

JOINT INITIATIVE ON SERVICES DOMESTIC REGULATION

MEETING HELD ON 10 DECEMBER 2020

Informal Summary by the Chairperson

The Joint Initiative on Services Domestic Regulation held an open-ended meeting on 10 December 2020.

1 UPDATES BY MEMBERS ON BILATERAL AND SMALL GROUP CONSULTATIONS, OUTREACH ACTIVITIES, AND INDICATIVE DRAFT SCHEDULES

1.1. The Chair reported that, on 9 December, he had participated in an event hosted by the ICC Trade and Investment Commission, where he had the opportunity to brief ICC members on the ongoing negotiations in the Joint Initiative on Services Domestic Regulation.

1.2. In addition, the Chair informed delegations that an updated version of the Factsheet on Services Domestic Regulation had been finalized. The [Factsheet](#) is also available on the public WTO website in three official languages. The Chair invited delegations to use it as a tool for internal consultation and outreach to delegations and business.

1.3. No delegation intervened under this agenda item.

2 DRAFT REFERENCE PAPER – OUTSTANDING ISSUES

2.1. The Chair recalled that, at the three open-ended meetings held since the summer break, the group had held fruitful discussions on the remaining outstanding issues in the draft Reference Paper. Stabilizing the text, as some delegations had emphasized, would send a positive signal to the WTO membership and beyond, and would allow the Initiative to focus on the next procedural steps and on how to best engage Ministers for the conclusion of these negotiations.

2.2. One additional participant expressed its support for the proposal to incorporate the alternative disciplines on financial services as an optional Section III into the Reference Paper (see document INF/SDR/RD/7). This participant indicated that it was not planning to use the alternative disciplines for its own commitments in financial services. Another delegation, which had requested the Chair to maintain Section III within square brackets at the meeting of 29 July, informed the group that consultations with domestic authorities were still ongoing. This participant was assessing this proposal in the context of all the outstanding issues in the negotiations, and in particular the issue of ceiling transitional periods for developing country Members. This delegation was hopeful that a solution for this issue could soon be found.

2.3. At the meeting, a new proposal was introduced to address the concerns raised by one participant at previous meetings on paragraph 8 of proposed Section III (Fees). It was proposed to delete the last passage of paragraph 8 so that it would end after the word "determined". It would then read:

8. Each Member shall ensure that its competent authorities, with respect to authorization fees they charge, provide applicants with a schedule of fees or information on how fee amounts are determined.

2.4. In combination with the above, it was suggested to add a new paragraph after current paragraph 5 of Section I (INF/SDR/RD/9). The paragraph would reflect the Initiative's understanding and desire that commitments undertaken on the basis of the Reference Paper represent improvements over current commitments and could not diminish any GATS obligations. The proposed new paragraph 6 reads:

6. The disciplines shall not be construed as diminishing any obligations of Members under the Agreement.

2.5. Many delegations welcomed this creative proposal as it would also help to address concerns raised at the WPDR in December 2019 on the relationship between the work of the Initiative and the GATS.

2.6. The Chair indicated that he would circulate a revised version of the draft Reference Paper to reflect the progress made since the last version of the text had been issued in December 2019. To provide delegations more time to confirm with their domestic authorities their preliminary agreement on the proposal set out in paragraphs 2.3 and 2.4 above, the Chair suggested to wait until Thursday 17 December, before circulating the revision.

2.7. The revision of the draft Reference Paper would include (i) all changes agreed upon in 2020 and reflected in INF/SDR/RD/9; (ii) two drafting suggestions accepted at the November meeting and reflected in INF/SDR/R/16; and (iii) if confirmed, the proposal introduced at the current meeting for paragraph 8 of Section III and new paragraph 6 of Section I. In addition, to make the text read as cleanly as possible, delegations welcomed the Chair's suggestion to delete the struck-out sentence in paragraph 7 of Section I, and to clarify in the cover page the linkage between this wording and the current square brackets around the proposed Section III.

3 STOCK-TAKING OF PROGRESS IN 2020 AND OUTLOOK FOR NEXT YEAR

3.1. The Chair recalled that Ukraine, Mauritius, and Thailand had confirmed their participation in the Initiative – bringing the total number of participants by the end of 2020 to 63. The Initiative covered more than 73% of world services trade. In addition, this year, five Members – Israel, Ukraine, Mauritius, Nigeria, and Peru – had submitted their indicative draft schedules. The total number of draft schedules circulated to date amounted to 30, representing 57 participating Members.

3.2. In addition to advancing substantive work on the negotiating text, the Chair had also circulated an Information Note on the relationship between the disciplines contained in the Reference Paper and the GATS. Participants had found the Note useful to facilitate internal consultations and to address some of the most recurrent questions raised by Members.

3.3. Several delegations had been involved in outreach efforts towards other WTO Members currently not part of the Initiative – both in Geneva and in capitals – to brief them on the ongoing negotiations. The Chair had also reached out, with the Initiative's Factsheet on Services Domestic Regulation, to some thirty-plus international, regional, and national services business coalitions. The positive feedback that he had received confirmed the relevance of the Initiative's work to the global business community.

3.4. Many delegations intervened to commend the progress made in 2020 – especially given the exceptional and challenging circumstances of the year. Looking ahead, participants restated their commitment to keep up the momentum, to continue working constructively with a view to further stabilizing the Reference Paper and completing the process of exchange of indicative draft schedules. They also pledged to strengthen their outreach efforts towards other WTO Members with a view to ensuring the participation of the main services traders around the world and achieving critical mass in this process. In this regard, one delegation stressed the need to address the issue of imbalance in sectoral coverage of Members' commitments to facilitate participation in this process. As 2021 would be a crucial year for the Initiative in the run up to MC12, delegations emphasized the importance of carefully planning next procedural steps for the finalization of the negotiations, and in particular for a fruitful ministerial engagement. Many participants agreed that services domestic regulation presented one of the most probable and viable deliverables for MC12.

4 OTHER BUSINESS

4.1. The Chair announced the planned schedule of meetings for next year: 4 February, 4 March, 14 April, and 10 May 2021.
