

# THE WTO JOINT INITIATIVE ON SERVICES DOMESTIC REGULATION

*JAIME COGHI ARIAS*

*COORDINATOR OF THE WTO JOINT INITIATIVE ON SERVICES DOMESTIC  
REGULATION*

6 MAY 2021

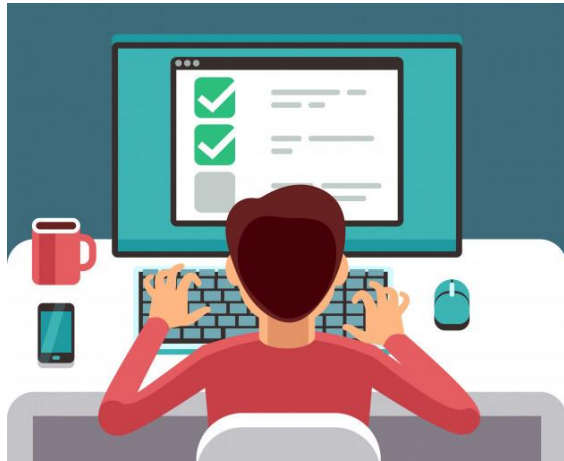
# OBJECTIVES

- What is Services Domestic Regulation?
- How is the issue of Services Domestic Regulation addressed at the WTO?
- What does the WTO Joint Initiative on Services Domestic Regulation expect to achieve by the end of 2021?

# What is Services Domestic Regulation?



# A RESPONSE TO BUSINESS NEEDS



*“**Transparency** is pivotal to **facilitating trade**. Procedures may be complicated and lengthy for good reasons, but there is no good reason for them to be unclear and non-transparent. Providing information contributes to more efficient procedures and reduced trade costs, by making cross-border business transactions **more predictable** in terms of time and costs.”*

Making Regional Integration Work - Company Perspectives on Non-Tariff Measures in Arab States (2018), International Trade Centre (ITC)

*“**Open, well-regulated, and well-functioning services markets** are essential elements of domestic competitiveness and productivity growth: they can bring about streams of local value creation, innovation and quality jobs.”*

OECD Services Trade Policies and the Global Economy (2017)

*“As competitiveness of the services sector often depends on the prevailing policies and regulatory practices, growth potential can be accelerated by **more inclusive participation of the private sector in national, regional and international policy making processes**.”*

COMESA Business Council (2020)

*“**Transparency** of the regulatory system is essential to establishing a **stable and accessible regulatory environment** that promotes competition, trade, and investment.”*

APEC – OECD Integrated Checklist on Regulatory Reform (2005)

*“**RECOGNISING** that regulations are one of the key levers by which governments act to promote economic prosperity, enhance welfare and pursue the public interest; **RECOGNISING** that **well-designed regulations** can generate significant social and economic benefits which outweigh the costs of regulation, and contribute to social well-being.”*

Recommendation of the Council of the OECD on Regulatory Policy and Governance, Organization for Economic Co-operation and Development

*“Companies complained that obtaining, filling and submitting the large number of official documents required for their trading operations costs them a considerable amount of time and resources, which could otherwise be put to business development and expansion. The report recommends that a review of all documents be undertaken with the aim of **streamlining and reducing the number of forms** used by exporting and importing companies.”*

Indonesia: Company Perspectives, Country Report (2016), International Trade Centre (ITC)

How is Services Domestic Regulation addressed at the WTO?



# SERVICES DOMESTIC REGULATION AT THE WTO

- Basic rules contained in the GATS against **unnecessarily trade restrictive** regulatory requirements and procedures for services suppliers
- **Building upon GATS regulatory provisions**, the disciplines developed by the Joint Initiative aim to **enhance transparency and predictability** of Members' **authorization procedures** to supply services
- The disciplines developed by the Joint Initiative are **not be construed to diminish any GATS obligations of Members** (paragraph 6 of Section I of INF/SDR/W/1/Rev.2)

Transparency

Ensuring prompt availability of information to service suppliers and their involvement in the regulatory process

Legal Certainty and Predictability

- Availability of information needed to comply with requirements and procedures for authorization
- Enquiry points for services suppliers
- Publication of draft regulations and opportunity for comments

Regulatory Quality and Facilitation

- Indicative timeframes for processing applications
- Information on status and decision on applications
- Reasonable time between publication of laws and regulations and their entry into force

- Acceptance of electronic applications and authenticated copies of documents
- Independent and impartial decision making by competent authorities
- Reasonable and transparent authorization fees



# FLEXIBILITIES FOR MEMBERS PARTICIPATING IN THE JOINT INITIATIVE

- **Horizontal flexibilities** throughout the text to preserve space for differences in WTO members' regulatory capacity and approaches
- **Transitional periods** for developing countries (paragraph 10 of Section I of INF/SDR/W/1/Rev.2)
- Least-developed countries participating in the Initiative would adopt the disciplines only upon **graduation from LDC status** (paragraph 11 of Section I of INF/SDR/W/1/Rev.2)



WORLD TRADE  
ORGANIZATION

(20-9191)

**RESTRICTED**

**INF/SDR/W/1/Rev.2**

18 December 2020

Page: 1/12

Original: English

**JOINT INITIATIVE ON SERVICES DOMESTIC REGULATION**

NOTE BY THE CHAIRPERSON

*Revision*

*DRAFT*

**REFERENCE PAPER ON SERVICES DOMESTIC REGULATION**

*Reference Paper on  
Services Domestic  
Regulation*

For more information:  
[Factsheet on Services Domestic  
Regulation](#)

- Set of binding obligations under WTO roof for those WTO Members who will adopt the disciplines
- Services suppliers from all WTO Members will benefit from their application and be treated equally

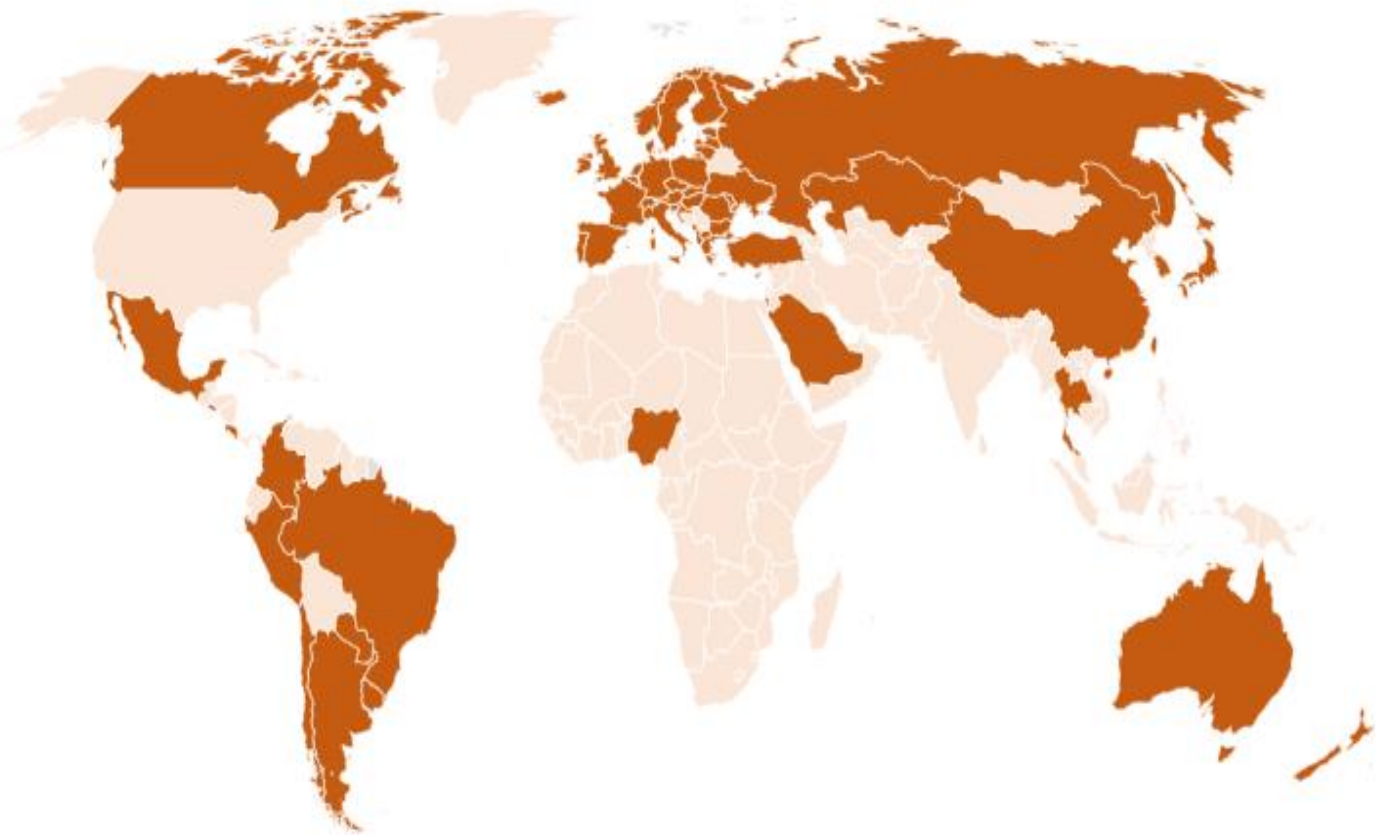
# The WTO Joint Initiative on Services Domestic Regulation - Origin, State of play, Outlook



# ORIGIN

- **Buenos Aires (2017) - First Joint Ministerial Statement**
  - 59 WTO Members affirmed their commitment to advancing negotiations on services domestic regulation
- **Paris (2019) - Second Joint Ministerial Statement**
  - 59 WTO Members committed to continue working towards finalising negotiations by the next WTO Ministerial Conference (2021)

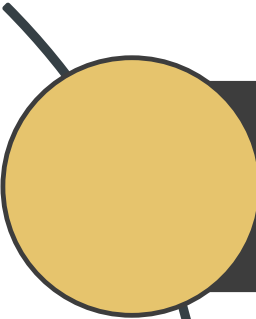
# CURRENT PARTICIPANTS



**63 WTO  
Members**

**73.5% of world  
services trade**

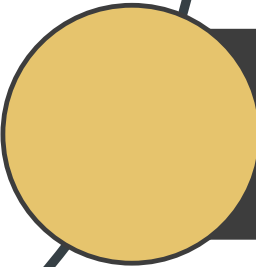
# STATE-OF-PLAY



Draft Reference Paper on Services Domestic Regulation - Revision  
(INF/SDR/W/1/Rev.2, 18 December 2020)



31 Indicative Draft Schedules - 57 WTO Members



Outreach activities to enhance the Initiative's visibility outside the WTO

# OUTLOOK

*Securing broad reach of negotiating outcome to the benefit of service suppliers across the world*

*Working towards finalization of negotiations by MC12 (December 2021)*