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Series on Cariforum-European Communities Economic Partnership Agreement Issues: Part 10

Research and Development Services

1. A Caribbean business can establish a company in any EC country to provide the following:

Research and Development Services on Natural Sciences*	Research and Development Services on Social Sciences and Humanities**	Interdisciplinary Research and Development Services
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* Includes research and experimental development services on a) natural sciences and engineering; b) physical sciences; c) chemistry and biology; d) engineering and technology; e) agriculture sciences; f) medical sciences and pharmacy; and g) other natural sciences.

** Includes research and experimental development services on a) cultural sciences, sociology, and psychology; b) economics; c) law; d) linguistics and languages; and e) other social sciences and humanities. Excludes psychologist services

These opportunities are subject to:

- **All EC countries:** For publicly funded research and development services, exclusive rights and/or authorisation can only be granted to European nationals and to European companies having their headquarters in Europe.
- General reservations¹.

2. A Caribbean business can secure permission for Caribbean staff to work in the company (*their commercial presence*) in Europe:

Key personnel (e.g. managers and specialists) and graduate trainees on intra-corporate transfers for a period of up to 3 years.	Senior staff responsible for establishing a commercial presence for 90 days in any 12-month period.	New graduate trainees for one year.
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These opportunities are subject to:

- General reservations².

3. Contractual Service Suppliers³ and Independent Professionals⁴ can travel to Europe to provide research and development services in all EC countries.

These opportunities are subject to:

- The terms and conditions as outlined in the introduction to this guide.

- **All EC countries:** A hosting agreement with an approved research organisation is required.
- **Economic needs test⁵** applies in: Czech Republic, Denmark and Slovak Republic.

4. A Caribbean business can provide research and development services to European consumers receiving those services either within Europe or within the Caribbean.

These opportunities are subject to:

- **All EC countries:** For publicly funded research and development services, exclusive rights and/or authorisation can only be granted to European nationals and to European companies having their headquarters in the Europe.

5. Caribbean business may have new opportunities where foreign investment has been liberalised for the research and development services sector in the following countries:

Antigua and Barbuda, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Jamaica, St Christopher and Nevis, St Lucia, St Vincent and the Grenadines, Suriname, and Trinidad and Tobago.

¹ General reservations:

- i) Limitations on the acquisition of land and real estate (in Austria, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Spain, Greece, Finland, Hungary, Ireland, Italy, Lithuania, Latvia, Malta, Poland, Romania, Slovak Republic, and Slovenia).
- ii) Limitations requiring local citizenship (Romania) or residency of senior management or Board of Directors (in Estonia, Finland, Italy and Sweden), or persons authorised to act on behalf of the entrepreneur (Slovak Republic).
- iii) Limitations on the type of business e.g. limited liability company, limited partnership in Poland.
- iv) Limitations on the type of investment e.g. a maximum percentage for foreign shareholding or voting rights (in Bulgaria, France, Finland and Italy).
- v) Registration, licensing and qualification requirements apply in all EC countries.
- vi) The scope of operations of a representative office may only encompass advertising and promotion of the foreign mother company represented by the office (in Bulgaria, Poland).

² General Reservations:

- i) **Austria:** managing directors of a company have to be resident in Austria. The person responsible for compliance with the Austrian Trade Act must be resident in Austria.
- ii) **Bulgaria:** applies economic needs test for graduate trainees. The number of transferred staff is not to exceed 10% of the average annual number of the European citizens employed. If the company has less than 100 employees, the number of transferred staff may exceed 10% with authorisation.
- iii) **Finland:** imposes nationality condition and residency requirements for the managing director of a limited company.
- iv) **France:** the managing director of an industrial, commercial or artisanal activity, if not holder of a residence permit, needs a specific authorisation.
- v) **Hungary:** applies economic needs test for graduate trainees.
- vi) **Romania:** requires a company's auditors and their deputies to be Romanian.
- vii) **Sweden:** requires the managing director of a company to reside in Sweden.

³ Employees of a Caribbean company that does not have a commercial presence in Europe but which does have a contract to supply services in an EC country.

⁴ A self-employed professional who has no commercial presence in Europe but who has a contract to supply services in an EC country.

⁵ An economic needs test is a measure used by regulatory authorities to limit the new entry of service suppliers into a market by taking into account the existing local capacity.