

REPORT (2000) OF THE COUNCIL FOR TRADE IN SERVICES TO THE GENERAL COUNCIL

1. Since its last report to the General Council, dated 26 October 1999, the Council for Trade in Services has held five formal meetings. Reports of the meetings are contained in documents S/C/M/41 to 43, S/C/M/46 and S/C/M/48. The Council has also held three special meetings devoted to the review of Article II (MFN) Exemptions, the reports of which are contained in documents S/C/M/44, 45 and 47, and one special meeting dedicated to the review of the Annex on Air Transport Services, the report of which is contained in document S/C/M/49. The reports of the meetings should be read in conjunction with this report. The Council addressed the following matters:

I. ASSESSMENT OF TRADE IN SERVICES – ARTICLE XIX:3 OF THE GATS

2. Paragraph 3 of Article XIX of the GATS provides that for each round of negotiations, guidelines and procedures shall be established. The same provision also calls upon the Council to carry out an assessment of trade in services in overall terms and on a sectoral basis with reference to the objectives of the GATS, including those set out in paragraph 1 of Article IV.

3. At the meeting of 25 February 2000, Members agreed that the discussion on the assessment of trade in services be moved to the agenda of the Special Session of the Council for Trade in Services.

II. REVIEW OF ARTICLE II (MFN) EXEMPTIONS

4. At the Council meetings held in February and April, the Council continued discussions on how to conduct the review of MFN exemptions as mandated by paragraph 3 of the Annex on Article II (MFN) Exemptions. The Secretariat was tasked with reconstructing the compilation of MFN exemptions contained in Job No. 6116 and Corr.1 along sectoral lines, as a basis for the review. The sectoral compilation is contained in Job No. 1551 and Add.1.

5. The first session of the review was held on 29 May, and the Council examined exemptions listed for "All sectors", "Business services", "Communication services", "Construction and related-engineering services" and "Distribution services". The report of the meeting is contained in document S/C/M/44.

6. The second session, which took place on 5 July, examined exemptions pertaining to "Financial services", "Tourism and travel-related services", "Recreational, cultural and sporting services" and "Transport services". Members also addressed outstanding points arising from the first session and held an initial discussion on the determination of the "date of any further review", as mandated by the Annex on MFN Exemptions. It was agreed that a third session of the review would be held in October. The Council also agreed that other general issues arising from the review would be placed on the agenda of the regular meeting of the Council for Trade in Services. The report of the meeting is contained in document S/C/M/45.

7. At the third session of the review on 5 October, Members addressed outstanding points arising from the previous sessions and continued discussions on the determination of the date of any further review. It was agreed that the review of MFN exemptions would be placed on the agenda of

the following regular meeting of the Council in December. The report of the meeting is contained in document S/C/M/47.

III. ARTICLE II (MFN) EXEMPTIONS – GENERAL ISSUES ARISING FROM THE REVIEW

8. In the course of the review of MFN Exemptions, it had been agreed that an item would be placed on the agenda of the regular Council to provide an opportunity for Members to raise issues of a general nature that had arisen during the review. Accordingly, at the Council meeting held on 6 October, Members began discussions on the basis of a communication submitted by the delegations of Hong Kong, China; Japan and Korea and contained in document S/C/W/173.

IV. REVIEW OF THE ANNEX ON AIR TRANSPORT SERVICES UNDER PARAGRAPH 5 OF THE ANNEX

9. At the Council meetings held in February, April and May, Members continued discussions on how to conduct the review of the Annex on Air Transport Services pursuant to paragraph 5 of the Annex. Members agreed to schedule two sessions for the review in 2000, in September and December. The Secretariat was asked to produce an informal paper containing a suggested list of issues which Members might wish to take up in the review. The paper was circulated as Job No. 2451 and discussed at the meeting in May, where some Members expressed opposition to discussing certain elements contained therein. However, as the paper was meant solely as an aid for the review, it was agreed that a substantial redrafting was not warranted at that stage. The Secretariat was also tasked with the updating of the information it had previously provided in documents S/C/W/59 and S/C/W/129. Accordingly, the Secretariat produced a first note, contained in document S/C/W/163, which deals with items (a) to (g) as listed in document Job No. 2451.

10. The first session of the review was held on 28 September. The Council discussed the paper produced by the Secretariat, as well as a number of submissions by Members. The report of the meeting is contained in document S/C/M/49.

V. REVIEW OF THE UNDERSTANDING ON ACCOUNTING RATES

11. At the meeting held on 25 February, the Council begun discussions on the review of the Understanding on accounting rates, as provided for in paragraph 7 of the Report of the Group on Basic Telecommunications contained in document S/GBT/4. The Secretariat had produced an informal note in Job No. 765, providing a brief factual background of the circumstances which had led to the adoption of the Understanding.

12. At the meeting held on 26 May, the International Telecommunication Union (ITU) provided a report in document Job No. 2947, on their work on reforming the accounting rates system, as a means of facilitating the Council's work in the review. At its meeting of 6 October, the Council heard a progress report from the ITU Secretariat on the meeting of the World Telecommunications Standardization Assembly, which was in session and due to conclude its work that same day. The Council agreed to revert to the review at its next meeting, also with a view to considering the outcome of the meeting of the World Telecommunications Standardization Assembly.

VI. TOURISM SERVICES

13. At the meeting held on 25 February, the Council began discussions of the paper presented by the delegations of the Dominican Republic, El Salvador and Honduras on tourism services, distributed as document S/C/W/127 and Corr.1. Members agreed to place the item on the agenda of the Special Session of the Council for Trade in Services and to revert to it in that forum.

VII. PROCEDURES FOR THE CERTIFICATION OF RECTIFICATIONS OR IMPROVEMENTS TO SCHEDULES OF SPECIFIC COMMITMENTS

14. Article XXI:5 of the GATS calls upon the Council for Trade in Services to establish procedures for the certification of rectifications or improvements to schedules of specific commitments. The Council had decided to refer this task to the Committee on Specific Commitments in 1997. At its meeting on 14 April 2000, the Council received the draft procedures from the Committee, contained in document S/CSC/W/26/Rev.1, as well as a draft Decision by the Council adopting such procedures in document S/C/W/133. The Council adopted the decision and the procedures, which are contained in documents S/L/83 and S/L/84, respectively.

VIII. DRAFT COOPERATION AGREEMENT BETWEEN THE WTO AND THE ITU

15. On 22 March 1999, the Council had approved the text of a cooperation agreement between the International Telecommunication Union (ITU) and the WTO. The text had been forwarded to the ITU for consideration by its Council, which had suggested further changes. The ITU Secretariat had submitted a revised text, containing several amendments which had been subject to consultations between the two Secretariats, and which was contained in the informal note Job No. 2118. Members discussed the note at the Council meeting held on 14 April.

16. An amended version of the draft, contained in Job No. 2118/Rev.1, was produced by the Secretariat and discussed, along with an ITU communication on "WTO participation at ITU Conferences and Meetings" in Job No. 2948, at the Council meeting held on 26 May. Members suggested two amendments and the Council adopted a revised draft, which is contained in document S/C/9/Rev.1, with an ad-referendum procedure.

IX. PROPOSAL OF A CO-OPERATION AGREEMENT BETWEEN THE WTO AND THE UPU

17. At its meeting of 25 February, the Council was informed of a proposal by the Universal Postal Union that a co-operation agreement should be established between the UPU and the WTO. A communication from the UPU on the subject was circulated as Job No. 865. The Council requested the Secretariat to maintain contact with the Secretariat of the UPU and to keep it informed of developments.

X. REOPENING OF THE FOURTH PROTOCOL FOR ACCEPTANCE

18. At the Council meeting of 26 May, following a request from Dominica, the Council adopted a decision, which is contained in document S/L/86, re-opening the Fourth Protocol to the GATS relating to basic telecommunications for acceptance by Dominica.

XI. REOPENING OF THE FIFTH PROTOCOL FOR ACCEPTANCE

19. At the Council meeting of 26 May, following a request from Ghana, the Council adopted a decision, which is contained in document S/L/87, re-opening the Fifth Protocol to the GATS relating to financial services for acceptance by Ghana.

XII. ELECTRONIC DISSEMINATION OF DOCUMENTS – STATEMENT BY URUGUAY

20. At the Council meeting held on 26 May, the delegation of Uruguay suggested that, without prejudice to existing dissemination procedures, the Secretariat automatically send all documents relating to the Council for Trade in Services and its subsidiary bodies to delegations electronically. A representative of the WTO Secretariat explained that the proposal, though very attractive in principle,

entailed a number of technical complications, as the document distribution system was centralized. He nevertheless encouraged delegations to communicate their e-mail addresses to the Trade in Services Division, so that they could benefit from the electronic dissemination of documents that was already carried out informally. The Council took note of the statements made and of the discussion.

XIII. COMMITMENTS IN BASIC TELECOMMUNICATIONS – COMMUNICATION BY BRAZIL

21. At its meeting of 14 July, the Council noted the submission by the delegation of Brazil concerning their revised commitments in basic telecommunications, which is contained in document S/C/W/160. The item was taken up for discussion at the meeting held on 6 October and the Council agreed to revert to it.

XIV. WORK PROGRAMME ON ELECTRONIC COMMERCE

22. On 17 July 2000, the General Council had agreed to invite the Goods, Services and TRIPS Councils, and the Committee on Trade and Development, to pick up where they had left off in their work on electronic commerce within their respective spheres of competence, to identify cross-sectoral issues and to report back to the General Council at its regular meeting in December 2000.

23. Accordingly, at its meeting on 6 October, the Council for Trade in Services began discussions on this issue. In view of the fact that the Council was scheduled to meet again only once before the December deadline, Members agreed that the Chairman would draw up a report reflecting the thrust of the discussion, which he would present orally at the General Council meeting in December.

XV. NOTIFICATIONS TO THE COUNCIL PURSUANT TO ARTICLES III:4 AND IV:2 OF THE GATS – STATEMENT BY THE UNITED STATES

24. At the Council meeting held on 26 May, the delegation of the United States proposed that the Secretariat compile a list of all notifications received pursuant to GATS Article III:4, regarding enquiry points, and to Article IV:2, regarding contact points. They further suggested that the two sets of notifications be collected in a easily-located area of the WTO web-site. The Council agreed to the two proposals.

XVI. NOTIFICATIONS TO THE COUNCIL PURSUANT TO ARTICLE V OF THE GATS – STATEMENT BY THE UNITED STATES

25. At its meeting of 26 May, the Council began discussions of the paper presented by the delegation of the United States, and contained in document S/C/W/147, concerning notifications pursuant to Article V of the GATS.

XVII. NOTIFICATIONS TO THE COUNCIL PURSUANT TO GATS ARTICLES III:3, VII:4 AND XIVBIS

26. At its meeting of 14 April 2000, the Council took note of the following notifications:

- (i) Notifications pursuant to Article III:3 of the GATS concerning modifications to services regulations in sectors where specific commitments have been undertaken:

Canada	(S/C/N/86)
Canada	(S/C/N/87)
Canada	(S/C/N/88)
Canada	(S/C/N/89)
Canada	(S/C/N/90)

Thailand	(S/C/N/91)
Czech Republic	(S/C/N/92)
Czech Republic	(S/C/N/93)
Czech Republic	(S/C/N/94)
European Communities	(S/C/N/95)
Poland	(S/C/N/96)
Poland	(S/C/N/97)
Poland	(S/C/N/98)
Poland	(S/C/N/111)
Poland	(S/C/N/112)
Poland	(S/C/N/113)
Australia	(S/C/N/103)
Spain	(S/C/N/106)
Niger	(S/C/N/107)
Niger	(S/C/N/108)
Guatemala	(S/C/N/109)
Madagascar	(S/C/N/110)
Kyrgyz Republic	(S/C/N/114)
Egypt	(S/C/N/116)

- (ii) Notifications pursuant to Article VII:4 of the GATS concerning recognition measures and agreements or arrangements:

Australia	(S/C/N/100)
Australia	(S/C/N/101)
Australia	(S/C/N/102)
Australia	(S/C/N/104)
Guatemala	(S/C/N/105)

- (iii) Notifications pursuant to Article XIV^{bis} of the GATS concerning security exceptions:

Nicaragua	(S/C/N/115 and Corr.1)
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XVIII. REQUESTS FOR OBSERVER STATUS

27. At the meeting held on 25 February, the Council noted requests for observer status from the Islamic Development Bank, the League of Arab States and the World Health Organization. The question of the observer status for the World Tourism Organization was also raised at that meeting.

28. At its meeting on 14 April, the Council agreed to add the names of the Islamic Development Bank and the League of Arab States to the list prepared by the Secretariat of all outstanding requests from regional organizations in document S/C/W/19/Rev.2. With respect to the requests from the World Health Organization and the World Tourism Organization, Members agreed to follow the practice which had previously been adopted in the case of the ITU and ICAO, and granted the two organizations observer status on an *ad hoc* basis, which implied inviting them to meetings of the Council when the agenda contained an item of interest to them.

29. The request for observer status from the Common Market for Eastern and Southern Africa (COMESA) was discussed at the Council meeting held on 26 May. Members agreed to add COMESA to the list of outstanding requests for observer status from regional organizations.

30. At the meeting held on 6 October, the Council noted two additional requests, from the Gulf Organization for Industrial Consulting and from the Universal Postal Union (UPU), and agreed to add

the two requests to the list in document S/C/W/19/Rev.4. It was also agreed that, pending the outcome of discussions in the General Council on the issue of observership, any additional requests for observer status would be circulated to Members but not inscribed in the agenda of the Services Council.

XIX. WORK OF SUBSIDIARY BODIES

31. The activities of Subsidiary bodies are reflected in their respective reports which are annexed to this report as follows:

Annex I	Report of the Committee on Specific Commitments (S/CSC/5)
Annex II	Report of the Committee on Trade in Financial Services (S/FIN/5)
Annex III	Report of the Working Party on Domestic Regulation (S/WPDR/2)
Annex IV	Report of the Working Party on GATS Rules (S/WPGR/5)

Annex I

Committee on Specific Commitments

S/CSC/5
23 November 2000

**REPORT OF THE COMMITTEE ON SPECIFIC COMMITMENTS
TO THE COUNCIL FOR TRADE IN SERVICES**

1. The Committee on Specific Commitments has held five formal meetings between 1 January and 31 October 2000. The minutes of these meetings appear in documents S/CSC/M/13, 14, 15, 16, and 17. The Committee's work in this period of time focused on four items: the procedures for the certification of rectification or improvements to schedules of specific commitments; the institution of a system of electronically consolidated and updated schedules; classification issues and the revision of the scheduling guidelines.

I. PROCEDURES FOR THE CERTIFICATION OF RECTIFICATIONS OR IMPROVEMENTS TO SCHEDULES OF SPECIFIC COMMITMENTS

2. Following consultations on the finalization of the procedures for the certification of rectifications or improvements to schedules of specific commitments conducted by the Chairman, the Committee recommended at its meeting of 11 and 12 April, the adoption of these procedures. Subsequently, the procedures were adopted by the Council for Trade in Services at its meeting of 14 April. The text of the procedures and the decision taken by the Services Council on its adoption appear respectively in documents S/L/84 and S/L/83.

II. ESTABLISHMENT OF A NON-BINDING ELECTRONIC COMPILATION OF SCHEDULES OF COMMITMENTS

3. In 1999 the Committee approved the establishment of a system of electronically consolidated and updated schedules of commitments without legal status. On 4 March 2000 Members concluded the process of verification of the electronic schedules and at the meeting held on 11 and 12 April 2000, the Secretariat informed the Committee that the verified electronic schedules were ready for inclusion in the cd-rom and that work was also under way on the preparation of the Internet version.

III. CLASSIFICATION

4. The Committee continued its work on classification issues on five services sectors: environmental services; energy services; legal services; postal and courier services and construction services. These discussions were without prejudice to the inclusion of any other sector, whose classification Members might want to revise and to the positions of Members as to the outcome of exercise. Discussion of the sectors took place in the informal mode, on the basis of proposals submitted by Members, which focused on possible amendments to sectoral descriptions in the existing GATS classification (document MTN.GNS/W/120). Members also engaged in the discussion of a cross-sectoral issue relating to "production services", on the basis of a paper prepared by the Secretariat. Regular accounts of the informal discussions on the sectors were given by the Chairman to the formal Committee.

IV. REVISION OF THE SCHEDULING GUIDELINES

5. The Committee continued its work on the revision of the guidelines for the scheduling of commitments in services (document MTN.GNS/W/164 and Add.1). Members were able to bridge

gaps on several outstanding issues and at the meeting held on 4 October, the Committee considered a single first draft of the revised scheduling guidelines. By the October meeting, the Committee had reached a common understanding on a great part of the text of the revised guidelines, while a small number of issues and some technical corrections still remained to be addressed.

Annex II

Committee on Trade in Financial Services

S/FIN/5

23 November 2000

**REPORT OF THE COMMITTEE ON TRADE IN FINANCIAL SERVICES
TO THE COUNCIL FOR TRADE IN SERVICES**

1. The Committee on Trade in Financial Services held four formal meetings during 2000 on 13 April, 25 May, 13 July, and 9 October. The reports of these meetings are contained in documents S/FIN/M/25-28. The discussions of the Committee focused on four items: the acceptance of the Fifth Protocol to the GATS, technical issues, other issues for future discussion and the request for observer status from the International Associations of Insurance Supervisors.
2. With regard to the acceptance of the Fifth Protocol, the Committee noted at its first meeting of the year that 10 Members (Bolivia, Brazil, Dominican Republic, Ghana, Jamaica, Kenya, Nigeria, Philippines, Poland and Uruguay) were yet to accept the Protocol. As part of its monitoring function, the Committee invited those Members to report on the situation regarding their domestic ratification processes and acceptance. The Committee heard progress reports from all of those 10 Members: three of them expected to be able to accept by the end of the year and five indicated that domestic processes were underway, although with procedural delays, and that it was only a matter of time before their acceptances could be finalized. Two Members informed the Committee that following the 1997 negotiations developments within their financial systems had required the undertaking of regulatory reforms in the sector. Those initiatives would need to be completed before the ratification and acceptance of the Fifth Protocol could take place. At the meeting held on 13 July, the Committee was informed that Ghana had accepted the Protocol on 26 May, bringing down to 9 the number of outstanding acceptances.
3. In relation to technical issues, discussions based on a non-exhaustive checklist of issues for discussion prepared by the Secretariat (S/FIN/W/14) had suggested the issues of the distinction between modes 1 and 2 and the sectoral classification of financial services as starting points. Regarding the distinction between modes 1 and 2, while recognizing its importance for the clarity of commitments, the Committee decided that the issue should be tackled at a later stage when concrete problems are identified. With respect to Classification issues, it has been suggested that there is a need to look at the classification contained in the Annex on Financial Services with a view to assessing its coverage vis-à-vis the current characteristics of the financial services industry and markets. Some delegations have noted that since the Uruguay Round new activities seemed to have emerged in the sector whose coverage by the existing Annex classification was not obvious and indicated that consideration of the matter continued in Capitals. Additionally, it has been proposed to have a full discussion on various negotiating approaches that have been used so far, for instance, the Understanding on Financial Services; the improvement of commitments and the harmonization of classification of financial services.
4. Under other issues for future discussion, the Committee discussed the desirability of addressing issues related to "Prudential Regulation", an idea presented by Australia. A number of delegations failed to see the need for clarification of the definition contained in the Annex on Financial Services and voiced that the prudential exception constituted a fine compromise to preserve regulatory flexibility in this sensitive sector which warranted caution. Alternatively, some delegations proposed addressing general regulatory issues as a way to enhance delegations' understanding of the specific issues involved. In that context a proposal for gathering information on regulatory work conducted by relevant international organizations (informal submission by Japan) was presented.

While some delegations would accept an information gathering exercise with no links to any discussion about prudential measures, others strongly opposed such an exercise regardless of how it might be conducted. Concerns have been expressed as to the objectives of this proposal as some delegations fail to see the relevance of the information that could be gathered to the Committee's work. They also felt that such an exercise could develop into a discussion on the legitimacy of Members' prudential regulations.

5. The Committee considered a communication from the International Association of Insurance Supervisors, dated 27 March 2000, requesting observer status. In view of the fact that some delegations regard granting observer status to be an issue with systemic implications, the Committee decided to defer its decision on this request until the conclusion of the ongoing discussion on observer status of intergovernmental organizations in the General Council.

Annex III

Working Party on Domestic Regulation

S/WPDR/2

23 November 2000

**REPORT OF THE WORKING PARTY ON DOMESTIC REGULATION
TO THE COUNCIL FOR TRADE IN SERVICES**

1. The Working Party on Domestic Regulation (WPDR) as of November 1999 held eight formal meetings and two informal meetings since it was created in April 1999. Minutes of the formal meeting are found in WTO documents S/WPDR/M/1 to M/8. The ninth formal meeting was scheduled for 29 November, 2000.
2. Discussions of the Working Party focused mainly on issues related to the development of horizontally applicable disciplines on domestic regulation. This, however, did not rule out the possibility of developing sectoral disciplines. To facilitate discussions, the Secretariat prepared two background papers (S/C/W/96 and W/97). Formal papers were also submitted by Australia; the European Communities; Hong Kong, China; Japan; Korea; Poland and the United States (S/WPDR/W/1 and W/3 to W/10), together with informal papers from the Chairpersons, Members and the Secretariat. At the request of Members, the Secretariat prepared an informal *Checklist of Issues for WPDR*. The Checklist was used as basis for the discussion of substantive issues at an informal meeting preceeding the formal WPDR meeting on 2 October 2000.
3. The mandate of the Working Party on Domestic Regulation (S/L/70, 28 April 1999), included also the development of horizontal disciplines for professional services. To help advance this work, the delegation of Hong, Kong, China submitted two informal papers on the subject. Following discussions, the WPDR decided at its second meeting on 14 July 1999 that Members would consult on a voluntary basis with their domestic professional associations concerning the potential applicability of the accountancy disciplines for their professions, while the Secretariat would consult with relevant international organizations to be identified by Members. Agreed deadlines for the voluntary consultations by Members were 31 December 1999 to complete domestic consultations, and 31 March 2000 for Members to notify the WTO of the results of their consultations.
4. Members reporting on their domestic consultations stated that the initial responses, although limited in number, were generally positive. Some professions requested additional disciplines to cover the specificities of their particular sector. A number of Members circulated formal and informal written reports of their consultations, including Australia; the European Communities; Hong Kong, China; Japan; Poland; the United States and Uruguay. The Secretariat was asked to compile a synthesis of Member responses to date. Regarding international professional services organizations, the Secretariat prepared and revised a listing of the organizations identified by Members. As of the October 2000 meeting, Members had not yet determined the procedures for Secretariat consultations.
5. At the WPDR meeting of 14 April, the OECD gave an informal presentation of their work on domestic regulation, including a paper on strengthening regulatory transparency. Current objectives of the Working Party include further discussion of necessity, transparency and other related concepts leading to the creation of disciplines on domestic regulation.

Annex IV

Working Party on GATS Rules

S/WPGR/5
23 November 2000

**REPORT OF THE WORKING PARTY ON GATS RULES
TO THE COUNCIL FOR TRADE IN SERVICES**

1. In 2000, the Working Party on GATS Rules has held four formal meetings to date. Minutes of the meetings are contained in documents (S/WPGR/M/26-29). A fifth meeting is scheduled on 30 November 2000. In each meeting, the Working Party considered all three negotiating mandates: emergency safeguard measures (Article X); government procurement (Article XIII); and subsidies (Article XV). Written contributions, both formal and informal, made by delegations have supported the debate under the three items.

I. NEGOTIATIONS ON EMERGENCY SAFEGUARD MEASURES UNDER GATS ARTICLE X

2. Differing views continued to be expressed regarding the desirability of an emergency safeguard mechanism (ESM) in services, but Members agreed to leave this question aside for the time being and to concentrate on feasibility issues. In order to structure the debate, the Chairperson circulated an illustrative list of themes which could usefully be discussed, without prejudice to the final outcome of the negotiations (Job No. 1979/Rev.1). The list includes issues such as the definition of "domestic industry" and the issue of "acquired rights", the modal application of a safeguard mechanism, the concept of "like service", the identification of indicators and criteria for determining injury and causality, the possible forms of a safeguard measure, the questions of compensation and special and differential treatment, situations justifying safeguard action and relevant procedural matters. All issues were examined in both formal and informal meetings. The Working Party also examined a Concept Paper which was introduced in March by Thailand on behalf of the ASEAN Members (S/WPGR/W/30). The Paper contains elements of a possible emergency safeguard mechanism in services.

3. The Working Party is also considering the extension of the negotiating deadline for this subject-matter, which is currently set for 15 December 2000.

II. NEGOTIATIONS ON GOVERNMENT PROCUREMENT UNDER GATS ARTICLE XIII

4. Discussions have continued on definitional issues as well as on possible multilateral disciplines in this area.

III. NEGOTIATIONS ON SUBSIDIES UNDER GATS ARTICLE XV

5. The Working Party has continued to consider the need for and possible scope of disciplines on subsidies which may have trade-distortive effects. In March, Argentina and Hong Kong, China presented a communication discussing relevant issues and identifying a number of topics for further work (S/WPGR/W/31). At the request of the Working Party, the Chairperson circulated a Checklist of issues, whose purpose is to help to address in a more systematic manner relevant questions under this agenda item (Job No. 4519/Rev.1). Members agreed to take up one item at each successive meeting. The first item on the list ("Definition of a Subsidy in Services (including relevance of the definition in the Agreement on Subsidies and Countervailing Measures)") was discussed in September.
