

TO THE STANDING COMMITTEE OF THE EFTA STATES

NOTIFICATION

of amendments to protective measures notified under Article 43 of the EEA Agreement

Introduction:

1. Reference is made to the notification of the Icelandic Government of protective measures under Article 43 of the EEA Agreement dated 28 November 2008 concerning measures that the Government introduced against the background of the current financial crisis, as well as to the notification of the Government dated 1 April 2009 of developments regarding these measures. As argued in the first notification the protective measures were deemed necessary to prevent cross-border capital flow to the detriment of the Icelandic krona (ISK) that could undermine the economic package introduced by the Government in cooperation with the International Monetary Fund.
2. The Government has decided to modify the notified measures by taking the first step towards liberalising the capital controls and in order to prevent circumvention that has been identified.

Strategy for Capital Control Liberalisation:

3. In August the Icelandic Government approved a strategy for removal of capital account restrictions. The strategy was prepared by the Central Bank of Iceland in consultation with the Ministry of Economic Affairs and the International Monetary Fund.
4. The strategy for capital control liberalisation stipulates the progressive removal of capital controls. In the first stage controls on capital inflows will be liberalised, The first step of this stage is implemented under the amended rules, by the liberalisation of new investments involving inflows of new foreign exchange. The second stage of the strategy provides for the liberalisation of foreign exchange outflows. The strategy is enclosed.

Amendments to the protective measures:

5. The first stage of abolishing the controls is the removal of controls on all foreign exchanges capital inflows on new investment.
6. New domestic investment shall upon entry into force of the Rules be unrestricted. The Central Bank of Iceland shall be notified of the new investment and upon sale of a new investment the release can be transferred cross-border.
7. The exemption from the restriction to invest in financial instruments denominated in foreign currency has been extended for now to include dividends and interests from foreign denominated financial instruments.
8. In addition to the removal of controls on capital inflows on new investments, certain adjustments are made to the current rules with the aim of preventing circumvention, in order to ensure that the objectives of the controls are obtained.
9. Further amendments involve that cross-border movement of capital in domestic currency will be restricted.
10. Residents are permitted to purchase foreign currency at a financial undertaking in Iceland if it is demonstrated that the funds will be used for transactions with goods and services, Non-residents shall be permitted to purchase domestic currency in cash at financial institutions in Iceland.

11. Article 6 of the new rules prohibits capital movements resulting from investments in other assets, such as foreign real estate, unless such investments are manifestly made by persons moving abroad. This rule is intended to prevent abuse of the current rules, for example through investments in real estate and gold, as it has proven impossible to prevent a large number of *pro forma* transactions under the existing rules.
12. Consequently, capital movements between countries for the purpose of foreign investments in debt instruments, which do not fall under the scope of Article 5, will be prohibited. Capital movements between countries (between domestic and foreign parties) in connection with trade in real estates will be prohibited unless they are manifestly made in connection with persons moving abroad. Similar restrictions apply to investments in other assets, including raw materials, transport equipment and machines, which are not necessary for the operation of the parties in question nor intended for their production.
13. Article 7, on lending, is amended so that even though lending is permitted, any consequent trade in foreign currencies remains restricted. The amendments furthermore contain a new provision allowing the extension of loans. This provision codifies the existing rules as they have been applied in practice.
14. Exceptions from the rules have been better adjusted to the needs of various parties.

Conclusion:

15. Due to the urgency of the matter the Icelandic Government has to make use of the procedure permitted under Article 1(2) of Protocol 2 to the Agreement on the Standing Committee, where notice shall be given to the Standing Committee at the latest by the date of entry into force of the measures. The full text of the measures will be provided in English as soon as possible.
16. The Icelandic Government is available to supply any additional information requested and have consultations on the matter. The Government will furthermore keep the Standing Committee informed of further developments as before.

Reykjavik on 30 October 2009

Háskólinn á Bifröst:

Lokaverkefni í grunnámi:

Markmið með lokaverkefni er að staðfesta að námsmaður geti valið, undirbúið og fullunnið verkefni sem hefur fræðilegt gildi og bætir við þekkingu og þjálfun nemandans.

Lokaverkefni er fræðileg ritgerð eða annað sambærilegt verkefni sem deildarforseti og umsjónarkennari samþykkja. Hver námsmaður vinnur lokaverkefni á eigin spýtur og skal fullnægja öllum kröfum sem almennt eru gerðar til verka á þessu stigi háskólanáms.

Lokaverkefni getur verið 8.000-18.000 orð að lengd og í því skal lýsa markmiðum og einnig fræðilegri tilgátu eða spurningu, eftir því sem við á. Þá skal fjalla sérstaklega um heimildir og gögn og um öflun þeirra.

Lokaverkefni skal vera 8-18 einingar. Leyfilegur einingafjöldi er mismunandi eftir deildum.

Deildarforseti staðfestir val viðfangsefnis sem lokaverkefnis og velur námsmanni leiðbeinanda. Leiðbeinandi hefur eftirlit með undirbúningi og vinnu við lokaverkefni og er námsmanni til leiðsagnar og aðstoðar. Nemandi skal kynna sér reglur skólans um gerð slíkra verkefna og vinna samkvæmt þeim.

Deildarforseti fær prófdómara sem er að jafnaði akademískur starfsmaður skólans til þess að meta lokaverkefni. Einkunn fyrir lokaverkefni skal vera meðaltal einkunnar prófdómara og umsjónarkennara.