

Working Party on Domestic Regulation

REPORT ON THE MEETING HELD ON 29 NOVEMBER 2001

Note by the Secretariat

1. The Working Party on Domestic Regulation (WPDR) held its fourteenth meeting on 29 November. The agenda for the meeting is contained in Airgram WTO/AIR/1673. Discussion throughout the meeting was based largely on a new Chairperson's Note (JOB(01)/159, dated 22 November 2001).

2. Before moving to the substantive items for consideration, the Chairperson noted that, as was the established practice, a summary of the discussions to date on the *Checklist* issues was attached to the Minutes, and a strike-out version of this summary had been provided at the back of the room for everyone's reference.

(a) Development of Regulatory Disciplines under GATS Article VI.4

(i) *Discussion of Concepts Relating to the Development of Disciplines*

3. The Chairperson introduced the first item on the agenda, the *Discussion of Concepts Relating to the Development of Regulatory Disciplines*. At the previous meeting on 2 October, the Working Party had again made significant progress and, as a result, he had circulated a new Chairman's Note. He intended to essentially structure the day's discussions on this Note.

4. In the Note, he again emphasised that Members should feel free to draw upon all relevant and available sources with a view to substantively taking the discussions forward. The Note focused on a range of issues that were still outstanding, with the exception of those that Members had agreed to put to one side for the time being. Also not included were issues in which Members had appeared to reach a common understanding, notably the relationship between GATS Article VI:4 and Articles XVI and XVII. Members were, of course, free to provide further comments on any issues, the Chairperson stated.

General Issues

Examples of actual regulatory issues

5. Turning to the *General Issues*, the Chairperson stated that the first topic was the question of *examples of actual regulatory issues*. In his Note, he had observed that the Working Party had made good progress in recent times, but it was clear that further precision and examples were required before the Working Party could achieve a more cogent understanding of the range of regulatory issues that related to Article VI:4. In light of the most recent WPDR discussions, it was clear that the responsibility for this rested with Members, who should feel free to review all relevant and available sources with a view to substantively taking the issue forward. He then opened the floor for Member's comments.

6. The delegate from Japan noted the Doha Ministerial Declaration deadline for negotiations of 1 January 2005, and said that Members should think about the timeframe for the development of

regulatory disciplines. He suggested that Members focus on listing concrete examples of measures to be addressed, and said that Japan agreed with the EC suggestion from the previous meeting to refer to Special Session negotiating proposals. Explanations by Members of their domestic regulations could also be useful, he said. The delegate then stated that Japan intended to make a proposal in the second half of 2002 or later.

7. The delegation of the European Communities reiterated their earlier proposal, i.e. for Members to examine the negotiating proposals from the CTS Special Session for regulatory examples to be used by the WPDR. They said the EC would be providing input in this regard, and that they looked forward to Japan's proposal. The delegation enquired whether Japan's proposal would include draft disciplines. The delegate from Japan replied that their planned proposal would possibly include draft principles for regulatory disciplines. The Chairperson said he welcomed any contributions from Members, particularly in the form of proposals.

8. The representative of the United States supported the idea of more contributions on the types of restrictions that disciplines could address, and suggested that the Secretariat paper be updated, including the addition of the comments made by the U.S. and other Members in previous meetings. He said that the Chairman's Note did not address the question of the scope of Article VI:4, i.e. of how broad were the five items concerned. From the U.S. perspective, coverage appeared to be very broad, and it was difficult to imagine regulatory restrictions that might be excluded. Regulatory examples from the negotiating proposals might help define these boundaries, the representative stated.

9. The Chairperson thanked the U.S. for their comments, and opened the floor for discussion on the suggestion to update the Secretariat paper. The representative of Hong Kong, China supported the EC suggestion, as well as the Secretariat update, noting that the two issues were not mutually exclusive. The Chairperson agreed with this statement.

10. The delegation of Canada supported the U.S. and EC proposals, and welcomed Japan's intervention. The Secretariat update should include elements from the *Synthesis of Results to date of the Domestic Consultations in Professional Services* paper, they stated. The Chairperson replied that Members did need to take this into account, and noted the usefulness of the current discussion. The Secretariat would update its Note, he stated, taking into account the sources mentioned by Members. Members were welcome to submit additional examples.

11. The representative of the United States asked for clarification that the update would only include information submitted by Members to the Working Party. The Chairperson confirmed this was the case.

Scope of GATS Article VI:4

12. The Chairperson noted that the next topic addressed in his Note was the issue of the *scope of GATS Article VI:4*. At the previous WPDR meeting, it had been accepted that there were a number of areas of common understanding, as highlighted in his previous Note (Job (01)/130, dated 14 September 2001). Members had indicated, however, that it would be useful to have further discussions on this issue. Also, in the current meeting, the U.S. had earlier indicated their views regarding the five items covered under Article VI:4.

13. In his latest Note, the Chairperson had stated that, under the aegis of scope, there was the question of the applicability of horizontal disciplines to sectors where specific commitments had or had not been made. It was clear from the previous meeting that many Members were interested in pursuing this particular issue further. In his view, one way in which the issue could be advanced would be to consider whether the applicability of any such disciplines to sectors where specific commitments had not been made should be ultimately left to the Member in question. In such circumstances, each Member would decide whether any such disciplines would apply to those sectors

where specific commitments had not been made, and this decision could be made clear in the horizontal section of each Member's schedule of specific commitments. The Chairperson then opened the floor for comments.

14. The representative of Uruguay, regarding the second sentence of para 6 of the Chairman's Note, said that the Chairman's comments acknowledged that there was no consensus on this issue. Most delegations expressing a view on the issue had stated that disciplines should only be applied where Members had made specific commitments. GATS Article VI also made numerous references in this regard, including in the preamble and para VI:1. The structure of GATS was based on progressive liberalization and the positive listing of commitments in Schedules, the representative noted, and he asked how this could proceed if disciplines were to be made unconditional. Members should follow the example of the accountancy disciplines, he stated, as specified in the *Decision on Disciplines Relating to the Accountancy Sector* (S/L/63, dated 15 December 1998) where paragraph 1 established that "These disciplines are to be applicable to Members who have entered specific commitments on accountancy in their schedules".

15. With respect to para 11 of the Minutes of the previous WPDR meeting, the representative said that he had wished to have Uruguay's comments reflected in full and attributed. He also stated that the *Informal Summary of Discussions*, currently annexed to the Minutes, needed to be separated from the Minutes, as it was an informal document. The Chairperson replied by noting that the previous meeting's discussions had been held primarily in informal mode, and this had been reflected in the Minutes of that meeting. Obviously it was not possible for the formal Minutes to fully reflect informal discussions. It had therefore also been decided that the Chairperson's conclusions on each of the topics would be fully reflected in the Minutes.

16. Concerning the *Summary*, the Chairperson asked Uruguay if they wanted to have the WPDR Minutes and the *Summary* circulated as two distinct documents. The representative of Uruguay confirmed that this was his request, in order to distinguish clearly formal documents from informal ones. He also observed that, in the Minutes, some delegations had been specifically mentioned. The Chairperson replied that the fact that some delegations had been specifically mentioned in the Minutes related to the fact that he had referred to such delegations in his conclusions with respect to the topics concerned, and was not meant to have any other implications. In regard to the "creative idea" contained in para 6 of his Note, he wished to make it clear that it was an idea that he had suggested in an attempt to accommodate the various interests of all the Members. He particularly appreciated hearing the views of Uruguay and other Members on this idea.

17. The representative of Hong Kong, China asked for confirmation that the current discussions were being held in formal mode. The Chairperson indicated that this was the case. The representative of Hong Kong, China, stating that the observations he wished to make were without prejudice to his delegation's final position, said that he appreciated the Chairman's contribution, but was not clear about its legal interpretation under GATS. He noted that the policy implications of Article VI:4 had not yet been thoroughly examined, and were possibly a subject for further negotiations.

18. There appeared to be an emerging consensus that there should be no overlap between Article VI:4 and Articles XVI and XVII, the representative observed, and that measures under these Articles were distinguishable in principle and subject to different GATS provisions. Given this separation, it was the view of his delegation that there was no reason why the applicability of Article VI:4 should depend on the application of Articles XVI and XVII in a particular sector. Excluding the possibility of the application of Article VI:4 to sectors where specific commitments had not been made potentially permitted the imposition of disguised market access restrictions, he stated.

19. At the previous meeting, his delegation had made the observation that the omission of a reference to specific commitments in Article VI:4 might permit the interpretation that the Article could be applied in cases where specific commitments had not been made. Regarding the reference to

the accountancy disciplines as an example, the representative believed that it was too early for Members to take a definite view regarding the applicability of horizontal disciplines.

20. The Chairperson commented that, in his view, the ideas expressed in para 6 of his latest Note in no way undermined the common understanding reached by Members regarding the relationship between Article VI:4 and Articles XVI and XVII, i.e. the complementary nature of those provisions. The general thrust of his idea was to have Members decide for themselves on the applicability of any disciplines to be developed.

21. The delegation of Brazil agreed there was an emerging, or even existing, consensus on the lack of any overlap. Regarding the applicability of disciplines, he associated himself with Uruguay's statement. Brazil's view was that the purpose of the Article VI:4 provisions was to ensure that domestic regulation measures did not prejudice the market access rights granted in a Member's schedule. He also agreed that the *Summary* should be decoupled from the Minutes.

22. The Secretariat said that the inclusion of the annex in the Minutes did make it part of the formal document. The main objective was to provide a summary of informal discussions. The Secretariat was in Members' hands with respect to how they wished to deal with the *Summary*.

23. The delegation of the European Communities commented that the *Summary* was quite useful, and they had no preferences with regard to its presentation. Preliminary remarks with respect to the Chairman's Note were that, while acknowledging the importance of the question of applicability, the EC believed that the issue should be addressed in a later stage of the discussions. The identification of concrete examples, as discussed earlier, should come first. As an initial reaction, the EC believed that the Chairman's idea in para 6, while creative, might go a bit too far in interpreting Article VI:4. The Chairperson replied that the Minutes would indicate that para 6 reflected his idea only, and not the general viewpoint of Members.

24. The representative of India, as a preliminary observation, noted that Article VI required that, in sectors where specific commitments were undertaken, each would Member ensure that measures of general application were administered in a reasonable, objective and impartial manner. Although Article VI:4 did not specifically mention specific commitments, Article VI:5 implied that Article VI:4 applied only where specific commitments had been made, he stated.

25. The representative of Mexico said that, with respect to the issue of coverage, Members should ask themselves a few questions. The first was why, except for paras 2 and 4, all the references in Article VI were to specific commitments. Second, what would be the use of disciplines in the absence of specific commitments? Third, what was the scope of para 5, and what would happen if para 4 did not exist?

26. Mexico's preliminary views were the following: Regarding his first question, no reference was made for the purpose of giving Members freedom to assume additional commitments. In this regard, it was necessary to examine the nature of the specific commitment made, e.g. the Secretariat example of licensing systems, to determine whether the disciplines of Article VI:4 would be applied. The answer to the second question was directly linked to the first answer, the representative stated, i.e. without specific commitments, there was no mandatory obligation to fulfil Article VI:4. Paragraph 5 confirmed his previous two answers, as it expanded upon Article VI:4.

27. Article VI should be read in full, the representative stated, so that it could be clearly understood. The isolated reading of paragraphs could lead to incorrect interpretations. An analytical reading of the whole Article might lead to the conclusion that Article VI applied to specific commitments in general, but allowed for the flexibility for any Member to adopt horizontal obligations as a result of negotiations or even on a unilateral basis. The representative also supported Uruguay on separating the *Summary* from the Minutes.

28. The Chairperson thanked Mexico, and observed that it was clearly a substantive issue of considerable importance to Members.

29. The delegate from Chile also thanked Mexico for their intervention, and said that, although her delegation had not yet taken a position, she believed the issue would be dealt with in the negotiating process. Article VI:4 did not specify that specific commitments were referred to, and therefore the Working Party would need to decide. It would be strange if Members took a unilateral decision, the delegation stated. She supported the EC on the need to wait before making a decision.

30. The delegation of Malaysia stated that, because of the importance of the issue, they wished to formally reflect their view stated at the previous meeting. Malaysia believed that application should only be where specific commitments had been made, and supported Uruguay's views regarding the legal issues. Members needed to make a decision on the issue now, he stated.

31. The representative of Canada said that, regarding the overlap issue, there appeared to be a majority view, and agreed with Mexico on the need to look at the measures in question on a case-by-case basis. Regarding application, he saw no implication in GATS for either conditional or unconditional application, and believed it was an issue for negotiations. The representative supported Chile's recommendation to decide later. Article VI:5 was provisional, he stated, pending the development of regulatory disciplines. In this regard, there was a question of the legal status of old versus new disciplines.

32. The representative of Norway said that while some Members wanted a clearer idea of the scope, others did not and wanted to work on the creation of disciplines. Norway believed the two aspects were closely related, and should be discussed in parallel. Transparency disciplines could apply to all sectors, he stated. Necessity provisions were a different issue, and Norway believed they should apply only to specific commitments. In negotiations, there was the possibility Members might request trading partners to inscribe in their schedule the application of regulatory disciplines to otherwise unscheduled sectors.

33. The delegation from Peru associated themselves with Brazil's and India's comments, and stated that application should be only where specific commitments had been made. The delegation took considerable interest in Mexico's comments, and said they might be considered as an exception, without affecting Peru's interpretation.

34. The representative of from Thailand said that, like Brazil, India, Malaysia, Uruguay and others, her delegation believed that Article VI:4 was applicable only where specific commitments had been made. Members should not defer the issue, she stated, but instead try to reach an understanding as soon as possible.

35. The representative of Turkey, as a preliminary view, said that horizontal disciplines should only be applicable where specific commitments have been made. This was Turkey's interpretation of Article VI. Regarding prior comment provisions, his delegation did not see these as appropriate, but was of the view that Members could decide individually.

36. The representative of Hong Kong, China said the fact that specific commitments had been taken in nearly all sectors meant that the issue of the application of horizontal disciplines in those sectors would need to be addressed by at least some Members. An early decision on application was therefore not a prerequisite for creating disciplines, he stated, and it might be an issue for negotiations. The goal of the current discussions should be to enable Members to reach a broader understanding before conducting negotiations. Para 15 of the Secretariat background paper S/C/W/96 (dated 1 March 1999) indicated that the issue had already been discussed extensively in the Working Party on Professional Services, the representative stated.

37. The Chairperson said that, with respect to procedural issues, clarification was needed regarding the Minutes and summaries of informal discussions. He asked whether some Members wished the Minutes to be void of any summaries of informal discussions, or whether they were referring only to the annex.

38. The representative of Uruguay emphasized that, if an annex was included in the Minutes, it was formal. He suggested that the *Summary* be distributed as an informal document. Regarding the comments by some delegations that application was an issue for negotiations, disagreed, stating that the requirement was instead to implement an Article that had already been negotiated. The scope of the Article was already clear, he stated, and the accountancy disciplines had clearly established the means of application. He said that it was clear that there was no consensus in relation to the question of the applicability of horizontal disciplines to sectors where specific commitments had not been made. He agreed with other delegations that the issue needed to be resolved as soon as possible.

39. The representative of Korea, regarding application, said Korea's position was not yet decided. The Chairperson's idea was creative, he stated, but could prejudice the final shape of the disciplines to be developed. He suggested that Members deal with the issue at a later stage. He noted that the Secretariat had explained the history of Article VI:4 at the last meeting, and said this should be reflected fully in the current meeting's Minutes.

40. The representative of Mexico, regarding the Minutes, agreed that the *Summary* should be a separate informal document.

41. The Chairperson, concluded by noting that the Members concerned had clarified their views regarding procedural issues, said he would ensure that the standard practice would be followed in the future regarding informal discussions. Discussion under this agenda item had been very useful and fruitful, with many delegations making constructive interventions. Although some Members wished to address the issue of application at a later stage, many Members placed emphasis on resolving the issue in the short term, he stated. Therefore, he would address this item at the next meeting, endeavouring to add some further creative thinking in advance of the meeting in his next Note.

Administrative burden

42. The Chairperson introduced this topic, stating that, as he had observed in his Note, it was well recognized that the Working Party would need to consider this concept as it developed any Article VI:4 disciplines, particularly from the perspective of developing and least developed countries. The Members' on-going discussions in this area had been reflected in the *Summary*, he noted, and he asked if Members had any additional comments they would like to add.

43. The representative of Hong Kong, China agreed that administrative burden was an important issue, which Members should all bear in mind when developing any VI:4 disciplines. There would be an administrative burden relating to the application of regulatory disciplines, he noted as well as to implementation of the regulations themselves. He hoped that ensuring that regulations were not more burdensome than necessary to meet legitimate objectives would help minimize the administrative burden posed by both the regulations and their implementation.

44. The delegation of the United States noted that they had earlier commented on the importance of addressing this issue with respect to all possible regulatory disciplines, including those related to both necessity and transparency. He said it would be useful to hear more specific details, from those Members expressing concern, of what might be the anticipated administrative burdens.

Definition of regulations, federal/subfederal measures

45. The Chairperson noted that the next issue, the *definition of regulations*, had previously been classified under *Transparency*. In his Note, he had stated that a number of questions under this issue had been raised, including the applicability of Article XXVIII and the relevance of the TBT Agreement. The Note stated that it would be useful if Members could consider more fully their views on this area, particularly the applicability of the definition of “measures” as found in Article XXVIII(a).

46. The representative of Brazil noted that his delegation had previously highlighted the importance of this issue. It had consistently been Brazil’s view that disciplines should not, in principle, be limited to federal or national government measures. He wondered if it would also be relevant to make a reference to Article I:3(a), especially to the question of how disciplines could make this provision stronger. He said this issue should also be examined sooner rather than later.

47. The Chairperson noted that he had, in fact, referred to Article I:3(a) in para 9 of his Note, dealing with *federal/subfederal measures*. He then opened the floor for comments on both issues.

48. The representative of Chile also stated that disciplines should apply to all levels of government. The representative of Hong Kong, China wanted his position from the previous meeting made formal, i.e. that the GATS applied to all levels of measures. There were no convincing arguments otherwise, he stated, and Article I:3(a) was a reference to how Members should fulfil their obligations.

49. The representative of India stated that, while Article I:3(a) required reasonable measures to ensure observance at the sub-federal levels, there were also certain constraints, especially for developing countries, including the administrative burden imposed on both the federal government and sub-federal units. India, therefore, believed regulatory measures should be limited to the federal level.

50. The delegation of the European Communities commented that Article I:3(a) and Article XXVIII(a) applied to Article VI:4, as it did to all other GATS articles. The representative of Uruguay supported the statements made by Brazil, Chile and the EC, and said the questions of both the definition of regulations and federal/subfederal measures should follow the GATS framework. The two questions should be resolved as soon as possible, he stated, as they would have a direct impact on the later negotiations.

51. The representative of the United States said that India’s comments were helpful in respect to his earlier request regarding administrative burden. Concerning definition of regulations, Article III:3 might also be relevant, he stated, as it appeared to establish a binding obligation with respect to only a sub-set of the items covered in Article XXVIII(a). This appeared to give some scope for flexibility regarding what the disciplines might be, and to the types of measures to which they might apply. The representative asked whether it would be appropriate, for example, to apply transparency or necessity disciplines to legislatures.

52. The Chairperson concluded the item by stating that a number of the points raised would benefit from further discussion and, therefore, Members would obviously need to revert to this issue again in the next meeting.

Necessity

53. The Chairperson noted that the next group of topics related to the issue of necessity. In his Note, he had observed that the first, and probably most significant, question that the Working Party was currently considering was that of *criteria for the necessity test*, which obviously included the idea of the “*third aspect*”. The Working Party had made some good progress on this issue, he stated, but still needed to come to a better understanding on the various terms that were currently on the table. In so doing, his Note highlighted that Members should continue to bear in mind the necessity test that was developed for the *Disciplines on Domestic Regulation in the Accountancy Sector*.

54. In the Chairperson’s view, as highlighted in para 11 of his Note, whatever test the Working Party might be able to develop on a more horizontal level would probably need to be fairly general in nature, so as to be applicable across as many sectors as possible. This issue was, of course, up to the Members themselves to decide.

55. The representative of Hong Kong, China agreed with putting the listing of legitimate objectives to one side temporarily. He commented, however, that he believed the intention of referring to legitimate objectives was to emphasize this concept as an essential element for any necessity test, and not to create an exhaustive listing.

56. Regarding criteria for the necessity test, the representative asked whether there were any additional nuances introduced by the terms “least trade restrictive” and “proportionality”, over and above what was already covered by the term “not more trade restrictive than necessary”. He believed that the two terms might give some useful indications as to how a necessity test, in practical terms, might be administered. His delegation was particularly reflecting on the question of whether the two terms could be necessary or sufficient conditions for necessity.

57. The representative of the United States, concerning para 11 of the Chairperson’s Note, asked what the Chairperson meant by his final sentence that “whatever test the Working Party might be able to develop on a more horizontal level will need to be fairly general in nature so as to be applicable across as many sectors as possible”, and also asked whether a panel might apply the general necessity test on a sectoral, case-by-case basis. The Chairperson replied that, in his personal view, a horizontal necessity test obviously could not be too specific when dealing with all services sectors, and his comments in para 11 were, in his view, largely self-evident. The jurisprudence and how a dispute settlement panel would approach the test would be another issue, he stated. Rather than attempt to give a definitive answer, he believed Members would need to consider further the entire issue.

58. The Chairperson concluded by stressing that, while the general issues were significant and important, he had noted that discussion at some recent meetings had tended to diminish as the more substantive issues were discussed. Perhaps this reflected their greater difficulty and complexity, he stated, but he did believe that it was important for Members to contribute to the evolving thought processes on necessity, transparency, equivalence and international standards.

Transparency

59. Turning to *transparency* issues, the Chairperson said that, in his latest Note, he had observed that the issues of *transparency objectives* and the *compliance with existing notification requirements* were currently the primary focus of the Working Party. It was in these areas that some of the more substantive questions arose as to the possible shape of any transparency disciplines and, in his view, once these questions had been clarified the remaining questions would become somewhat easier to answer.

60. The representative of Mexico said that, as with the previous issue, they attached considerable importance to transparency, especially regarding state and local measures. Members had committed

themselves in Article I, he noted, and now the focus was on how to comply with GATS requirements, as well as the link between Articles I and III.

61. Members should ask whether they needed to be more specific in how transparency requirements were complied with, the representative stated. For this reason, he wished to ask the Secretariat for a brief compilation, by sector, of Members' notifications to date of central and local government measures, without identifying the Members concerned. The compilation should identify the nature of the measures notified, with the overall objective of providing an "x-ray" of the status quo.

62. There was no need for additional notification requirements. Instead, the issue was compliance with the existing requirements of Article III, the representative said. In certain sectors, such as financial services, there was the recognition that market access would not be complete without greater transparency requirements. Mexico did not oppose the discussion of sectoral or unilateral measures, but did oppose the establishment of any additional general transparency obligations.

63. The representative of Hong Kong, China recognized that the full and faithful implementation of the existing Article III transparency requirements would go a long way in addressing the requirements for transparency in domestic regulation at all levels of government. In this regard, he noted that the transparency provisions of the accountancy disciplines required making known not only the relevant measures, but also the rationale behind those measures in relation to legitimate objectives.

64. Hong Kong, China believed this requirement was an important element of any horizontal disciplines to be developed under Article VI:4, as well as crucial for the effective administration of any necessity test. In addition, it also demonstrated the interdependency of necessity and transparency. Transparency of procedures for the review of administrative decisions was also important, the representative stated.

65. The Chairperson agreed with Mexico that a Secretariat compilation would probably be useful, and said that the Secretariat had indicated it would not be difficult to produce. He suggested that the compilation could be prepared in advance of the next meeting, and asked Members for their comments.

66. The representative of Japan commented on how Members could effectively implement Article III transparency obligations, by stating it might be useful for Members to first give thought to the kinds of information needed. An example could be the information requirements specified in the Annex on Telecommunications. Japan also believed that Members should give attention to enhancing transparency disciplines. As a starting-point, his delegation proposed to examine the items suggested in Japan's paper put forward last May (Job (01)/77), including publication of measures, responding to queries and complaints, establishing standards for applying measures, and publicizing the standards for applying measures.

67. Moreover, of practical importance to services suppliers was enhancing the availability of information. From the viewpoint of promoting trade in services, it would deserve Members' examination to develop disciplines for enhancing transparency, the representative stated, paying due attention so that this would not cause excessive administration burden. For example, Members could consider introducing reference to a public comment system.

68. The Chairperson stated that he looked forward to further developing the thoughts contained in May paper from Japan. He concluded this item by stating that very useful points had been raised in the interventions. He urged Members to further reflect on both the new and existing contributions.

Equivalence

69. The Chairperson stated that both his Note and the revised Checklist posed a very short question to consider in relation to equivalence – namely, did Members think that the concept of equivalence was relevant to the Working Party's work on Article VI:4 disciplines. He also highlighted that reference had been made at the previous meeting to the usefulness and potential applicability of the *Guidelines for Mutual Recognition Agreements or Arrangements in the Accountancy Sector* in this regard.

International standards

70. The Chairperson then noted that, as was the case for equivalence, there was a very short question for the Working Party to consider in relation to international standards – namely, did Members think that international standards were relevant to the Working Party's work on Article VI:4. He then opened the floor for Members' comments.

71. The representative of Australia said they were in contact with the International Union of Architects, and would provide (sometime in March) information on how their standards corresponded to domestic standards.

72. The representative of India stated that the concepts of equivalence and international standards were quite important, especially for developing country Members to increase their trade in services. The lack of recognition of equivalence of qualifications was an important constraint to the delivery of services under mode 4, and needed to be tackled through horizontal disciplines under Article VI:4.

(ii) *Development of Disciplines for Professional Services*

73. The Chairperson stated that the second main item for the meeting concerned the development of disciplines for professional services. At the previous meeting, Members had an exchange of view under this agenda item, and several themes had emerged. One point was that the work under this and the previous agenda sub-item was mutually supportive, as shown by the links that existed between the various concepts discussed under both items. Members had also noted there was much useful information in the Secretariat *Synthesis* report, but that the level of reporting was still quite low. Members had again been urged to complete their domestic consultations and provide written or oral contributions.

74. The Chairperson then asked whether any Members would like to make comments on the various issues raised under the rubric of this agenda item, including the latest version of the *Synthesis* paper (*Synthesis of Results to date of the Domestic Consultations in Professional Services (Fourth Draft)*), Job (01)/162, dated 27 November 2001). He also pointed out that, since the last meeting, there had been no new written reports on Members' domestic consultations.

75. The representative of India recognized the complementarity of work on horizontal recognition and on professional services disciplines. He observed that only 14 Members had given their views in the *Synthesis* paper, and stated it was important to create a system whereby the views of the majority of the membership could be included before embarking on the formulation of disciplines. The reason for the poor response rate was perhaps the lack of capacity of domestic professional organizations, and the inexperience of member governments in handling such issues. Such factors should be examined, the representative stated, and efforts made to remedy the situation.

76. The Chairperson agreed that India's points were quite pertinent, and noted that the issue of the small number of Member contributions had been raised earlier. He asked if any Members had additional thoughts on the issues. The Chairperson concluded by stating that Members would revert to these issues at the next meeting.

(b) Date of Next Meeting

77. In accordance with the practice of grouping meetings of subsidiary bodies close to meetings of the Council for Trade in Services, the Chairperson suggested that the next meeting of the Working Party be held just before the next meeting of the Council and the Special Session in March. Members agreed to the Chairperson's suggestion.
