

## ABSTRACT

The increasing significance of the dynamics of the growth and internationalisation of services mandated that services be on the agenda of the Uruguay Round of multilateral trade negotiations. The General Agreement on Trade in Services provided the framework. While financial service was included in the annexes, it was only in 1999 that the Financial Services Agreement was implemented.

The thesis examines the level of liberalisation in the CARICOM member states. The period of IMF initiated structural adjustment programmes provided the necessary initiatives for the process of liberalisation. Consequently, many developing countries participated in liberalisation programmes over the past decade. It was not surprising therefore that many made commitments at the level of their status quo or less than their status quo.

However, the thesis addresses the need for greater diversification in the financial services sector, particularly the need for development in the capital market.

Trinidad and Tobago was identified in the thesis as one of the members of CARICOM with the most sophisticated financial structure in terms of the institutional mix and the range of financial instruments available. However, Trinidad and Tobago only made commitments in the field of insurance. It is therefore necessary for further development in the sector.

The thesis also examines the fact that while liberalisation is desirable, it is mandatory that appropriate pre-requisites be identified, relative to the level of economic development of the country. The paper also highlights the need for CARICOM member states to harmonise their systems to present an integrated approach to the challenge of the liberalisation of the financial service sector. The

paper also identified the role of technology particularly developments in electronic banking and commerce. Therefore, the economies of countries are *de facto* open. It is therefore necessary that the appropriate measures be taken to address the challenges and formulate appropriate policy agendas.

### Key Words

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General Agreement of Trade In Services

Modes of Supply

Financial Services Sector

Liberalisation