Conclusion of an agreement under GATS on the modification of schedules of specific commitments

2022/0174(NLE) - 12/07/2022 - Legislative proposal

PURPOSE: to approve, on behalf of the European Union, the modification of the Union's schedule of specific commitments under the General Agreement on Trade in Services (GATS) in order to incorporate Annex 1 of the Declaration on the conclusion of the negotiations on domestic regulation in the field of services.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act.

BACKGROUND: Article VI of the General Agreement on Trade in Services (GATS) contains a built-in mandate to develop necessary disciplines with a view to ensuring that measures relating to qualification requirements and procedures, technical standards and licensing requirements do not constitute unnecessary barriers to trade in services.

The Members of the World Trade Organization (WTO) have been negotiating such domestic regulation disciplines for many years and as of 1999, those negotiations took place in the Working Party on Domestic Regulation.

At the 11th WTO Ministerial Conference, a group of 59 WTO Members, including the Union, issued a Joint Ministerial Statement on Services Domestic Regulation whereby they launched a plurilateral initiative to negotiate disciplines on services domestic regulation.

The Commission conducted negotiations in consultation with the Committee established under Article 207 (3) of the Treaty. The number of participants in this plurilateral Joint Statement Initiative increased to 67 WTO Members over time.

On 2 December 2021, the participants in these negotiations issued a Declaration on the Conclusion of Negotiations on Services Domestic Regulation, which announced the successful conclusion of the negotiations.

In a Declaration on the Conclusion of Negotiations on Services Domestic Regulation issued on 2 December 202 , 67 WTO Members noted the conclusion of the negotiations on the Reference Paper which forms Annex 1 of the Declaration. They also welcomed the Schedules of Specific Commitments which were submitted as their contributions to finalise the negotiations. Those 67 WTO members account for more than 90% of the global trade in services.

In accordance with the Reference Paper, the participants to the Declaration confirmed their intention to incorporate the disciplines in the Reference Paper (contained in Annex 1 of the Declaration) as additional commitments into their GATS Schedules.

Subject to the completion of any required domestic procedures, the participants aim to submit their Schedules of Specific Commitments for certification, in accordance with the Procedures for the Certification of Rectifications or Improvements to Schedules of Specific Commitments, within twelve months of the date of the Declaration. Through the certification, the participants will give legal effect to

the disciplines of Annex 1 of the Declaration by incorporating them as additional commitments into their schedule of specific commitments under the GATS.

In accordance with the Declaration, the Union should submit to the WTO the necessary modifications to its GATS Schedule of Specific Commitments, as set out in the Union's Pre-Finalisation Schedule of Specific Commitments.

The incorporation of the disciplines specified in Annex 1 to the Declaration on the Conclusion of Negotiations on Services Domestic Regulation into the Union's GATS Schedule of Specific Commitments should be approved on behalf of the European Union.

CONTENT: the purpose of the draft Council Decision is to approve, on behalf of the Union, the incorporation of the disciplines contained in Annex 1 to the Declaration on the conclusion of the negotiations on domestic regulation in services into the Union's GATS Schedule of Specific Commitments.

The objective of the draft decision is to make additional commitments on behalf of the European Union under the GATS on domestic regulation. The agreement will allow for the incorporation of the disciplines listed in Annex 1 of the declaration into the GATS schedule applicable in the territory of the European Union.

Members should inscribe the disciplines in Section II in their Schedules as additional commitments under Article XVIII of the Agreement. These disciplines apply to measures by Members relating to licensing requirements and procedures, qualification requirements and procedures and technical standards which affect trade in services.

Members may choose to inscribe the alternative disciplines in Section III for their commitments in financial services. These disciplines apply to measures by Members relating to licensing requirements and procedures, qualification requirements and procedures, and technical standards affecting trade in services.