

WORLD TRADE ORGANIZATION

RESTRICTED

S/WPPS/M/7

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Working Party on Professional Services

NOTE ON THE MEETING HELD ON 28 OCTOBER

Note by the Secretariat

1. The Working Party on Professional Services held its seventh meeting under the chairmanship of Ambassador Bautista of the Philippines. The agenda for the meeting was contained in airgram WTO/AIR/450. Under *Other Business* the chairperson announced for the information of delegations that she had received two communications concerning architectural services. The first was a letter from the *Union Internationale des Architectes* dated 21 October 1996 which outlined the organization's views on the work of the WPPS. The second communication was from the *Architects Council of Europe* dated 22 October which defined the position of the architectural profession in Europe on the issues being discussed in the Working Party. She emphasised that the main purpose of the meeting was to complete the report of the WPPS to the Council for trade in Services. The discussions focused on the following matters.

Status of responses to the questionnaire on the accountancy sector

2. The chairperson recalled the genesis of the questionnaire. At the January meeting of the Working Party, delegations assessed the information that had been made available in a number of surveys carried out by the OECD, UNCTAD and IFAC. As a result of the assessment, the Working Party decided that a questionnaire focused on specific aspects of domestic regulations which affect the accountancy sector should be formulated and circulated. The specific aspects included qualification requirements, technical standards and ethics, licensing requirements and procedures, recognition of qualifications and other relevant regulatory matters. 23 responses to the questionnaire from the following countries had already been circulated: Thailand, South Africa, Korea, Norway, Canada, Uruguay, Argentina, Australia, Slovenia, The United States, Philippines, Barbados, Hong Kong, Morocco, Chile, Japan, India, Switzerland, New Zealand, Mexico, Singapore, Brazil and the EC and its Member States. UNCTAD's communication covering a number of countries has also been circulated. She said that it was not too soon to consider how to make use of the material. One possibility would be to ask the Secretariat to provide compilations on points of particular relevance to the Group's work. A second possibility, more time-consuming, would be to make a synthetic compilation of responses on all aspects covered by the questionnaire which was done in the case of the questionnaire on maritime transport services. It was agreed that the Secretariat should start with a compilation on issues of particular relevance to the work of the WPPS.

Guidelines on mutual recognition

3. The Chairperson reported that since the last meeting of the Working Party there had taken place a number of informal consultations on the development of non-binding guidelines for the negotiation of mutual recognition agreements or arrangements. The purpose of such guidelines would be to assist on a voluntary basis the negotiation and conclusion of MRAs among WTO Members. At the meeting,

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the Working Party took note that a draft paper entitled *Guidelines for Mutual Recognition Agreements or Arrangements in the Accountancy Sector* (dated 25 October 1996) had been prepared and could provide the basis for further work. A number of amendments were proposed to paragraph 1 on page 2 of the draft and one delegation noted in particular that the last indent on page 8 of the draft concerning "regulations relating to nationality and residency requirements needed for the purposes of the MRA" required further consideration. A number of delegations expressed interest in coming back to the text towards the end of November but several others said that they required more time to study the document and that it would therefore not be possible to resume work on the guidelines before the end of November. It was agreed that consultations would be held to see when a further informal meeting could be held.

WPPS report to the Council for Trade in Services

4. The Chairperson noted that further intensive discussions had taken place in the group on the draft report, notably during the informal meetings of the WPPS on 17 and 24 October. As a result of those discussions, the Secretariat had circulated a revised draft dated 25 October. A number of amendments were agreed to the factual part of the revised report contained in paragraphs 1 to 8. With respect to paragraph 9, on future work, a good deal of discussion took place on the various issues contained in that paragraph and which had been outlined in the minutes of the sixth meeting of the WPPS (paragraphs 6 and 7 in document S/WPPS/M/6).

5. With regard to the reference in the third sentence of the paragraph on future work to "relevant international organizations", a number of delegations requested information on whether the International Federation of Accountants (IFAC) and the International Accounting Standards Committee (IASC) and the International Organization of Securities Commissions (IOSCO) could be defined as relevant international organizations under Article VI.5 of the GATS. The Secretariat responded that in order to qualify as such it was necessary that the organization's membership be open to the relevant bodies of at least all Members of the WTO. The above cited organizations appeared to meet these criteria. There were also precedents in the GATT/WTO context for references to standard-setting bodies of a comparable kind, including references to the ITU and the ISO in the GATS Annex on Telecommunications; to three specific organizations in the (SPS) Agreement on the Application of Sanitary and Phytosanitary Measures; and to cooperation with WIPO in the TRIPS Agreement.

6. The Chairperson announced that she would hold further informal consultations to resolve the remaining divergences of view. (Having done so, the Chairperson submitted on her own responsibility the WPPS report in document S/WPPS/1 of 30 October. Further changes were made to the final paragraph before the report was included, on a consensus basis, in the report of the Council for Trade in Services to the General Council in document S/C/3 of 6 November.)