

**Working Party on Domestic Regulation**

**REPORT ON THE MEETING HELD ON 14 JULY 1999**

Note by the Secretariat

1. The Working Party on Domestic Regulation held a meeting on 14 July 1999. The agenda for the meeting is contained in Airgram WTO/AIR/1135. The main item on the agenda was further discussion of the four concepts addressed in the Secretariat paper S/C/W/96, i.e. necessity, transparency, equivalence and international standards, together with continued discussion, and adoption, of the proposal by Hong Kong, China regarding professional services.

(a) Discussion of necessity, transparency, equivalence and international standards

2. Discussion was held in informal mode, and included comments on necessity and transparency only. At the conclusion of the discussion, the Chairperson asked the Secretariat to summarize Members' comments for circulation. The delegation of Australia submitted a paper concerning GATS Article VI (to be circulated as S/WPDR/W1), and in presenting it gave a summary of the contents. This was followed by preliminary comments by Members.

Necessity

3. Delegations commented that the concept of necessity was directly linked to that of legitimate objectives. Although it was desirable to create a list of legitimate objectives, most Members agreed it would not be practical to attempt to create an exhaustive one. Some were of the view that legitimate objectives might vary between Members.

4. One delegation recommended that the Working Party examine necessity from the perspective of the five areas addressed in the accountancy disciplines, i.e. qualification requirements, qualification procedures, licensing requirements, licensing procedures, and technical standards. Additional examination of the TBT and SPS Agreements was also recommended; in this regard, several of the interventions included a request for further Secretariat input on necessity-related issues.

Transparency

5. The Chairperson noted that Members had previously suggested creating a listing of transparency objectives. One delegation requested that the Secretariat compile a summary of discussions on transparency by the previous Working Party on Professional Services.

6. The recommendation was made to also examine transparency issues from the perspective of the five areas addressed in the accountancy disciplines. One delegation observed that the TBT and SPS Agreements contained provisions regarding prior consultations on proposed measures; it was suggested that the Working Party should explore the application of similar provisions to at least some services sectors.

(b) Discussion of Hong Kong, China informal papers

7. Discussion of the two informal papers previously introduced by Hong Kong, China, entitled *Horizontal Work in Professional Services* and *Clarification of Issues concerning the Proposal by Hong Kong, China to Pursue Disciplines in Professional Services*, respectively (Job Nos. 2784 and 3547, respectively) was also held in informal mode.

8. Upon returning to formal mode, the Chairperson summarized by stating that the consultations were a voluntary process. Members had agreed to consult as wide a cross-section of competent authorities in the professions as possible, as identified in I.A of MTN.GNS/W/120. It was noted that individual Members were, naturally, free to consult whichever professions they wished, but the value of the exercise would be enhanced if the scope of consultations covered all professions. The exercise would occur in two stages, with the Secretariat consultations with international professional associations taking place on a slower track. The Secretariat was waiting for information from delegations concerning relevant international organizations.

9. Agreed deadlines for the voluntary consultations were: 31 December 1999 to complete domestic consultations; and 31 March 2000 for Members to notify the WTO.

(c) Dates of Next Meeting

10. The Chairperson said that the next meeting would be held in September, near the next Services Council meeting.

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