Basic information

2018/0384(NLE) NLE - Non-legislative enactments	Procedure completed
Agreements under Article XXI GATS with Argentina, Australia, Brazil, Canada, China, the Separate customs territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), Columbia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland, and the United States: compensatory adjustments resulting from the last accession of new Member States to the EU **Subject** 6.20.01 Agreements and relations in the context of the World Trade Organization (WTO) **Geographical area** Argentina Australia Brazil Canada China Colombia Cuba Ecuador Hong Kong India Japan New Zealand Philippines South Korea Switzerland Taiwan United States	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
INTA International Trade	SALAFRANCA SÁNCHEZ-NEYRA José Ignacio (PPE)	19/11/2018
	Shadow rapporteur MCCLARKIN Emma (ECR) BUCHNER Klaus (Verts/ALE)	

Council of the European Union

Council configuration	Meetings	Date
Environment	3676	2019-03-05

European Commission

Commission DG	Commissioner

Trade and Economic Security	MALMSTRÖM Cecilia

Key events

Date	Event	Reference	Summary
08/11/2018	Preparatory document	COM(2018)0733	Summary
03/12/2018	Legislative proposal published	14020/2018	Summary
14/01/2019	Committee referral announced in Parliament		
04/02/2019	Vote in committee		
06/02/2019	Committee report tabled for plenary, 1st reading/single reading	A8-0067/2019	Summary
13/02/2019	Decision by Parliament	T8-0108/2019	Summary
13/02/2019	Results of vote in Parliament		
05/03/2019	Act adopted by Council after consultation of Parliament		
05/03/2019	End of procedure in Parliament		
28/03/2019	Final act published in Official Journal		

Technical information

Procedure reference	2018/0384(NLE)
Procedure type	NLE - Non-legislative enactments
Procedure subtype	Consent by Parliament
Legal basis	Treaty on the Functioning of the European Union TFEU 218-p6a Treaty on the Functioning of the European Union TFEU 207 Treaty on the Functioning of the European Union TFEU 091 Treaty on the Functioning of the European Union TFEU 100-p2
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	INTA/8/14975

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE632.765	15/01/2019	
Committee report tabled for plenary, 1st reading/single reading		A8-0067/2019	06/02/2019	Summary
Text adopted by Parliament, 1st reading/single reading		T8-0108/2019	13/02/2019	Summary

Council of the EU

Document type	Reference	Date	Summary

Legislative proposal	14020/2018	03/12/2018	Summary

European Commission

Document type	Reference	Date	Summary
Preparatory document	COM(2018)0733	08/11/2018	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act

Decision 2019/0485
OJ L 087 28.03.2019, p. 0001 Summary

Agreements under Article XXI GATS with Argentina, Australia, Brazil, Canada, China, the Separate customs territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), Columbia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland, and the United States: compensatory adjustments resulting from the last accession of new Member States to the EU

2018/0384(NLE) - 28/03/2019 - Final act

PURPOSE: to enable the conclusion of the compensation adjustments put in place by the European Union with several members of the World Trade Organisation (WTO) in order to obtain a consolidated GATS schedule of specific commitments covering all Member States that were members of the Union in 2006.

NON-LEGISLATIVE ACT: Council Decision (EU) 2019/485 on the conclusion of the relevant Agreements under Article XXI of the General Agreement on Trade in Services with Argentina, Australia, Brazil, Canada, China, the Separate customs territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), Colombia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland and the United States, on the necessary compensatory adjustments resulting from the accession of Czechia, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Austria, Poland, Slovenia, Slovakia, Finland and Sweden to the European Union.

CONTENT: with this Council Decision, the Agreements concluded with Argentina, Australia, Brazil, Canada, China, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), Colombia, Cuba, Ecuador, Hong Kong (China), India, Japan, Korea, New Zealand, the Philippines, Switzerland and the United States on the compensatory adjustments necessary under Article XXI of the GATS following the accession of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Austria, Poland, Slovenia, Slovakia, Finland and Sweden to the Union are hereby approved on behalf of the Union.

In accordance with Article XX of the General Agreement on Trade in Services (GATS), Members of the World Trade Organization (WTO) shall establish a list of specific commitments they undertake under Part III of the GATS.

The current list of specific commitments of the European Union and its Member States dates from 1994 and covers only the 12 States that were members of the European Union at that time. The 13 Member States that joined the European Union in 1995 and 2004 have kept their individual GATS lists, which they had adopted before their accession.

In order to ensure that the 13 acceding Member States are covered by limitations included in the list of specific commitments of the Union and to ensure consistency with the acquis communautaire, it is necessary to modify or withdraw certain specific commitments included in the list of specific commitments of the Union and in the lists of specific commitments of the acceding Member States.

With a view to present a consolidated schedule, on 28 May 2004, the Union notified the WTO of the amendment and withdrawal of certain commitments in the EU GATS schedule and in the GATS schedules of the 13 Member States concerned. The European Union then entered into negotiations with 18 WTO members who declared themselves affected by these amendments and withdrawals of commitments.

The Commission conducted negotiations with the affected WTO Members. As a result of those negotiations, an agreement was reached on compensatory adjustments related to the modifications and withdrawals notified on 28 May 2004. Following the conclusion of the negotiations, in accordance with the Council Conclusions of 26 July 2006, the Commission was authorised to sign the respective Agreements with each of the affected WTO Members concerned.

With a view to launching the certification procedure provided for by the applicable WTO rules, on 14 September 2006, the Commission transmitted the draft consolidated schedule to the WTO Secretariat. The certification was concluded on 15 December 2006.

The agreed compensatory adjustments were a satisfactory and balanced outcome of the negotiations and should, as such, be approved on behalf of the European Union.

ENTRY INTO FORCE: 5.3.2019.

Agreements under Article XXI GATS with Argentina, Australia, Brazil, Canada, China, the Separate customs territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), Columbia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland, and the United States: compensatory adjustments resulting from the last accession of new Member States to the EU

2018/0384(NLE) - 08/11/2018 - Preparatory document

PURPOSE: to approve the conclusion of the relevant agreements under Article XXI GATS with Argentina, Australia, Brazil, Canada, China, the Separate customs territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), Columbia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland, and the United States, on the necessary compensatory adjustments resulting from the accession of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Austria, Poland, Slovenia, the Slovak Republic, Finland and Sweden to the European Union.

PROPOSED ACT: Council Decision.

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

CONTENT: the present Commission proposal for a Council decision aims at **formally concluding the compensatory agreements reached between the European Union and several WTO Members** in order to obtain a consolidated GATS schedule of specific commitments covering all the Member States who were members of the European Union in 2006.

The terms and conditions under which WTO Members commit access to their market to the services and service suppliers of other WTO Members are specified in their GATS schedules of specific commitments. The original schedule of specific commitments of the European Union and its Member States (‘the EU GATS schedule’) dates back to 1994, and only covers those twelve Member States who were members of the European Union at that time.

The thirteen Member States that have joined the European Union in 1995 and 2004 continued to maintain their individual GATS schedules, which were adopted prior to their accession to the European Union.

In order to ensure that those thirteen Member States did not maintain commitments which would be in breach of the *acquis communautaire* and that they were covered by the horizontal limitations included in the EU GATS schedule, it was necessary to notify the modification and withdrawal of certain specific commitments included in the EU GATS schedule and in the individual GATS schedules of the thirteen Member States concerned, and to consolidate those individual schedules with the EU GATS schedule.

To this end, on 28 May 2004, the European Union notified to the WTO the modification and withdrawal of certain commitments included in the EU GATS schedule and in the GATS schedules of the thirteen Member States concerned. The European Union subsequently entered into negotiations with eighteen WTO Members, who claimed to be affected by these modifications and withdrawals, under Article XXI of GATS. In the course of such negotiations, in accordance with the Council Conclusions of 26 July 2006, the European Union agreed on the compensation to be offered to the affected WTO Members. The notified modifications and withdrawals, together with the agreed **compensatory adjustments**, were incorporated into a consolidated EU GATS schedule, the certification of which was concluded pursuant to the applicable WTO rules on 15 December 2006.

Thereby, the European Union became the first member of the World Trade Organization that successfully used the GATS provisions on the modification and withdrawal of commitments. As a result of the successful consolidation of the EU GATS schedule, its services commitments could be presented in a **single document** covering its, at that time, twenty five Member States (hereafter 'the EU25 consolidated schedule').

The agreed compensatory adjustments constituted a satisfactory and balanced outcome of the negotiations and should therefore be approved on behalf of the European Union.

Accordingly, on 27 March 2007, the Commission submitted a proposal for a Council Decision on the conclusion of the Agreements.

On 23 July 2007, the Council agreed on the text of a draft decision of the Council and of the representatives of the governments of the Member States meeting within the Council approving the conclusion of the Agreements on behalf of the European Union and its Member States.

On 11 October 2007 the Parliament, in a consultation procedure, approved the conclusion of the Agreements.

At this stage, the Council has not yet approved the conclusion of the Agreements, which have not been ratified by all the Member States concerned.

The fact that the Agreements have not yet been formally concluded is **hindering the consolidation process of the EU GATS schedule** regarding the Member States having joined the European Union after 2006, since the WTO Members who claimed to be affected by the modifications of the schedules of those Member States refuse to engage in this process until the legal status of the Agreements had been clarified.

Agreements under Article XXI GATS with Argentina, Australia, Brazil, Canada, China, the Separate customs territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), Columbia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland, and the United States: compensatory adjustments resulting from the last accession of new Member States to the EU

2018/0384(NLE) - 03/12/2018 - Legislative proposal

PURPOSE: to enable the conclusion of the compensation adjustments put in place by the European Union with several members of the World Trade Organisation (WTO) in order to obtain a consolidated GATS schedule of specific commitments covering all Member States that were members of the Union in 2006.

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: pursuant to Article XX of the General Agreement on Trade in Services (GATS), WTO Members set out in a schedule the specific commitments they undertake under Part III of GATS.

The current schedule of the Union and its Member States only covers the specific commitments related to the twelve Member States of 1994. The individual schedules of specific commitments of the Member States that joined the Union in 1995 and in 2004 ('the acceding Member States') were adopted prior to their accession.
In order to ensure that the acceding Member States are covered by limitations included in the list of specific commitments of the Union and to ensure consistency with the acquis communautaire, it is necessary to modify or withdraw certain specific commitments included in the list of specific commitments of the Union and in the lists of specific commitments of the acceding Member States.
The Commission conducted negotiations with the affected WTO Members. As a result of those negotiations, an agreement was reached on compensatory adjustments related to the modifications and withdrawals notified on 28 May 2004. Following the conclusion of the negotiations, the Commission was authorised to sign the respective Agreements with each of the affected WTO Members concerned.
With a view to launching the certification procedure provided for by the applicable WTO rules, on 14 September 2006, the Commission transmitted the draft consolidated schedule to the WTO Secretariat. The certification was concluded on 15 December 2006.

The agreed compensatory adjustments constitute a satisfactory and balanced outcome of the negotiations. The Agreements should therefore be approved on behalf of the Union.

CONTENT: the draft Council Decision seeks the approval, on behalf of the Union, the Agreements with Argentina, Australia, Brazil, Canada, China, the Separate customs territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), Colombia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland and the United States, on the necessary compensatory adjustments under Article XXI of GATS resulting from the accession of Czechia, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Austria, Poland, Slovenia, Slovakia, Finland and Sweden to the Union.

Agreements under Article XXI GATS with Argentina, Australia, Brazil, Canada, China, the Separate customs territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), Columbia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland, and the United States: compensatory adjustments resulting from the last accession of new Member States to the EU

2018/0384(NLE) - 06/02/2019 - Committee report tabled for plenary, 1st reading/single reading

The Committee on International Trade adopted a report by José Ignacio SALAFRANCA SÁNCHEZ-NEYRA (EPP, ES) on the draft Council decision on the conclusion of the relevant Agreements under Article XXI of the General Agreement on Trade in Services with Argentina, Australia, Brazil, Canada, China, the Separate customs territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), Columbia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland, and the United States, on the necessary compensatory adjustments resulting from the accession of Czechia, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Austria, Poland, Slovenia, Slovakia, Finland and Sweden to the European Union.

The committee recommended that the European Parliament give its consent to the conclusion of the agreements.

The explanatory memorandum accompanying the recommendation recalled that the schedule of commitments of the EU and its Member States in the GATS (General Agreement on Trade in Services) dates back from 1994 and covers only those twelve Member States who were Member of the EU at that time. The thirteen Member States that have joined the EU since, i.e. in 1995 and in 2004, continued to maintain their own individual GATS commitments, which were adopted prior to their accession to the EU.

In accordance with the terms of Article XXI of the GATS, the European Communities and its Member States submitted a communication pursuant to Article V of the GATS, whereby it notified its intention to modify the specific commitments in order for it to cover the thirteen member states that joined the European Union in 1995 and 2004.

Following the submission of the notification, eighteen WTO members submitted a respective claim of interest. After negotiations with the WTO members, the European Union agreed on compensatory adjustments, which can be found in the annexes attached to the Commission’s proposal for a Council decision.

With the entry into force of the Lisbon Treaty and in accordance to Opinion 2/15 of 16 May 2017 of the CJEU, the agreements can now be concluded by the European Union as the agreements do not cover any matters that fall outside the scope of the European Union’s exclusive competence.

The schedule is needed to enter into force to ensure that all the Member States concerned are covered by the same horizontal limitations, that their commitments are not in breach of the *acquis communautaire* and, and to advance in further consolidation processes. The rapporteur is of the opinion that the proposal for a Council decision is of purely technical nature and should be concluded expeditiously, for the EU to be able to continue negotiations for a GATS Schedule covering all present Member States of the European Union.

Agreements under Article XXI GATS with Argentina, Australia, Brazil, Canada, China, the Separate customs territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), Columbia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland, and the United States: compensatory adjustments resulting from the last accession of new Member States to the EU

2018/0384(NLE) - 08/11/2018

PURPOSE: to approve the conclusion of the relevant agreements under Article XXI GATS with Argentina, Australia, Brazil, Canada, China, the Separate customs territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), Columbia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland, and the United States, on the necessary compensatory adjustments resulting from the accession of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Austria, Poland, Slovenia, the Slovak Republic, Finland and Sweden to the European Union.

PROPOSED ACT: Council Decision.

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

CONTENT: the present Commission proposal for a Council decision aims at **formally concluding the compensatory agreements reached between the European Union and several WTO Members** in order to obtain a consolidated GATS schedule of specific commitments covering all the Member States who were members of the European Union in 2006.

The terms and conditions under which WTO Members commit access to their market to the services and service suppliers of other WTO Members are specified in their GATS schedules of specific commitments. The original schedule of specific commitments of the European Union and its Member States ('the EU GATS schedule') dates back to 1994, and only covers those twelve Member States who were members of the European Union at that time.

The thirteen Member States that have joined the European Union in 1995 and 2004 continued to maintain their individual GATS schedules, which were adopted prior to their accession to the European Union.

In order to ensure that those thirteen Member States did not maintain commitments which would be in breach of the *acquis communautaire* and that they were covered by the horizontal limitations included in the EU GATS schedule, it was necessary to notify the modification and withdrawal of certain specific commitments included in the EU GATS schedule and in the individual GATS schedules of the thirteen Member States concerned, and to consolidate those individual schedules with the EU GATS schedule.

To this end, on 28 May 2004, the European Union notified to the WTO the modification and withdrawal of certain commitments included in the EU GATS schedule and in the GATS schedules of the thirteen Member States concerned. The European Union subsequently entered into negotiations with eighteen WTO Members, who claimed to be affected by these modifications and withdrawals, under Article XXI of GATS. In the course of such negotiations, in accordance with the Council Conclusions of 26 July 2006, the European Union agreed on the compensation to be offered to the affected WTO Members. The notified modifications and withdrawals, together with the agreed **compensatory adjustments**, were incorporated into a consolidated EU GATS schedule, the certification of which was concluded pursuant to the applicable WTO rules on 15 December 2006.

Thereby, the European Union became the first member of the World Trade Organization that successfully used the GATS provisions on the modification and withdrawal of commitments. As a result of the successful consolidation of the EU GATS schedule, its services commitments could be presented in a **single document** covering its, at that time, twenty five Member States (hereafter 'the EU25 consolidated schedule').

The agreed compensatory adjustments constituted a satisfactory and balanced outcome of the negotiations and should therefore be approved on behalf of the European Union.

Accordingly, on 27 March 2007, the Commission submitted a proposal for a Council Decision on the conclusion of the Agreements.

On 23 July 2007, the Council agreed on the text of a draft decision of the Council and of the representatives of the governments of the Member States meeting within the Council approving the conclusion of the Agreements on behalf of the European Union and its Member States.

On 11 October 2007 the Parliament, in a consultation procedure, approved the conclusion of the Agreements.

At this stage, the Council has not yet approved the conclusion of the Agreements, which have not been ratified by all the Member States concerned.

The fact that the Agreements have not yet been formally concluded is **hindering the consolidation process of the EU GATS schedule** regarding the Member States having joined the European Union after 2006, since the WTO Members who claimed to be affected by the modifications of the schedules of those Member States refuse to engage in this process until the legal status of the Agreements had been clarified.

Agreements under Article XXI GATS with Argentina, Australia, Brazil, Canada, China, the Separate customs territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), Columbia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland, and the United States: compensatory adjustments resulting from the last accession of new Member States to the EU

2018/0384(NLE) - 13/02/2019 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 556 votes to 18, with 41 abstentions, a legislative resolution on the draft Council decision on the conclusion of the relevant Agreements under Article XXI of the General Agreement on Trade in Services with Argentina, Australia, Brazil, Canada, China, the Separate customs territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), Columbia, Cuba, Ecuador, Hong Kong China, India, Japan, Korea, New Zealand, the Philippines, Switzerland, and the United States, on the necessary compensatory adjustments resulting from the accession of Czechia, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Austria, Poland, Slovenia, Slovakia, Finland and Sweden to the European Union.

Parliament gave its consent to the conclusion of the agreements.