprise is an enterprise with a capitalization not greater than 200,000 U.S. dollars.

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Sector:	Cooperative Production Societies
Obligations Concerned:	National Treatment (Article 10.3)
Level of Government:	Central
Measures:	<i>Reglamento de la Ley General de Asociaciones Cooperativas</i> , Title VI, Chapter 1, Art. 84
Description:	<p><u>Investment</u></p> <p>In cooperative production societies, at least 75 percent of the total number of partners must be Salvadoran persons.</p> <p>For purposes of this non-conforming measure, a branch of an enterprise that is not organized under Salvadoran law is not a Salvadoran person.</p> <p>For greater certainty, a cooperative production society exists to provide certain benefits to its members including with respect to distribution, sales, management, and technical assistance. Its functions are not only economic but also social.</p>

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Sector:	Duty-Free Commercial Centers and Establishments
Obligations Concerned:	National Treatment (Article 10.3)
Level of Government:	Central
Measures:	<i>Constitución de la República de El Salvador, Art. 95</i> <i>Ley para el Establecimiento de Tiendas Libres en los Puertos Marítimos de El Salvador, Art. 5</i>
Description:	<u>Investment</u> Only Salvadoran nationals born in El Salvador and enterprises organized under Salvadoran law may apply for a permit to establish duty-free commercial centers or establishments in El Salvador's seaports. However, an enterprise organized under Salvadoran law, a majority of whose capital is owned by foreign persons, or a majority of whose partners are foreign persons, may not establish duty free commercial centers or establishments in El Salvador's seaports.

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Sector: Air Services – Specialty Air Services

Obligations Concerned: Most-Favored-Nation Treatment (Article 11.3)
National Treatment (Article 11.2)

Level of Government: Central

Measures: *Ley Orgánica de Aviación Civil*, Arts. 5, 89, and 92

Description: Cross-Border Services

The supply of specialty air services requires prior authorization from the *Autoridad de Aviación Civil*. Authorization from the civil aviation authority is subject to reciprocity and must take into account national air transport policy.

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Sector:	Air Services – Aircraft Repair and Maintenance Services During which an Aircraft is Withdrawn from Service and Pilots of Specialty Air Services
Obligations Concerned:	National Treatment (Article 11.2) Most-Favored-Nation Treatment (Article 11.3)
Level of Government:	Central
Measures:	<i>Ley Orgánica de Aviación Civil</i> , Arts. 39 and 40
Description:	<u>Cross-Border Services</u> El Salvador applies reciprocity requirements when determining whether to recognize or validate licenses, certificates, and permits issued by foreign air transport authorities to: (a) technical staff supplying aircraft repair and maintenance services while an aircraft is withdrawn from service; and (b) pilots and other technical staff supplying specialty air services.

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Sector:	Communications Services – Advertising and Promotional Services for Radio and Television
Obligations Concerned:	Most-Favored-Nation Treatment (Article 11.3) National Treatment (Article 11.2)
Level of Government:	Central
Measures:	<p><i>Decreto de las disposiciones para regular la explotación de obras de naturaleza intelectual por medios de comunicación pública y la participación de artistas salvadoreños en espectáculos públicos</i>, Legislative Decree No. 239, June 9, 1983, published in <i>Diario Oficial</i> No. 111, Vol. 279, June 15, 1983, Art. 4</p> <p>Decree No. 18, <i>Sustitución de los artículos 1 y 4 del Decreto Legislativo No. 239</i>, June 9, 1983, published in <i>Diario Oficial</i> No. 7, Vol. 282, January 10, 1984</p>
Description:	<p><u>Cross-Border Services</u></p> <p>At least 90 percent of the production and recording of any commercial advertisement for use in El Salvador’s public communications media, meaning over-the-air television and radio broadcasts and printed material that originate in El Salvador, must be carried out by enterprises organized under Salvadoran law.</p> <p>A commercial advertisement produced or recorded by an enterprise organized under the law of another Central American Party may be used in the Salvadoran media, as long as similar treatment is extended by that Party to commercial advertisements produced or recorded in El Salvador.</p> <p>The broadcast in El Salvador’s public media of a commercial advertisement for an international product, brand, or service that has been imported into El Salvador or produced in El Salvador under license and does not satisfy the requirements referenced above will be permitted and may be subject to a one-time-fee.</p>

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Sector: Communications Services – Television and Radio Broadcasting Services

Obligations Concerned: National Treatment (Article 10.3)

Level of Government: Central

Measures: *Ley de Telecomunicaciones*, Art. 123

Description: Investment

Concessions and licenses for free reception broadcasting services shall only be granted to Salvadoran nationals born in El Salvador or enterprises organized under Salvadoran law whose equity capital is at least 51 percent owned by Salvadoran persons.

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Sector: Performing Arts

Obligations Concerned: National Treatment (Article 11.2)

Level of Government: Central

Measures: *Ley de Migración*, Arts. 62-A and 62-B

Legislative Decree No. 382, May 29, 1970, published in *Diario Oficial* No. 64, Vol. 227, April 10, 1970

Executive Decree No. 16, May 12, 1970, published in *Diario Oficial* No. 87, Vol. 227, May 18, 1970, Art. 1

Description: Cross-Border Services

No foreign artist may give paid performances of any kind without the prior express authorization of the *Ministerio de Gobernación*, which shall first seek, within 15 days, the advisory opinion of the legally established craft union of the artistic field in which the artist is involved. Foreign artists shall pay, to the relevant union, a performance fee deposit of 10 percent of the gross income likely to be earned in the country. Where it is not possible to make the advance payment, the artist shall pay an adequate amount as a “security deposit” to the relevant union.

No foreign artist or group of artists may perform in the country for more than 30 days consecutively or intermittently within a year from the date of the first performance.

An artist is any person acting in El Salvador, individually or in a company consisting of one or more persons, to give performances in music, song, dance or readings, or to present shows, whether in person (i.e., live) or before a large or small audience or on radio or television.

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Sector: Circuses

Obligations Concerned: National Treatment (Article 11.2)

Level of Government: Central

Measures: *Ley de Migración*, Art. 62-C

Decree No. 122, November 4, 1988, published in *Diario Oficial* No. 219, Vol. 301, November 25, 1988, Art. 3

Legislative Decree No. 382, May 29, 1970, published in *Diario Oficial* No. 64, Vol. 227, April 10, 1970

Decree No. 193, March 8, 1989, published in *Diario Oficial* No. 54, Vol. 302, March 17, 1989, Arts. 1 and 2

Reglamento para la Aplicación de los Decretos Legislativos 122 and 193 Relativos a Empresas Circenses, Arts. 1 and 2

Description: Cross-Border Services

Foreign circuses or other similar shows must pay to the relevant circus union a performance fee equal to 2.5 percent of the gross income likely to be earned daily from ticket sales. The fee must be paid in full through the withholding system.

All foreign circuses must be authorized by the appropriate Ministry and once authorized, notify the *Asociación Salvadoreña de Empresarios Circenses* (ASEC) and pay ASEC 3 percent of the gross income earned from ticket sales for each performance, as well as 10 percent of total earnings from sales to the audience, inside the circus, of flags, caps, tee shirts, balloons, photographs and other paraphernalia. The foreign circus shall pay an adequate amount as a security deposit to ASEC.

A foreign circus entering El Salvador may only work in the city of San Salvador for 15 days, which may be extended for a further 15 days.

A foreign circus that has performed in El Salvador can only return to the country after at least one year has elapsed since the date on which the circus left the country.

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Sector:	Performing Arts
Obligations Concerned:	National Treatment (Article 11.2)
Level of Government:	Central
Measures:	<p><i>Decreto de las disposiciones para regular la explotación de obras de naturaleza intelectual por medios de comunicación pública y la participación de artistas salvadoreños en espectáculos públicos</i>, Legislative Decree No. 239, June 9, 1983, published in <i>Diario Oficial</i> No. 111, Vol. 279, June 15, 1983, Art. 3</p> <p>Decree No. 18, <i>Sustitución de los artículos 1 y 4 del Decreto Legislativo No. 239</i>, June 9, 1983, published in <i>Diario Oficial</i> No. 7, Vol. 282, January 10, 1984</p>
Description:	<p><u>Cross-Border Services</u></p> <p>In the case of public performances involving the live participation of artists of any kind, the participation of Salvadoran nationals shall be equivalent to 20 percent of the number of participating foreigners.</p>

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Sector:	Construction and Related Engineering Services
Obligations Concerned:	Most-Favored-Nation Treatment (Articles 10.4 and 11.3) National Treatment (Articles 10.3 and 11.2) Local Presence (Article 11.5)
Level of Government:	Central
Measures:	<i>Ley de Incentivos a las Empresas Nacionales de la Industria de la Construcción</i> , Legislative Decree No. 504, published in <i>Diario Oficial</i> No. 167, Vol. 308, July 9, 1990, as amended by Legislative Decree No. 733, published in <i>Diario Oficial</i> No. 80, Vol. 311, April 23, 1991
Description:	<p><u>Cross-Border Services and Investment</u></p> <p>To participate in design activities, consulting, consulting and management of engineering or architectural projects, or any type of work or study relating to such projects' construction, whether before, during, or after construction, an enterprise a majority of whose capital is owned by foreign nationals ("foreign enterprise") must be contractually associated with an enterprise established in El Salvador ("Salvadoran enterprise") that is legally registered and qualified with the <i>Ministerio de Obras Públicas</i>, unless the foreign enterprise determines that such Salvadoran enterprise is not available.</p> <p>The foreign enterprise must have a resident representative in El Salvador.</p> <p>Further, an engineering or architectural project is subject to the following requirements:</p> <ul style="list-style-type: none">(a) enterprises organized under Salvadoran law must have an investment in the project equal to at least 20 percent of the value of the project; and(b) such enterprises must supply at least 30 percent of the technical staff and 90 percent of the administrative staff on the project. <p>The requirements of subparagraph (b) do not apply if the foreign enterprise determines that Salvadoran enterprises are not able to provide the necessary resources.</p>

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For greater certainty, technical staff and administrative staff do not include senior management. The requirements of subparagraphs (a) and (b) do not apply:

- (i) when the funds for the project come partially or entirely from foreign governments or international organizations; or
- (ii) to specific projects or grants for specialized technical cooperation.

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Sector:	Public Accounting and Public Auditing
Obligations Concerned:	Most-Favored-Nation Treatment (Articles 10.4 and 11.3) National Treatment (Articles 10.3 and 11.2)
Level of Government:	Central
Measures:	<i>Ley Reguladora del Ejercicio de la Contaduría</i> , Arts. 2, 3, and 4
Description:	<u>Cross-Border Services and Investment</u> Only a Salvadoran national may be authorized as a public accountant. Only a person authorized as a public accountant may be authorized as an external auditor. For an enterprise to be authorized to supply public accounting services, the principal partners, shareholders, or associates must be Salvadoran nationals, and at least one person among the partners, shareholders, associates, or administrators must be authorized as a public accountant in El Salvador.

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Sector:	Professional Services: <ul style="list-style-type: none">- Architectural Services- Engineering Services- Integrated Engineering Services- Urban Planning and Landscaping Services
Obligations Concerned:	National Treatment (Article 11.2) Local Presence (Article 11.5)
Level of Government:	Central
Measures:	<i>Ley de Urbanismo y Construcción</i> , Arts. 4 and 8 <i>Registro Nacional de Arquitectos, Ingenieros, Proyectistas y Constructores</i> , Executive Decree No. 34, published in <i>Diario Oficial</i> No. 4, Vol. 306, January 8, 1990 <i>Reglamento Interno del Consejo Nacional de Arquitectos, Ingenieros, Proyectistas y Constructores</i> , Executive Decree No. 75, published in <i>Diario Oficial</i> No. 11, Vol. 310, January 17, 1991, Arts. 25, 26, and 27
Description:	<u>Cross-Border Services</u> Only architects and engineers who are inscribed in the <i>Registro Nacional de Arquitectos, Ingenieros, Proyectistas y Constructores</i> (“ <i>Registro Nacional</i> ”) may supervise architectural and engineering work on construction projects and sign and seal architectural or engineering plans for such projects. An architect or engineer must be resident in El Salvador to be inscribed in the <i>Registro Nacional</i> . Draftsmen, builders, and electrical installation technicians must be Salvadoran nationals in order to be inscribed in the <i>Registro Nacional</i> .

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Sector:	Professional Services: Health Services (Including but not limited to: General and Specialist Medical Services, Dental Services, Veterinary Services, Paramedical Services, Services rendered by Psychologists, Midwives, Nurses, Physiotherapists, Chemists and Qualified Clinical Laboratory Technicians, and Technical and Auxiliary Staff)
Obligations Concerned:	Most-Favored-Nation Treatment (Article 11.3) National Treatment (Article 11.2) Local Presence (Article 11.5)
Level of Government:	Central
Measures:	<i>Código de Salud</i> , Arts. 4, 5, 17, 23, 30, 31, 32, and 306
Description:	<u>Cross-Border Services</u> A permit is necessary for the exercise of the health services professions and their specialized, technical, and auxiliary activities. Permits are issued by the appropriate <i>Junta de Vigilancia</i> . The <i>Junta de Vigilancia</i> may grant permanent, temporary, or provisional permits. A permanent permit is available only for private professional activity. Other permits are subject to restrictions and limitations in accordance with the law for specified reasons. To grant a permanent permit the <i>Junta de Vigilancia</i> shall require that persons be Salvadoran nationals by birth or authorized to permanently reside in the country. In addition to fulfilling the requirements under the law, foreigners must provide proof that the jurisdiction in which they earned their qualification allows Salvadoran nationals or graduates to practice their profession in analogous circumstances.

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Sector: Professional Services – Legal Services (Notary Public)

Obligations Concerned: Most-Favored-Nation Treatment (Article 11.3)
National Treatment (Article 11.2)
Local Presence (Article 11.5)

Level of Government: Central

Measures: *Ley de Notariado*, Art. 4

Description: Cross-Border Services

Only persons authorized by the Supreme Court of Justice may exercise the profession of notary public. Only Salvadoran nationals who are attorneys may obtain such authorization.

Central American nationals who have been authorized to practice law in El Salvador and who have resided in the country for at least two years may also obtain such authorization, provided that:

- (a) they have not been barred from practicing the profession of notary public in their own country; and
- (b) Salvadoran nationals may practice the same profession in their country without any additional requirements than those laid down in Salvadoran law.

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Sector:	Professional Services – Teachers
Obligations Concerned:	National Treatment (Article 11.2)
Level of Government:	Central
Measures:	<i>Constitución de la República</i> , Art. 60
Description:	<u>Cross-Border Services</u> Only Salvadoran nationals may teach national history and the Constitution.

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Sector:	Professional Services: Customs Agents
Obligations Concerned:	Most-Favored-Nation Treatment (Articles 10.4 and 11.3) National Treatment (Articles 10.3 and 11.2)
Level of Government:	Central
Measures:	<i>Reglamento del Código Aduanero Uniforme Centroamericano,</i> Art. 18
Description:	<u>Cross-Border Services and Investment</u> Only nationals of the Central American Parties may work as customs agents.

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Sector:	Transport Services – Road Transport Services
Obligations Concerned:	National Treatment (Articles 10.3 and 11.2)
Measures:	<i>Constitución de la República de El Salvador, Art. 95</i> <i>Ley de Transporte Terrestre, Tránsito y Seguridad Vial, Arts. 38-A and 38-B</i> <i>Reglamento General de Transporte Terrestre, Arts. 1 and 2</i>
Level of Government:	Central
Description:	<u>Cross-Border Services and Investment</u> Permits for the supply of services in passenger transport, regular and non-regular, within El Salvador may only be granted to Salvadoran nationals or their partners. Only vehicles with Salvadoran license plates may transport goods from points in El Salvador to other points in El Salvador. At least 51 percent of the equity capital of an enterprise engaged in such goods transport in El Salvador must be owned by Salvadoran persons. If such capital is owned by an enterprise, at least 51 percent of the stock of that enterprise must be owned by Salvadoran nationals.

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Sector:	Energy
Obligations Concerned:	Market Access (Article 11.4)
Measures:	<i>Ley reguladora del deposito, transporte y distribución de productos de petróleo, Art. 8</i>
Description:	<u>Cross-Border Services</u>

The construction of a gas service station will not be authorized if it is not a prudent distance from another gas station, in order to avoid excessive concentration. A prudent distance is considered one of not less than 600 meters in an urban area and 10 kilometers in a rural area. The 10 kilometer requirement also applies to one-way roads. For two-way roads containing medians, the distance will be measured on each side of the road independently.

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Sector:	Land Transport
Obligations Concerned:	Market Access (Article 11.4)
Measures:	<i>Reglamento General de Transporte Terrestre</i> , Title III, Art. 11 and Title V, Arts. 29 and 30
Description:	<u>Cross-Border Services</u> Public passenger land transportation concessions for a specific route will be limited, subject to technical studies of existing demand. A free public passenger land transportation concession is limited to one vehicle.