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**Committee on Regional Trade Agreements**

**FACTUAL PRESENTATION**

**PARTNERSHIP, TRADE AND COOPERATION AGREEMENT BETWEEN THE  
UNITED KINGDOM AND THE REPUBLIC OF SERBIA  
(GOODS AND SERVICES)**

*Report by the Secretariat*

This report, prepared for the consideration of the Partnership, Trade and Cooperation Agreement between the United Kingdom and the Republic of Serbia, has been drawn up by the WTO Secretariat on its own responsibility and in full consultation with the Parties. The factual presentation reproduces as closely as possible the terminology used in the Agreement and in the comments provided and does not imply official endorsement or acceptance by the Secretariat of such terminology. The report has been drawn up in accordance with the rules and procedures contained in the Decision for a Transparency Mechanism for Regional Trade Agreements (WT/L/671) and thus does not imply any value judgement by the Secretariat regarding the contents of the Agreement.

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### Key Facts

<b>Parties to the Agreement:</b>	United Kingdom and Serbia
<b>Date of Signature:</b>	16 April 2021
<b>Date of Entry into Force:</b>	20 May 2021
<b>Date of Notification:</b>	18 May 2021
<b>Full implementation:</b>	20 May 2021

This factual presentation describes the Partnership, Trade and Cooperation Agreement between the United Kingdom and the Republic of Serbia (hereafter "the Agreement"). It incorporates and modifies the Stabilization and Association Agreement between the EU and Serbia (hereinafter EU-Serbia Agreement) which was considered by the Committee on Regional Trade Agreements (CRTA) on 28 June 2011, for the goods part, and 23 September 2014, for the services part, on the basis of a factual presentation prepared by the WTO Secretariat which should be read in conjunction with this factual presentation.<sup>1</sup>

## 1 TRADE ENVIRONMENT

1.1. The Agreement is one of 38 RTAs in force notified to the WTO by the United Kingdom and one of 8 RTAs for Serbia.

### 1.1 Merchandise trade

1.2. In 2020, the UK recorded a global merchandise trade deficit with exports of USD 403.9 billion and imports of USD 632.6 billion (Chart 1.1).<sup>2</sup> In the same period, Serbia's global merchandise trade balance was also negative with exports totalling USD 19.5 billion and imports equal to USD 26.2 billion.<sup>3</sup> In 2021, Serbia was the 50<sup>th</sup> largest global exporter and the 44<sup>th</sup> largest global importer of merchandise (respectively 0.1% of world exports and 0.2% of world imports), while the UK was the 10<sup>th</sup> largest exporter and the 6<sup>th</sup> largest importer (respectively 2.3% of world exports and 3.6% of global imports).<sup>4</sup> Both Parties' trade is dominated by manufactured products which made up 68.5% and 65.7% of Serbia's merchandise exports and imports respectively, and 68.4% and 63.7% of exports and imports respectively for the UK.

1.3. Serbia was the UK's 53<sup>rd</sup> largest source of imports (0.05% of UK's total imports) and 56<sup>th</sup> largest destination for exports (0.06% of UK's total exports), while the UK was Serbia's 9<sup>th</sup> largest source of imports and export destination (1.7% of total imports and 1% of exports).<sup>5</sup> The bilateral trade balance between the Parties was in favour of Serbia for the period 2018-2020 (Chart 1.1).

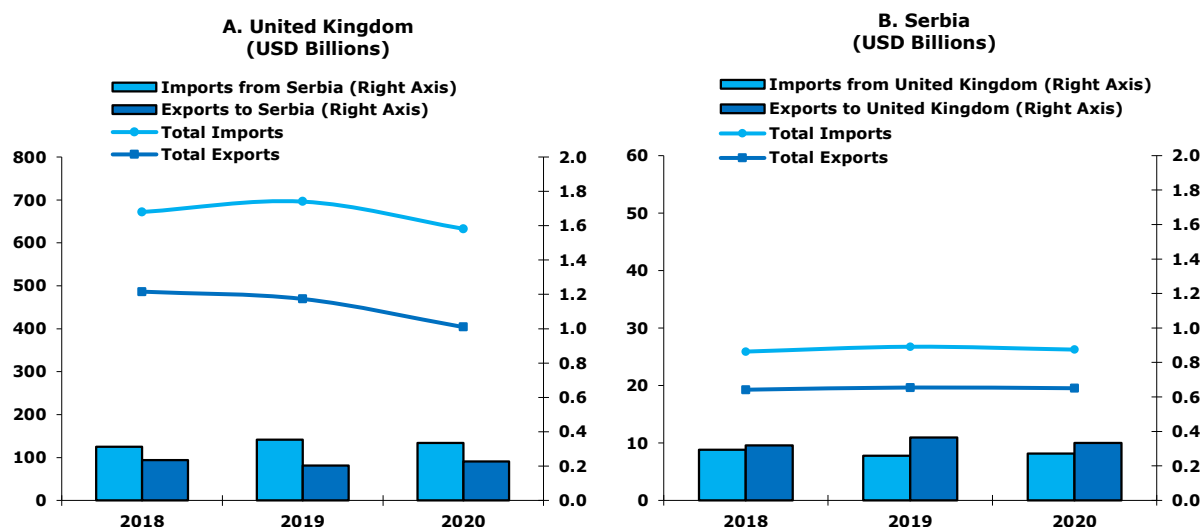
<sup>1</sup> See documents WT/REG285/1, WT/REG285/1/Corr.1 and WT/REG285/3/Rev.1.

<sup>2</sup> Data submitted by UK authorities.

<sup>3</sup> Data from UNSD, Comtrade database.

<sup>4</sup> WTO Trade Profiles 2021. Data exclude intra-EU trade.

<sup>5</sup> Data provided by UK authorities and UNSD Comtrade. Data exclude intra-EU trade.

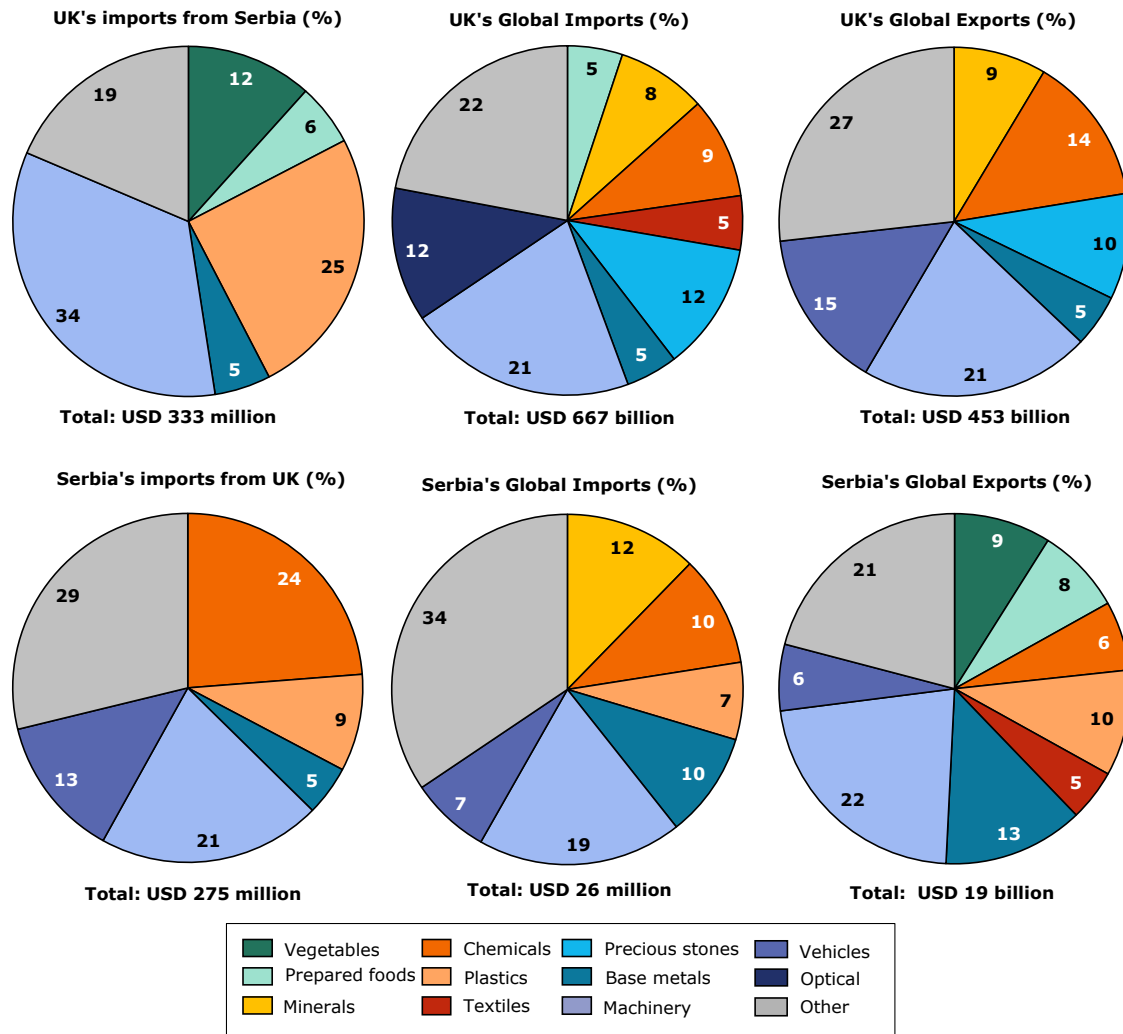
**Chart 1.1 UK-Serbia: Merchandise bilateral and global trade, 2018-2020**

Note: Exchange rates used from GBP to USD: 0.75 (2018), 0.78 (2019), 0.78 (2020).

Source: Based on data provided by the UK authorities and UNSD, Comtrade database.

1.4. The commodity structure of the global and bilateral trade of the Parties in the period 2018-2020 is shown in Chart 1.2 on the basis of Harmonized System (HS) sections. Of Serbia's largest exports (machinery, base metals and vegetables) the UK mainly imported machinery (34% of bilateral imports) and vegetables (12%), with plastics accounting for 25% of its imports from Serbia. The main imports of Serbia from the UK were chemicals (24% of bilateral imports), machinery (21%) and vehicles (13%) which were also the UK's main global exports. The UK's main global imports were machinery (21% of global imports), optical equipment (12%) and precious stones (12%), while those of Serbia were machinery (19% of global imports), minerals (12%), chemicals and base metals (10% each).

**Chart 1.2 UK-Serbia: Product composition of merchandise trade by HS Section, annual average (2018-2020)**

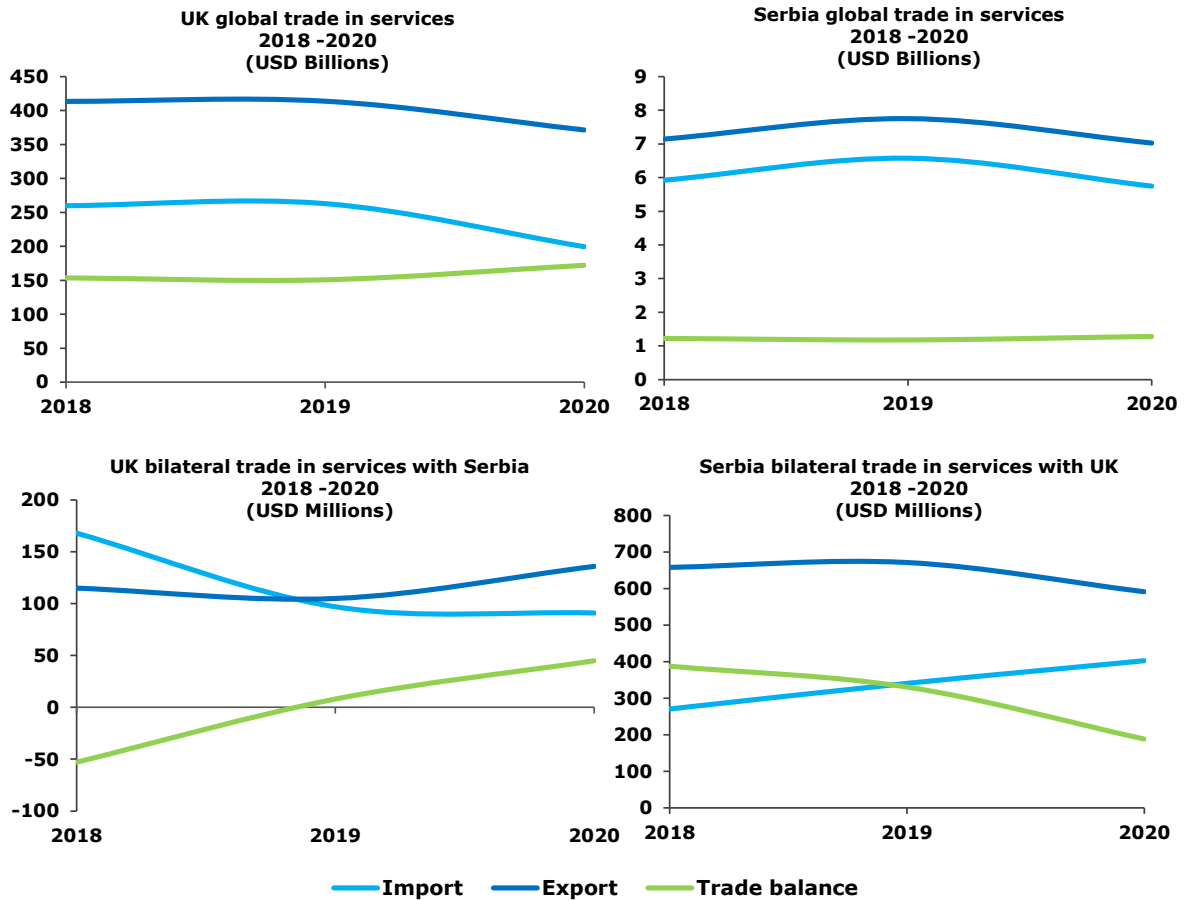


Source: Based on data provided by the UK authorities and UNSD, Comtrade database.

## 1.2 Trade in services and investment

1.5. In 2021 and excluding intra-EU trade, the UK was the world's 3<sup>rd</sup> largest exporter of commercial services and 4<sup>th</sup> largest importer while Serbia was the world's 36<sup>th</sup> largest exporter and 47<sup>th</sup> importer. The UK's shares in global commercial services trade were 6.9% of exports (valued at USD 415 billion) and 4.3% of imports (valued at USD 238 billion) while Serbia's corresponding shares were 0.15% of global commercial services exports (valued at USD 9 billion) and 0.13% of world commercial services imports (valued at USD 7 billion).

1.6. Chart 1.3 depicts the Parties global and bilateral trade in commercial services for the period 2018-2020. Both Parties registered a relatively constant global trade surplus over the period. Data provided by the UK shows a negative bilateral trade balance with Serbia in 2018 and a positive balance afterward. Data provided by Serbia, instead, shows a positive but declining trade surplus for Serbia in the period.

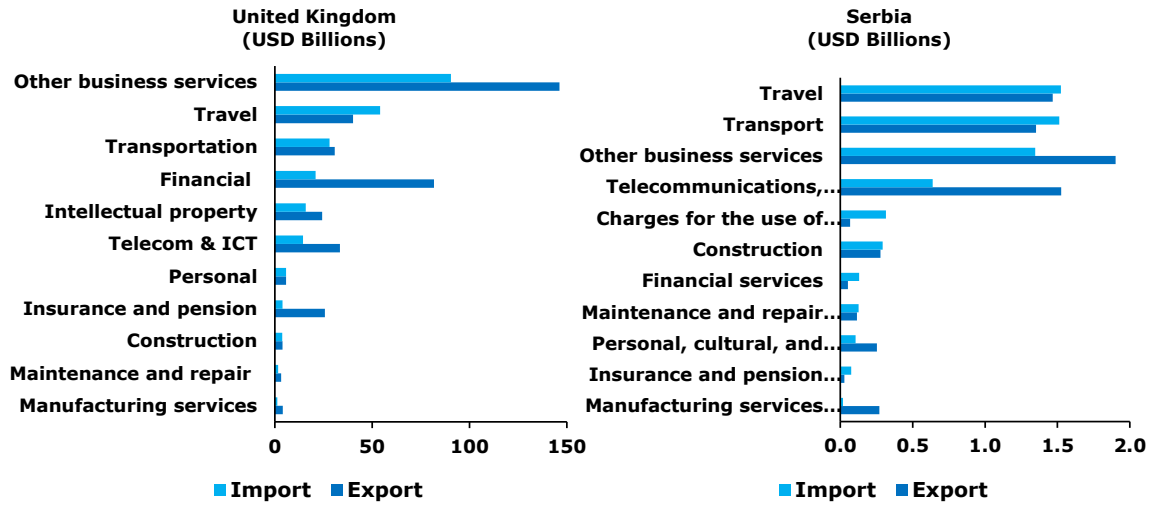
**Chart 1.3 UK-Serbia: Global and bilateral trade in commercial services, 2018-2020**

Note: Exchange rates from EUR to USD: 0.85 (2018), 0.89 (2019), 0.88 (2020); exchange rates from GBP to USD: 0.75 (2018), 0.78 (2019), 0.78 (2020).

Source: UK and Serbian authorities.

1.7. Chart 1.4 shows the Parties' trade in commercial services by services category in 2018-2020. The largest imports of the UK were other business services, travel and transport services while the largest exports were other business services, financial services and travel services. The largest imports of Serbia were travel, transportation, and other business services while the largest exports were other business services, telecommunication services, travel and transport services.

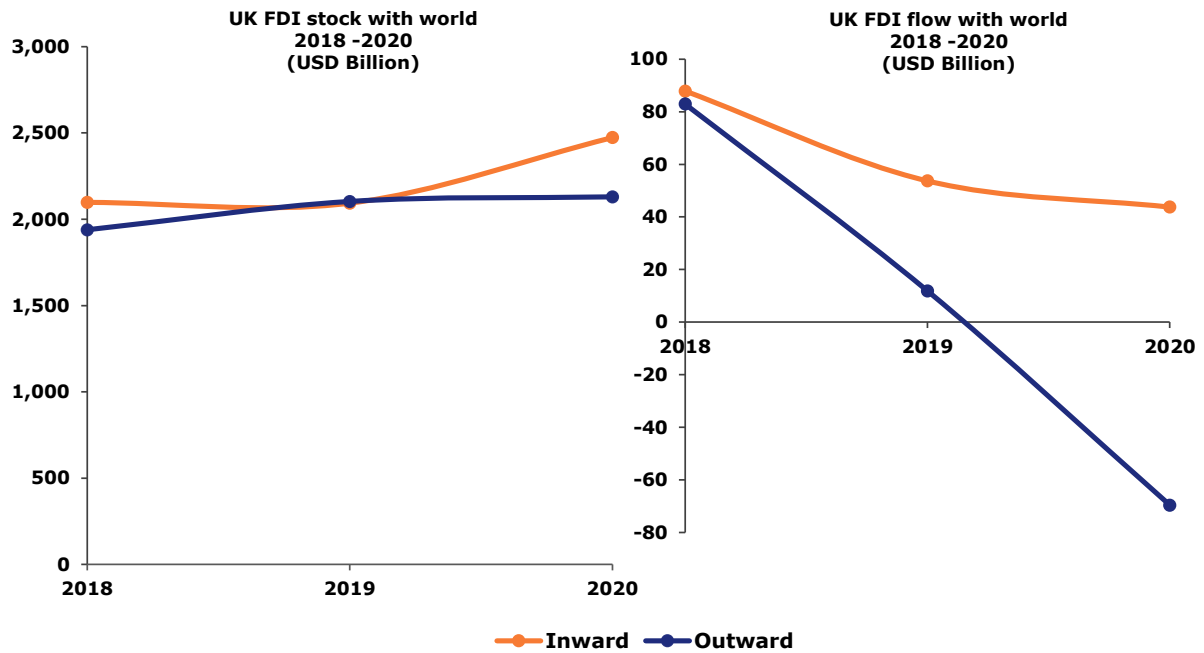
**Chart 1.4 UK-Serbia: commercial services trade with world by category (average 2018-2020)**



Source: UK and Serbian authorities.

1.8. Chart 1.5 and Chart 1.6 depict the Parties' global foreign direct investment stocks and flows for the period 2018-2020. The UK was a net recipient of FDI stocks in 2018 and 2020 and of flows throughout the period and Serbia was a net recipient throughout the period. At a bilateral level, data provided by the UK shows an increase in outward stocks to Serbia. Data provided by Serbia shows that inward stocks from the UK are larger than outward stock to the UK in 2018 and 2019; FDI inward flows from the UK were positive in 2018 and 2020 and negative in 2019 while negative outward flows to the UK became positive in 2020.

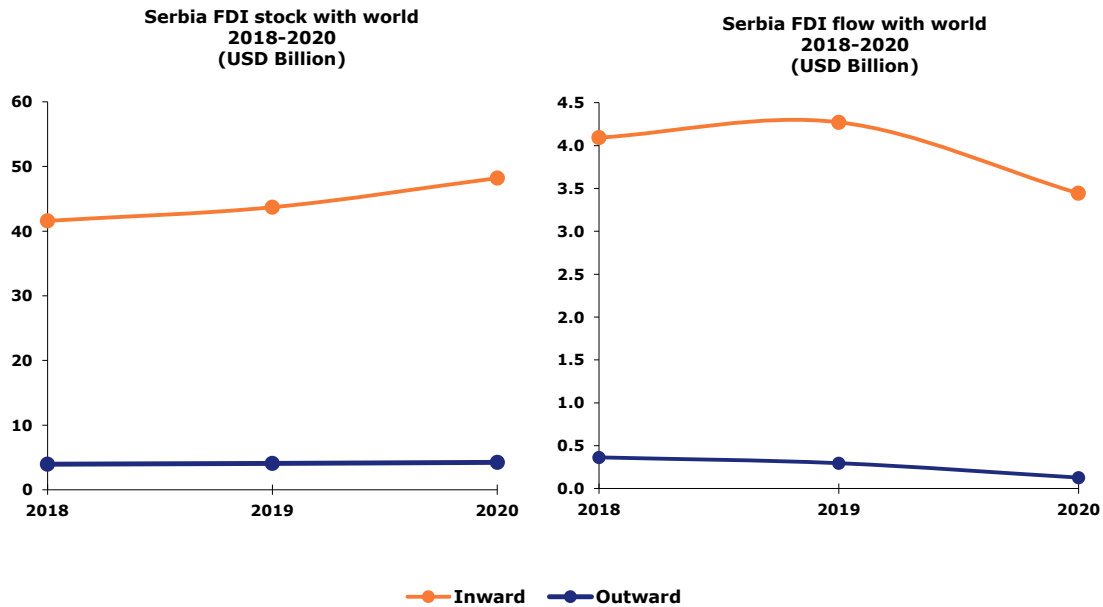
**Chart 1.5 UK: FDI stock and flow with the world, 2018-2020**



Note: Exchange rates from GBP to USD: 0.75 (2018), 0.78 (2019), 0.78 (2020).

Source: UK authorities.



**Chart 1.6 Serbia: FDI stock and flow with the world, 2018-2020**

Note: Exchange rates from EUR to USD: 0.85 (2018), 0.89 (2019), 0.88 (2020).

Source: Serbian authorities.

## 2 CHARACTERISTIC ELEMENTS OF THE AGREEMENT

### 2.1 Background information

2.1. The Agreement was signed on 16 April 2021 and was notified to the WTO on 18 May 2021 under Article XXIV:7(a) of GATT 1994 and Article V:7(a) of the GATS (see documents WT/REG455/N/1 – S/C/N/1056). It entered into force on 20 May 2021.<sup>6</sup>

2.2. The text of the Agreement, together with its annexes, is available on the following official websites:

**United Kingdom:** <https://www.gov.uk/government/publications/ukserbia-partnership-trade-and-cooperation-agreement-cs-serbia-no12021>

**Serbia:** <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/mu/skupstina/zakon/2021/13/1/reg>

2.3. The Agreement is composed of 12 articles, three annexes and a Joint Declaration. It follows the short form approach, which incorporates, by reference, the relevant provisions of the EU-Serbia Agreement with necessary modifications. The modifications are set out in Annexes I, II, and III (Article 3). The obligations in some of the Joint Declarations made by the Parties in relation to the EU-Serbia Agreement also apply while other Joint Declarations have been replaced or introduced as set out in Annex I to the Agreement. Table 2.1 lists the titles, chapters, annexes, protocols and joint declarations of the EU-Serbia Agreement and the modifications under the Agreement.

**Table 2.1 Structure of the EU-Serbia Agreement and modifications made in the UK-Serbia Agreement**

Structure of the EU-Serbia Agreement		Modifications
Title I	General principles	Articles 1-6 Article 8 replaced
Title II	Political dialogue	Articles 10-13

<sup>6</sup> The UK clarified that 20 May 2021 is the date of provisional application and 15 July 2021 is the date of the full entry into force of the Agreement.

Structure of the EU-Serbia Agreement		Modifications
Title III	Regional cooperation	Article 14 Articles 15 (Cooperation with other countries having signed a Stabilisation and Association Agreement) and 17 (Cooperation with other countries candidate for EU accession not concerned by the Sap) are not incorporated
Title IV	Free movement of goods	Article 18
Chapter I	Industrial products	Article 19 (Definition)
Chapter II	Agriculture and fisheries	Article 26 (Community concessions on imports of agricultural products originating in Serbia), Article 31 (Review clause)
Chapter III	Common provisions	Articles 39 (Customs unions, free trade areas, cross-border arrangements) and 46 (Failure to provide administrative cooperation) Article 48 is not incorporated
Title V	Movement of workers, establishment, supply of services, movement of capital	
Chapter I	Movement of workers	Articles 50 and 51
Chapter II	Establishment	Articles 53 and 55
Chapter III	Supply of services	Articles 59-61
Chapter IV	Current payments and movement of capital	Article 64 is not incorporated
Chapter V	General provisions	Articles 68A and 71A added
Title VI	Approximation of laws, law enforcement and competition rules	Article 73 (Competition and other economic provisions) Article 74 (Public undertakings) Articles 72 is not incorporated Article 75 (Intellectual, industrial and commercial property), 76 (Public procurement), 77 (Standardization, metrology, accreditation and conformity assessment) and 78 (Consumer protection) Article 79 (Working conditions and equal opportunities) is not incorporated
Title VII	Justice, freedom and security	Articles 82 (Visa, border management, asylum and migration), 84 (Money laundering and financing of terrorism) and 85 (Cooperation on illicit drugs) Articles 81 (Protection of personal data) and 83 (Prevention and control of illegal immigration; readmission) replaced
Title VIII	Cooperation policies	Articles 88, 89 (Economic and trade policy), 90 (Statistical cooperation), 91 (Banking, insurance and other financial services), 92 (Internal control and external audit cooperation), 93 (Investment Promotion and Protection), 94 (Industrial Cooperation), 95 (Small- and medium-sized enterprises), 96 (Tourism), 97 (Agriculture, and the agro-industrial sector), 98 (Fisheries), 99 (Customs), 100 (Taxation), 101, (Social cooperation), 102 (Education and training), 104 (Cooperation in the audiovisual field), 105 (Information society), 106 (Electronic communications networks and services), 108 (Transport), 109 (Energy), 110 (Nuclear safety), 111 (Environment), 112 (Cooperation in research and technological development) and 113 (Regional and local development)
Title IX	Financial cooperation	Article 115
Title X	Institutional, general and final provisions	Articles 116-118 are not incorporated Articles 120, 121, 127, 129, 130 and 132 Article 125 replaced Articles 122, 123, 131, 134-139 are not incorporated

Structure of the EU-Serbia Agreement		Modifications
<b>Annexes</b>		
Annex I	Serbian tariff concessions for Community industrial products	
Annex II	Definition of 'baby beef' products	Annex IIA (Additional Preferential Arrangements for certain agricultural and wine products) added
Annex III	Serbian tariff concessions for Community agricultural products	
Annex IV	Community concessions for Serbian fishery products	
Annex V	Serbian Concessions for Community Fishery Products	
Annex VI	Establishment: financial services	
Annex VII	Intellectual, industrial and commercial property rights	Paragraph 1
<b>Protocols</b>		
Protocol 1	On trade between the Community and Serbia, in processed agricultural products	
Protocol 2	Wine and spirit drinks	Articles 2, 10 and 11 and Annex II
Protocol 3	Definition of the concept of originating products and methods of administrative cooperation	Protocol replaced by Annex III of the Agreement
Protocol 4	On land transport	Articles 11-14, 16-18 and 21 Articles 4-6, 8-10 and 19 are not incorporated
Protocol 5	On State aid to the steel industry	Protocol not incorporated
Protocol 6	Mutual administrative assistance in customs matters	Articles 10, 13 and 14
Protocol 7	Dispute settlement	Articles 2, 13 and 15
<b>Joint Declarations</b>		
Joint Declaration on Article 75		
Joint Declaration on gaseous emissions from motor vehicles		
Joint Declaration on Article 3		Replaced
Joint Declaration on Article 32		Replaced
Joint Declaration concerning a trilateral approach to rules of origin		New

Source: WTO Secretariat based on the Agreement and the EU-Serbia Agreement.

2.4. The Parties agree to preserve the preferential conditions relating to trade between the Parties which resulted from the EU-Serbia Agreement and to provide a platform for further trade liberalisation between them (Article 1).

2.5. Unless otherwise provided, references to European Union law are to be read as references to European Union law in force as incorporated or implemented in UK law as retained European Union law on the day after the UK ceased to be bound by the relevant European Union law (Article 4).

2.6. With respect to territorial application, the Agreement applies, in respect of the UK, to the UK, Gibraltar, the Channel Islands and the Isle of Man. Moreover, the Agreement applies also to territories for whose international relations the UK is responsible from the date of written notification by the UK to Serbia of application of the Agreement to those territories (Article 6).

2.7. If a time period in the EU-Serbia Agreement has not yet ended, the remainder shall be incorporated into the Agreement, while if it has ended, any resulting rights and obligations shall continue to apply between the Parties (Article 7).

### 3 PROVISIONS ON TRADE IN GOODS

3.1. The Agreement incorporates and modifies Title IV of the EU-Serbia Agreement containing chapters on industrial products, agriculture and fisheries, and common provisions. Annexes I to V include the tariff concession schedules of the Parties. Protocols 1, 2, 3 and 6 and five Joint Declarations include additional provisions relevant for trade in goods.

3.2. The main modification to the provisions in Title IV of the EU-Serbia Agreement is the addition of Annex IIA setting out additional concessions in relation to products covered by Chapters 7 (edible

vegetables and certain roots and tubers) and 8 (edible fruits and nuts; peel of citrus fruit or melons) of the Combined Nomenclature and wine products. Other modifications essentially remove references to EU regulations and law.

### 3.1 Import duties and charges, and quantitative restrictions

#### 3.1.1 General provisions

3.3. Chapter I of Title IV of the EU-Serbia Agreement includes provisions on industrial products while Chapter II covers agriculture and fisheries. Common provisions are in Chapter III.

#### 3.1.2 Liberalization of trade and tariff lines

3.4. The elimination of duties on covered products under the EU-Serbia Agreement was immediate for the EU while Serbia progressively eliminated or reduced duties by 2014. Therefore, tariff liberalization under the Agreement was already fully implemented at the entry into force of the Agreement.

#### 3.1.3 Liberalization schedule

##### 3.1.3.1 United Kingdom

3.5. In 2021, 47% of the UK's tariff lines were duty free on an MFN basis, corresponding to 26.7% of its imports from Serbia in 2018-2020 (Table 3.1).<sup>7</sup> At the entry into force of the Agreement, 50.3% of the UK's tariff (73.2% of imports) was duty free for products originating in Serbia as a result of the liberalization afforded by the EU-Serbia Agreement. 261 tariff lines (2.7% of the tariff) remain dutiable.

**Table 3.1 United Kingdom: Tariff elimination commitments under the Agreement and corresponding average trade**

Duty phase-out period	Tariff lines		Imports from Serbia (2018-2020) <sup>a</sup>	
	Number	%	Value (USD million) <sup>b</sup>	%
2021 (MFN)	4,462	47.0	88.6	26.7
2021 (preferential)	4,771	50.3	242.7	73.2
Remain dutiable	261	2.7	0.1	0.1
<b>TOTAL</b>	<b>9,494</b>	<b>100.0</b>	<b>331.4</b>	<b>100.0</b>

a Import coverage is for HS chapters 1-97.

b The import values were reported in GBP and converted into USD using the exchange rates of 0.749531540259847(2018), 0.783445110011929 (2019) and 0.779999576697153 (2020).

Note: Tariff lines subject to in-quota rates are excluded in the computation. Based on the HS 2017 nomenclature.

Source: WTO estimates based on data provided by UK.

3.6. Table 3.2 shows the UK's tariff liberalization by HS Section. The 261 remaining dutiable lines for imports from Serbia are in HS Sections I (animal products) and IV (prepared foodstuffs) with average tariffs of 8.2% and 15% respectively.

**Table 3.2 United Kingdom: Tariff elimination under the Agreement, by HS Section**

HS Section	MFN 2021			No. of duty free lines under the Agreement (2021)	No. of remain dutiable lines	Avg. dutiable tariff (%)
	Avg. tariff (%)	No. of lines	Duty free lines			
I	8.9	956	109	784	63	8.2
II	4.4	554	213	341		
III	4.8	129	30	99		
IV	12.9	869	119	552	198	15.0

<sup>7</sup> Of the 9,494 lines in the UK's schedule, 8,613 (90.7%) were *ad valorem*, 647 lines (6.8%) had specific duties, 230 (2.4%) had compound duties and 4 had mixed duties.

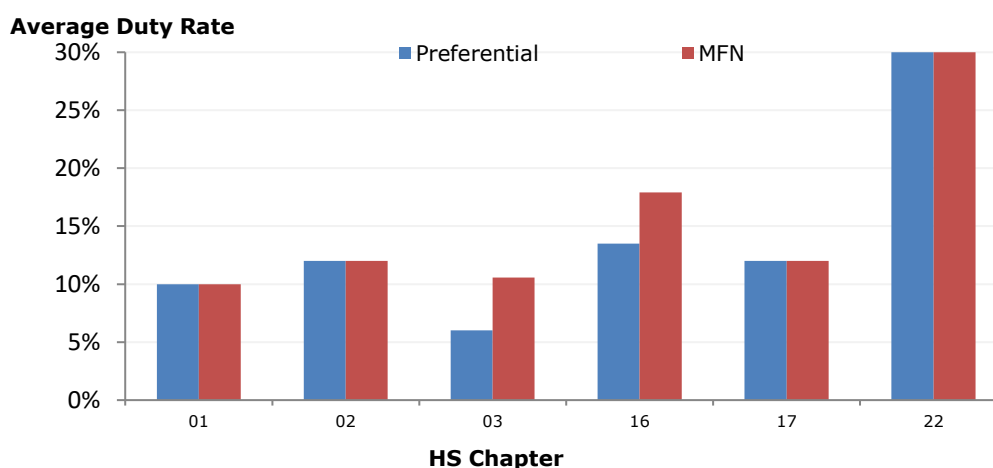
HS Section	MFN 2021			No. of duty free lines under the Agreement (2021)	No. of remain dutiable lines	Avg. dutiable tariff (%)
	Avg. tariff (%)	No. of lines	Duty free lines			
V	0.4	231	202	29		
VI	2.7	1,226	550	676		
VII	3.7	301	86	215		
VIII	1.4	130	73	57		
IX	1.1	235	189	46		
X	0.0	195	195			
XI	7.0	1,149	243	906		
XII	7.3	106	17	89		
XIII	2.0	234	162	72		
XIV	0.5	58	47	11		
XV	0.6	955	804	151		
XVI	0.7	1,338	981	357		
XVII	3.7	286	121	165		
XVIII	0.6	299	218	81		
XIX	1.4	22	7	15		
XX	1.4	214	89	125		
XXI	0.0	7	7			
<b>Total</b>	<b>3.8</b>	<b>9,494</b>	<b>4,462</b>	<b>4,771</b>	<b>261</b>	<b>11.2</b>

Note: Tariff lines subject to in-quota rates are excluded in the computation. For the calculation of averages, specific rates are excluded, and the *ad valorem* part of alternate rates are included. For the tariff lines subject to seasonal duties, the average rate for the entire year is used for the calculation. The products classified beyond the HS 8-digit level are counted once and their tariff rates are averaged to the 8-digit level.

Source: WTO estimates based on data provided by the UK.

3.7. At a more disaggregated level, duties will remain in Chapters 01, 02, 03, 16, 17 and 22 (Chart 3.1). All remaining duties are equal to the MFN rates except for Chapters 03 (fish) and 16 (preparations of meat or fish) with average preferential rates of 6% and 13.5% respectively, compared to applied MFN rate of 10.6% and 17.9%. Average applied rates for other chapters range from 10% to 30%.

**Chart 3.1 UK: Average of dutiable rates, by HS Chapter**



Note: Tariff lines subject to in-quota rates are excluded in the computation. For the calculation of averages, specific rates are excluded, and the *ad valorem* part of alternate rates are included. For the tariff lines subject to seasonal duties, the average rate for the entire year is used for the calculation. The products classified beyond the HS 8-digit level are counted once and their tariff rates are averaged to the 8-digit level.

Source: WTO estimates based on data provided by the UK.

### 3.1.3.2 Serbia

3.8. In 2021, Serbia applied zero duties on 1.1% of tariff lines, corresponding to 2.1% of its imports from the UK in 2018-2020 (Table 3.3).<sup>8</sup> At the entry into force of the Agreement, 93.9% of Serbia's tariff (97.7% of imports) was duty free for products originating in the UK as a result of the liberalization afforded by the EU-Serbia Agreement. 498 tariff lines (5% of the tariff) remain dutiable.

**Table 3.3 Serbia: Tariff elimination commitments under the Agreement and corresponding average trade**

Duty phase-out period	Tariff lines		Imports from the UK (2018-2020)	
	Number	%	Value (USD million)	%
2021 (applied)	111	1.1	5.1	2.1
2021 (preferential)	9,444	93.9	234.4	97.7
Remain dutiable	498	5.0	0.4	0.2
<b>TOTAL</b>	<b>10,053</b>	<b>100.0</b>	<b>240.0</b>	<b>100.0</b>

Note: Tariff lines subject to in-quota rates are excluded in the computation.  
Based on the HS 2017 nomenclature.

Source: WTO estimates based on data provided by the Serbian authorities and the WTO-IDB.

3.9. Table 3.4 shows Serbia's tariff liberalization by HS Section. The 498 remaining dutiable lines for imports from the UK are in HS Sections I (animal products), II (vegetable products), III (fats and oils) and IV (prepared foodstuffs) with average tariff ranging between 7.9% and 20.1%.

**Table 3.4 Serbia: Tariff elimination under the Agreement, by HS Section**

HS Section	Applied rates 2021			No. of duty-free lines under the Agreement (2021)	No. of remain dutiable lines	Avg. dutiable tariff (%)
	Avg. tariff %	No. of lines	Duty-free lines			
I	15.4	980		787	193	10.2
II	12.4	572		528	44	7.9
III	6.8	129		125	4	12.1
IV	21.4	876		619	257	20.1
V	1.9	235	12	223		
VI	2.8	1,281	16	1,265		
VII	5.4	314		314		
VIII	6.7	132		132		
IX	3.5	246		246		
X	4.7	208		208		
XI	12.4	1,152	38	1,114		
XII	14.6	107		107		
XIII	9.1	243		243		
XIV	9.7	59		59		
XV	4.7	1,001	34	967		
XVI	5.3	1,600	1	1,599		
XVII	6.4	344	10	334		
XVIII	2.8	313		313		
XIX	24.0	23		23		

<sup>8</sup> All of the 10,053 lines in Serbia's schedule were *ad valorem*.

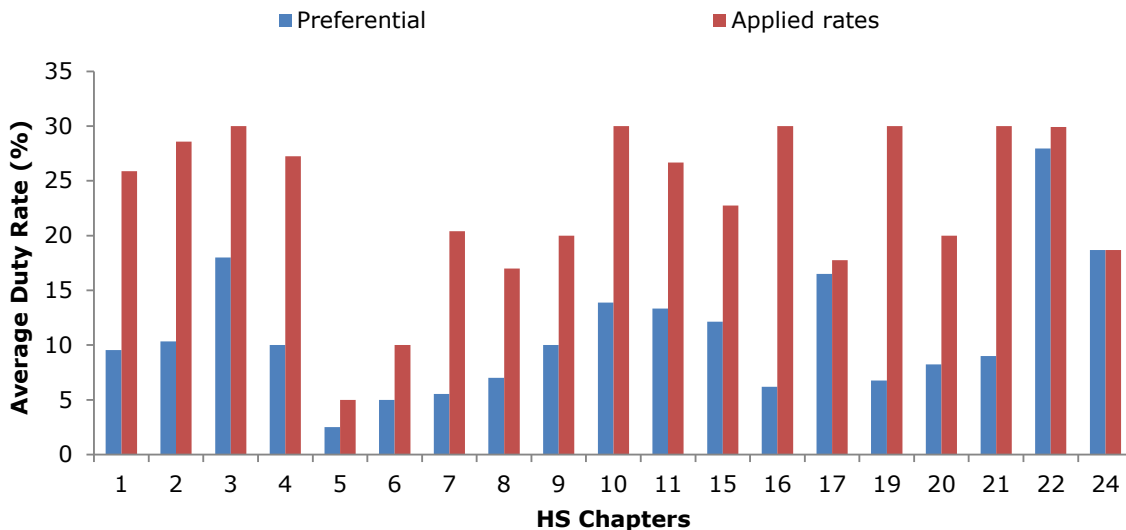
HS Section	Applied rates 2021			No. of duty-free lines under the Agreement (2021)	No. of remain dutiable lines	Avg. dutiable tariff (%)
	Avg. tariff %	No. of lines	Duty-free lines			
XX	9.4	231		231		
XXI	5.0	7		7		
<b>Total</b>	<b>8.8</b>	<b>10,053</b>	<b>111</b>	<b>9,444</b>	<b>498</b>	<b>15.4</b>

Note: Tariff lines subject to in-quota rates are excluded in the computation. Based on the HS 2017 nomenclature.

Source: WTO estimates based on data provided by the Serbian authorities and the WTO-IDB.

3.10. At a more disaggregated level, duties will remain in Chapters 01 to 11, 15 to 17, 19, 20 to 22 and 24 (Chart 3.2). Serbia reduced but maintained duties on products such as tomatoes, capsicum, live animals, meat, milk, cheese, eggs, honey, vegetables, foodstuff, fruits and carp. All remaining average duties are lower than applied rates for non-parties except for Chapter 24 (tobacco).

**Chart 3.2 Serbia: Average of dutiable rates, by HS Chapter**



Note: Based on the HS 2017 nomenclature. Tariff lines subject to in-quota rates are excluded in the computation.

Source: WTO estimates based on data provided by Serbia.

### 3.1.4 Tariff rate quotas

3.11. Article 8 of the Agreement modifies tariff rate quotas (TRQs) under the EU-Serbia Agreement. More specifically, TRQs or quota increases referred to in Articles 26(3), 26(4), 29(3), 29(4) and 30(3) of the EU-Serbia Agreement, and Annex IIIe, Annex IV, Annex III to Protocol 1 and Annex I to Protocol 2 of the EU-Serbia Agreement are resized to 13.62% of the corresponding quota volume or quota increase referred to in the EU-Serbia Agreement.

3.12. The UK applies tariff rate quotas on imports from Serbia for "baby beef" products, fish (trout and carp), sugar and sugar products and wine. In quota duties are zero for products in HS Chapters 3, 17 and 22 while the out of quota duty is the applied MFN rate.

3.13. Serbia allows duty free imports of wine (HS 220410 and 220421) from the UK within an annual quota of 3,405 HI.

3.14. Table A2.1 and Table A2.2 in Annex 2 of the factual presentation provide details.

### 3.2 Rules of origin

3.15. The Protocol in Annex III of the Agreement replaces Protocol 3 of the EU-Serbia Agreement on the Definition of the concept of originating products and methods of administrative cooperation. It sets out the rules of origin under the Agreement and largely replicates the rules of origin applied via Protocol 3 of the EU-Serbia Agreement, with some adjustments, in particular with respect to cumulation of origin.

3.16. Article 2 states that products shall be considered as originating in a Party if they are i) wholly obtained in that Party within the meaning of Article 5 of the Protocol or ii) obtained in the Party incorporating materials which have not been wholly obtained there, provided that such materials have undergone sufficient working or processing within the meaning of Article 6 of the Protocol. Article 6.2 also includes a *de minimis* tolerance rule of 10% of the ex-works price of the product which is applicable to non-originating materials used in the manufacture of a product, except products in HS Chapters 50 to 63 for which specific rules are included in Note 5 of Annex I to the Protocol.

3.17. Articles 3 and 4 provide for cumulation of origin for the UK and Serbia respectively. Products are considered as originating in a Party if they are obtained there, incorporating materials originating in Switzerland (including Liechtenstein), Iceland, Norway, Turkey, the European Union,<sup>9</sup> the other Party or any country or territory referred to in Annex A to the Protocol, provided that the working or processing carried out in a Party goes beyond the operations referred to in Article 7. It is not necessary for such materials to undergo sufficient work or processing. When working or processing carried out in the Party does not go beyond the operations referred to in Article 7, products are only considered as originating in that Party if the value added in that Party is greater than the value of the materials originating in any other relevant country or territory. If these conditions are not satisfied, the provisions on cumulation of materials state that the product shall be considered as originating in the country or territory which accounts for the highest value of originating materials used in the manufacturing in the Party. Cumulation of origin as provided for in Articles 3 and 4 may be applied provided that, for cumulation with the EU, the Parties and the EU have arrangements on administrative cooperation which ensure a correct implementation of Articles 3 and 4 and, in respect of cumulation of origin with other countries and territories, a preferential trade agreement is applicable between the countries or territories involved in the acquisition of originating status and the country or territory of destination, and provided that (for both the EU and the other countries and territories) materials and products have acquired originating status by the application of rules of origin identical to those in the Protocol, and notices indicating the fulfilment of the necessary requirements to apply cumulation have been published by the Parties.<sup>10</sup>

3.18. Articles 8 to 11 provide for unit of qualification, accessories, spare parts and tools, sets and neutral elements respectively.

3.19. A principle of territoriality is included in Article 12 which essentially replicates the provision in Protocol 3 of the EU-Serbia Agreement. Articles 13 and 14 provide for direct transport and exhibitions respectively.

3.20. Article 15 prohibits drawback of or exemption from customs duties for non-originating materials used in the manufacture of products originating in the Parties.

3.21. Title V of the Annex covers proof of origin, and arrangements for administrative cooperation are covered in Title VI.

3.22. In the Joint Declaration concerning a trilateral approach to rules of origin, the Parties recognise that a trilateral approach to rules of origin, involving the European Union, is the preferred long-term outcome in trading arrangements between the Parties and the European Union. This approach would replicate coverage of recent trade flows and allow for recognition of originating

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<sup>9</sup> The term European Union used in the Protocol does not cover Ceuta and Melilla and products originating there are not considered to be products originating in the European Union (Article 38 of the Protocol).

<sup>10</sup> The [Notice of fulfilment from the United Kingdom on cumulation with trading partners](#) indicates the arrangements for which the necessary requirements for the application of cumulation have been fulfilled. Serbia informed that at present only bilateral cumulation between Serbia and UK is applicable.



content from either of the Parties and from the European Union in exports to each other. In this regard, the Parties understand that any bilateral arrangement between them represents a first step towards seeking this outcome.

### **3.3 Export duties and charges, and quantitative restrictions**

3.23. Customs duties or quantitative restrictions on exports and charges or measures having equivalent effect in trade between the Parties were abolished upon the entry into force of the EU-Serbia Agreement (Article 22 of the EU-Serbia Agreement).

3.24. Products exported to the territory of one of the Parties may not benefit from repayment of internal indirect tax in excess of the amount of indirect tax already imposed on them (Article 37 of the EU-Serbia Agreement).

### **3.4 Regulatory provisions on trade in goods**

#### **3.4.1 Standards**

##### **3.4.1.1 Sanitary and phytosanitary measures**

3.25. There are no provisions on Sanitary and Phytosanitary measures *per-se* in the Agreement. However, Article 97 dictates that the Parties shall develop cooperation in veterinary and phytosanitary domains.

##### **3.4.1.2 Technical barriers to trade**

3.26. Article 77 of the EU-Serbia Agreement is modified under the Agreement. Provisions on the necessity for both Parties to promote and gradually achieve conformity with EU technical regulations and EU standardisation, metrology, accreditation, and conformity assessments are removed. The Parties shall seek to foster the development of quality infrastructure on standardisation, metrology, accreditation, and conformity assessment and promote participation in the work of specialised European organisations.

3.27. Serbia informed that as of January 2023, it did not conclude any Agreement on Conformity Assessment and Acceptance of Industrial Products but planned to open negotiations for three groups of industrial products: electrical/electronic appliances, machinery and personal protective equipment.

#### **3.4.2 Safeguard mechanisms**

##### **3.4.2.1 Global safeguards**

3.28. Safeguard actions are permitted in accordance with the provisions of Article XIX of GATT 1994 and the WTO Agreement on Safeguards (Article 41 of the EU-Serbia Agreement).

##### **3.4.2.2 Bilateral safeguards**

3.29. Bilateral safeguard measures are allowed under conditions laid down in Article 41 of the EU-Serbia Agreement. If a product is being imported in such increased quantities and under such conditions as to cause or threaten to cause serious injury to the domestic industry of like or directly competitive products or serious disturbances in any sector of the economy or difficulties which could bring about serious deterioration in the economic situation of a region, the importing Party may take appropriate bilateral safeguard measures. The safeguard measure adopted should consist of a suspension in the increase or in the reduction of the margin of preference provided for by the Agreement for the product concerned, and not be higher than the basic duty for that product.

3.30. Safeguard measures should also contain elements progressively leading to their elimination at the end of the set period, at the latest, and cannot be taken for more than two years. In exceptional circumstances, measures can be further extended for a maximum of two years. Bilateral safeguards cannot be applied on a product that has been previously subject to a bilateral safeguard

for a time equal to that during which such a measure had been previously applied, provided that the period of non-application is at least two years since the expiry of the measure.

3.31. In most cases, except under exceptional circumstances, before taking measures, the Parties must supply the Partnership, Trade and Cooperation Council with all the information required for a thorough examination of the situation, with a view to seeking a solution acceptable to the Parties. If the Council or the exporting Party has not put an end to problems or no other satisfactory solution has been reached within 30 days of the matter being referred to the Council, the importing Party may take appropriate measures to remedy the problem in accordance with the Agreement. When selecting safeguard measures, priority must be given to measures which least disturb the functioning of the Agreement. In exceptional and critical circumstances, which make prior information or examination impossible, a Party may take provisional measures as necessary and must inform the other Party immediately thereof.

3.32. The safeguard measures shall be notified immediately to the Partnership, Trade and Cooperation Council and be subject to periodic consultations with a view to establishing a timetable for their abolition.

#### **3.4.2.3 Special safeguards**

3.33. Article 32 of the EU-Serbia Agreement provides for special safeguards for agriculture and fisheries. If imports of originating products that are the subject of concessions granted pursuant to Articles 25 to 30 cause a serious disturbance to markets or domestic regulatory mechanisms, the Parties shall enter into consultations immediately to find an appropriate solution. Pending the solution, the Party concerned may take the appropriate measures it deems necessary. The Joint Declaration on Article 32 clarifies that the purpose of such measures is to monitor trade in products with high sugar content that could be used for further processing and to prevent a possible distortion in the pattern of trade in sugar and products not having characteristics essentially different to those of sugar.

3.34. Article 42 of the EU-Serbia Agreement provides for special safeguards in cases of critical shortage, or threat thereof, of foodstuffs or other products essential to the exporting Party or re-export to a third country of a product on which the exporting Party maintains quantitative export restrictions, export duties or measures or charges having equivalent effect, which give rise or are likely to give rise to major difficulties for the exporting Party.

#### **3.4.3 Anti-dumping and countervailing measures**

3.35. Anti-dumping and countervailing measures are allowed in accordance with the WTO Agreement on Implementation of Article VI of the GATT 1994 and the WTO Agreement on Subsidies and Countervailing Measures and the respective related internal legislation (Article 40 of the EU-Serbia Agreement).

#### **3.4.4 Subsidies and state-aid**

3.36. Article 43 of the EU-Serbia Agreement calls for Serbia to progressively adjust any State monopolies of a commercial character to ensure that no discrimination remains regarding the conditions under which goods are procured and marketed between nationals of the Parties.

3.37. Article 73 of the EU-Serbia Agreement recognises that any State aid which distorts or threatens to distort competition by favouring certain undertakings or certain products is incompatible with the proper functioning of the Agreement. (This does not, however, apply to agriculture and fisheries products referred to in Chapter II of Title IV). Serbia shall establish an operationally independent authority, within one year, entrusted with powers necessary to apply this. Both Parties will ensure transparency in State aid, including through a regular annual report or equivalent and, upon request, a Party shall provide information on particular individual cases of State aid.

3.38. If one of the Parties considers that a particular practice distorts or threatens to distort competition by favouring certain undertakings or certain products, it may take appropriate measures after consultation within the Partnership, Trade and Cooperation Council or after 30 working days following the referral for consultations. Nothing in the Article shall prejudice or affect the taking of

countervailing measures in accordance with GATT 1994 and the WTO Agreement on Subsidies and Countervailing Measures and the respective internal legislation of the Parties.

3.39. Article 74 of the EU-Serbia Agreement is replaced so that, with regard to public undertakings and undertakings to which special or exclusive rights have been granted, the Parties shall ensure that any measure distorting trade between them is neither enacted nor maintained.

#### **3.4.5 Customs-related procedures**

3.40. Administrative cooperation is considered essential for the implementation and control of preferential treatment in goods and the Parties underline their commitment to combat irregularities and fraud in customs and related matters (Article 46 of the EU-Serbia Agreement). Under Article 99 of the EU-Serbia Agreement the Parties establish cooperation on customs matters with a view to guaranteeing compliance with the trade provisions to be adopted.

3.41. Protocol 6 of the EU-Serbia Agreement on mutual administrative assistance in customs matters covers assistance to any administrative authority having the competence to apply the Protocol and in the areas of the Parties' competence, in the manner and under the conditions specified in the Protocol to ensure the correct application of customs legislation, especially by preventing, investigating and combating operations in breach of that legislation. It shall not prejudice the rules governing mutual assistance in criminal matters or cover information obtained under powers exercised at the request of a judicial authority, except where communication of such information is authorized by that authority. Assistance to recover duties, taxes or fines is not covered by Protocol 6.

3.42. Article 3 of the Protocol provides for assistance upon request and includes the provision of relevant information to enable the designated administrative authority to ensure that customs legislation is correctly applied. The requested authority shall take steps necessary to ensure special surveillance of natural or legal persons, places where goods are stocked, goods being transported, or means of transport, if there are reasonable grounds to believe that they are being used for, or are involved in, operations in breach of customs legislation. Spontaneous assistance can also be provided on the Parties' own initiative if they believe that they have information on a breach of customs legislation (Article 4 of the Protocol).

3.43. Under Article 9 of the Protocol, assistance may be refused or provided under certain conditions where a Party believes that i) it is likely to prejudice the sovereignty of Serbia or the EU Member State that has been requested to provide assistance, ii) it is likely to prejudice public policy, security or other essential interests, in particular those involving the provision of personal data, or iii) it violates an industrial, commercial or professional secret. Assistance may also be postponed on the grounds that it would interfere with an ongoing investigation, prosecution or proceeding.

3.44. The Protocol is to be implemented by the Parties' respective customs authorities who will decide on all practical measures and arrangements necessary for its application, taking into consideration the rules in force, particularly for data protection (Article 13 of the Protocol). The Parties will consult and keep each other informed of the detailed rules and implementation procedures adopted.

3.45. The provisions of the Protocol do not affect the Parties' obligations under any other international agreement or convention and are deemed complementary to any mutual assistance agreements that have been or may be concluded between Serbia and the UK although in cases of incompatibility of provisions, the Protocol will take precedence (Article 14 of the Protocol).

#### **3.5 Sector-specific provisions on trade in goods**

3.46. Article 97 of the EU-Serbia Agreement provides for cooperation in the field of agriculture, as well as veterinary and phytosanitary domains. Cooperation shall notably aim at modernising and restructuring the agriculture and agro-industrial sector, in particular to reach community sanitary requirements, to improve water management and rural development as well as to develop the forestry sector in Serbia.

## **4 PROVISIONS ON TRADE IN SERVICES**

4.1. The Agreement incorporates the provisions of Title V (Movement of workers, establishment, supply of services, movement of capital) and related Annexes and Appendices of the EU-Serbia Agreement, subject to modifications specified in Annex I to the Agreement.

4.2. The main modifications to the provisions in Title V of the EU-Serbia Agreement is the addition of new Articles such as 71.A and new paragraphs to existing Articles. Other modifications essentially remove references to EU regulations and law.

### **4.1 Scope and definitions**

4.3. Chapter I of Title V of the EU-Serbia Agreement concerns the movement of workers, Chapter II establishment (including establishment related to goods), Chapter III supply of services, Chapter IV current payments and movement of capital and Chapter V General provisions. Annex VI contains a list of financial services, and Protocol 4 details the rules applicable to land transport services. The provisions of Chapter II do not apply to air transport services, inland waterways and maritime cabotage services (Article 55 of the EU-Serbia Agreement). The Partnership, Trade and Cooperation Council may make recommendations for improving establishment and operations in these sectors.

4.4. Article 52 of the EU-Serbia Agreement sets out the definitions used in the Agreement relating to, *inter alia*, UK and Serbian companies, branches, establishment and financial services.

4.5. General provisions in Title V are subject to limitations justified on grounds of public policy, public security or public health and do not apply to activities in the territory of either Party that are connected, even occasionally, with the exercise of official authority (Article 65 of the EU-Serbia Agreement).

4.6. The Parties may apply their laws and regulations regarding entry and stay, employment, working conditions, establishment of natural persons and supply of services, provided that their application does not nullify or impair the benefits of the Agreement (Article 66 of the EU-Serbia Agreement).

### **4.2 Denial of benefits**

4.7. The Agreement does not include a denial of benefits provision *per se* but the definition of company in Article 52 of the EU-Serbia Agreement clarifies that a company, set up in accordance with the laws of a Party, having only its registered office in a Party's territory shall not benefit from preferences granted by the Agreement, unless its operations possess a real and continuous link with the economy of one of the Parties.

### **4.3 General provisions on trade in services**

#### **4.3.1 Market access**

4.8. With the incorporation of Title V of the EU-Serbia Agreement, the Agreement contains no market access obligation similar to the provisions in Article XVI of the GATS. The Parties undertake, in accordance with the provisions in the Agreement, to take the necessary steps to allow progressively the supply of services by UK companies, Serbian companies or by UK nationals or nationals of Serbia which are established in the territory of a Party other than that of the person for whom the services are intended.

#### **4.3.2 National treatment and MFN**

4.9. Through Article 53 of the EU-Serbia Agreement, the Agreement provides for MFN and national treatment as regards establishment by companies and the operation of subsidiaries and branches upon entry into force. The Partnership, Trade and Cooperation Council shall establish the detailed arrangements to extend national and MFN treatment to the establishment of nationals of the Parties to take up economic activities as self-employed persons.

4.10. Article 54 of the EU-Serbia Agreement provides that, with the exception of financial services, the Parties may regulate the establishment and operation of companies and nationals in their territory, insofar as those regulations do not discriminate against companies and nationals of the other Party in comparison with its own companies and nationals. The Article also includes a prudential carve-out for financial services.

4.11. The MFN treatment granted under the provisions of Title V shall not apply to the tax advantages that the Parties are providing or will provide in the future on the basis of agreements designed to avoid double taxation or other tax arrangements (Article 68 of the EU-Serbia Agreement).

### **4.3.3 Cross-border trade in services**

4.12. The Agreement incorporates, with modifications, Chapter III of the EU-Serbia Agreement, which applies to the supply of services. The Parties agree to take the steps necessary to allow progressively the supply of services by a company from the UK or from Serbia or their nationals who are established in a Party other than that of the person for whom the services are intended (Article 59 of the EU-Serbia Agreement). After four years, the Partnership, Trade and Cooperation Council shall take the measures necessary to implement progressively the liberalization of trade in services between the Parties.

### **4.3.4 Establishment**

4.13. Chapter II of Title V of the EU-Serbia Agreement concerns establishment including establishment concerning goods.

4.14. The application by a Party of particular rules concerning the establishment and operation of companies in its territory, which are justified by legal or technical differences between such branches, or for prudential reasons in financial services are allowed under Article 56 of the EU-Serbia Agreement.

### **4.3.5 Movement of natural persons**

4.15. Chapter I of Title V of the EU-Serbia Agreement concerns the movement of workers.

4.16. Article 49 of the EU-Serbia Agreement forbids any discrimination based on nationality as regards working conditions, remuneration or dismissal for workers of a Party who are legally employed in the territory of the other Party. Moreover, the legally resident spouse and children of a worker legally employed in the territory of a Party (excepting seasonal workers and workers subject to bilateral treaties) shall have access to the labour market of that Party, during the period of that worker's authorised stay of employment.

4.17. Article 50 of the EU-Serbia Agreement provides that the Partnership, Trade and Cooperation Council shall examine the granting of improvements for workers, including facilities for access to professional training, in accordance with the rules and procedures in force in the EU Member States, and taking into account the situation in the labour market in the EU and its Member States.

4.18. Rules shall be laid down for the coordination of social security systems for workers with Serbian nationality, legally employed in the territory of an EU member State, and for the members of their families legally resident there (Article 51 of the EU-Serbia Agreement). More specifically, the UK commits to allow all periods of insurance, employment or residence completed by Serbian workers in the UK and the various EU member States to be added together<sup>11</sup> and freely transferable for the purpose of pensions and annuities in respect of old age, invalidity and death and for the purpose of medical care. Serbia shall accord similar treatment regarding transferability of all periods of insurance, employment or residence.

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<sup>11</sup> The cumulation of periods completed in the UK or EU Members is applicable subject to the determination by the Partnership, Trade and Cooperation Council that appropriate data sharing arrangements are in place and its decision to apply the provision, with or without modifications, or to replace it.

4.19. Article 58 of the EU-Serbia Agreement provides that a company of one Party established in the territory of the other Party shall be entitled to employ its own nationals in the company provided that they are key personnel defined as natural persons working within an organization in the territory of a Party and are temporarily transferred for the pursuit of economic activities in the territory of the other Party.<sup>12</sup> The Article also describes the categories of natural persons, senior officers, experts and intra-corporate transferees which both Parties have agreed to permit to enter and remain in their respective territories during the period of employment.

4.20. The Parties are required to permit the temporary movement of natural persons providing the services or who are employed as key personnel including natural persons who are representatives of a company or national of a Party and are seeking temporary entry for the purpose of negotiating the sale of services for that service provider, where those representatives will not be engaged in making direct sales to the general public or in supplying services themselves (Article 59 of the EU-Serbia Agreement).

4.21. The Agreement does not specify maximum periods for the temporary entry and stay for different categories of businesspersons. Under the GATS, for the UK, the duration of temporary stay of intra-corporate transferees, business visitors and contractual service suppliers is defined by its laws and regulations regarding entry, stay and work. As a non-WTO member, Serbia has no GATS Schedule.

#### **4.4 Liberalization commitments**

4.22. There are no schedules of concessions nor lists of reservations on services in the Agreement. The Parties' market access liberalization commitments are found in the provisions of Title V, which also contemplate discussions on additional liberalization after the entry into force of the Agreement (under the auspices of the Partnership, Trade and Cooperation Council).

4.23. Except for financial and certain types of transport services, there are no national treatment restrictions in mode 3.

4.24. Article 60 of the EU-Serbia Agreement contains a standstill provision for the supply of services (modes 1, 2 and 4) so that the Parties cannot take any measures or actions significantly more restrictive than the situation existing on 31 August 2013, the day preceding the day of entry into force of the EU-Serbia Agreement.

##### **4.4.1 United Kingdom**

###### **4.4.1.1 MFN and horizontal commitments**

4.25. No horizontal commitment reservations are included in the Agreement except that the provisions in Title V are subject to limitations justified on grounds of public policy, public security or public health and do not apply to activities connected, even occasionally, with the exercise of official authority.

4.26. In its horizontal GATS commitments, the UK has listed an extensive reservation for public utilities, and limitations on branches, agencies and representative offices.

###### **4.4.1.2 Sector specific commitments**

4.27. Under the GATS, the UK made commitments in 11 out of 12 services sectors with no commitments in postal and courier services, audio-visual services, other human services, libraries, archives, museums and other cultural services, and maritime, inland waterways, space and pipeline transport services.

4.28. All services are covered under the Agreement except for air transport services, inland waterways and maritime cabotage services to which Chapter II of Title V on establishment does not

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<sup>12</sup> The organisation concerned must have its principal place of business in the territory of a Party and the transfer be to an establishment (branch, subsidiary) of that organisation, effectively pursuing like economic activities in the territory of the other Party.



apply (Article 55 of the EU-Serbia Agreement). As there are no schedules of commitments or lists of reservations for existing or future non-conforming measures, liberalization under the Agreement is conditional on the alignment of the legislation of Serbia to that of the UK.

4.29. Table 4.1 compares the commitments of the UK as a result of the Agreement to those under the GATS.<sup>13</sup> Horizontal limitations and MFN reservations are not considered in the table.

**Table 4.1 UK: Comparison between the GATS and Agreement specific commitments**

Sectors / Sub-sectors	GATS	FTA sector-specific liberalization <sup>a</sup>			Compared to GATS <sup>b</sup>
		Sector coverage		Commitments	
		Trade in services	Establishment		
<b>1. Business services</b>					
A. Professional Services	Partial	Full	Full	Conditional	Improved
B. Computer and Related Services	Full	Full	Full	Conditional	Same
C. Research and Development Services	Partial	Full	Full	Conditional	Improved
D. Real Estate Services	Full	Full	Full	Conditional	Same
E. Rental/Leasing Services without Operators	Partial	Full	Full	Conditional	Improved
F. Other Business Services	Partial	Full	Full	Conditional	Improved
<b>2. Communication services</b>					
A. Postal services	...	Full	Full	Conditional	New
B. Courier services	...	Full	Full	Conditional	New
C. Telecommunication services	Partial	Full	Full	Conditional	Improved
D. Audiovisual services	...	Full	Full	Conditional	New
E. Other	...	Full	Full	Conditional	New
<b>3. Construction and related engineering services</b>					
A. General construction work for buildings	Partial	Full	Full	Conditional	Improved
B. General construction work for civil engineering	Partial	Full	Full	Conditional	Improved
C. Installation and assembly work	Partial	Full	Full	Conditional	Improved
D. Building completion and finishing work	Partial	Full	Full	Conditional	Improved
E. Other	Partial	Full	Full	Conditional	Improved
<b>4. Distribution services</b>					
A. Commission agents' services	Partial	Full	Full	Conditional	Improved
B. Wholesale trade services	Partial	Full	Full	Conditional	Improved
C. Retailing services	Partial	Full	Full	Conditional	Improved
D. Franchising	Partial	Full	Full	Conditional	Improved
E. Other	...	Full	Full	Conditional	New
<b>5. Educational services</b>					
A. Primary education services	Partial	Full	Full	Conditional	Improved
B. Secondary education services	Partial	Full	Full	Conditional	Improved
C. Higher education services	Partial	Full	Full	Conditional	Improved
D. Adult education	Partial	Full	Full	Conditional	Improved
E. Other education services	...	Full	Full	Conditional	New
<b>6. Environmental services</b>					
A. Sewage services	Partial	Full	Full	Conditional	Improved
B. Refuse disposal services	Partial	Full	Full	Conditional	Improved
C. Sanitation and similar services	Partial	Full	Full	Conditional	Improved
D. Other	Partial	Full	Full	Conditional	Improved
<b>7. Financial services</b>					
A. All insurance and insurance-related services	Partial	Full	Partial	Conditional	Improved
B. Banking and other financial services	Partial	Full	Partial	Conditional	Improved
C. Other	...	Full	Partial	Conditional	New
<b>8. Health related and social services</b>					
A. Hospital services	Partial	Full	Full	Conditional	Improved
B. Other Human Health Services	...	Full	Full	Conditional	New
C. Social Services	Partial	Full	Full	Conditional	Improved
D. Other	...	Full	Full	Conditional	New
<b>9. Tourism and travel related services</b>					
A. Hotels and restaurants (including catering)	Partial	Full	Full	Conditional	Improved
B. Travel agencies and tour operators services	Full	Full	Full	Conditional	Same
C. Tourist guides services	Full	Full	Full	Conditional	Same
D. Other	...	Full	Full	Conditional	Improved
<b>10. Recreational and cultural and sporting services</b>					
A. Entertainment services	Partial	Full	Full	Conditional	Improved
B. News agency services	Full	Full	Full	Conditional	Same

<sup>13</sup> As of the date of this factual presentation, there is no certified UK Schedule of Specific Commitments therefore the proposed draft (circulated as document S/C/W/380) is used for the comparison.

Sectors / Sub-sectors	GATS	FTA sector-specific liberalization <sup>a</sup>			Compared to GATS <sup>b</sup>
		Sector coverage		Commitments	
		Trade in services	Establishment		
C. Libraries, archives, museums and other cultural services	...	Full	Full	Conditional	New
D. Sporting and other recreational services	Partial	Full	Full	Conditional	Improved
E. Other	...	Full	Full	Conditional	New
<b>11. Transport services</b>					
A. Maritime Transport Services	...	Partial	Partial	Conditional	New
B. Internal Waterways Transport	...	Partial	Excluded	Conditional	Similar
C. Air Transport Services	Partial	Partial	Excluded	Conditional	Narrower
D. Space Transport	...	Partial	Full	Conditional	New
E. Rail Transport Services	Partial	Partial	Full	Conditional	Similar
F. Road Transport Services	Partial	Partial	Full	Conditional	Similar
G. Pipeline Transport	...	Partial	Full	Conditional	New
H. Services auxiliary to all modes of transport	Partial	Partial	Full	Conditional	Similar
I. Other Transport Services	Partial	Partial	Full	Conditional	Similar
<b>12. Other services not included elsewhere</b>	...	Full	Full	Conditional	New

General Note: MFN and Horizontal limitations, as well as Mode 4 commitments/limitations not included. As there are no schedules of commitments or lists of reservations for existing or future non-conforming measures, the liberalization under the Agreement is considered on the basis of the principle of the alignment of Serbia's legislation to that of the UK.

- a: Progressive liberalization depends on the continued alignment of Serbia's legislation to that of the UK (Article 71A).
- b: Based on the sectoral coverage and progressive liberalization set out in the Agreement (Article 9 of the EU-Serbia Agreement).
- Full: Specific commitments not subject to limitation(s) under market access or national treatment, under any of the three modes.
- Partial: Specific commitments subject to some limitation(s) under market access or national treatment, under any of the three modes.
- ...: No specific commitment (under GATS), or no specific reservation (under the Agreement).
- New: New commitments (full or partial, with or without limitations) compared to GATS.
- Improved: Overall improved commitments (in terms of sectoral coverage and/or commitments) made under the Agreement compared to those under the GATS.
- Similar: Similar commitments; though possibly, in individual cases, with limited improvements and/or limited additional reservations.
- Excluded: Sector or sub-sector excluded from the coverage, or full reservation (under the Agreement).
- Conditional: Liberalization commitments are conditional to the level of alignment of Serbia's legislation to that of the UK.

Source: The Agreement, the EU-Serbia Agreement and the UK's GATS Specific Commitments (S/C/W/380).

#### 4.4.1.2.1 Business services

4.30. Under the GATS, the UK largely liberalized professional services with reservations, for modes 1 and/or 3, for, *inter alia*, auditing services, medical, dental and midwives services, veterinary services and other related scientific technical consulting services. Full commitments are made for computer and related services for modes 1-3 under the GATS. For research and development services, the UK fully liberalizes R&D services only for social sciences and humanities, while real estate services are fully liberalized. Rental/leasing services without operators for aircraft are subject to market access limitations for modes 2 and 3. Under other business services, all sub-sectors are committed either fully or with certain reservations, except for services incidental to manufacturing and to energy distribution, which are not scheduled.

4.31. The Parties commit to not undertaking measures or actions which render the conditions for the supply of services significantly more restrictive than on 31 August 2013 and agree to implement paragraph 1 of Article 59 to allow progressively the supply of services between them. These provisions are also dependent on the continued alignment of legislation, as per Article 71A. Moreover, there are no national treatment restrictions on business services for mode 3.

#### 4.4.1.2.2 Communication services

4.32. The UK has no commitments under the GATS for postal and courier services, audio-visuals and other communication services. For telecommunication services, the UK fully liberalized the supply of "all services consisting of the transmission and reception of signals by any electromagnetic



means, excluding broadcasting". The UK GATS commitments also incorporate the Reference Paper obligations for basic telecommunications services.

4.33. The Parties commit to not undertaking measures or actions which render the conditions for the supply of services significantly more restrictive than on 31 August 2013 and agree to implement paragraph 1 of Article 59 to allow progressively the supply of services between them. These provisions are also dependent on the continued alignment of legislation, as per Article 71A. Moreover, there are no national treatment restrictions on business services for mode 3.

#### **4.4.1.2.3 Construction and related engineering services**

4.34. The UK largely liberalizes under the GATS the supply of construction and related engineering services. Mode 1, however, remains unbound for the whole sector, except for site investigation work and excavating and earthmoving work.

4.35. The Parties commit to not undertaking measures or actions which render the conditions for the supply of services significantly more restrictive than on 31 August 2013 and agree to implement paragraph 1 of Article 59 to allow progressively the supply of services between them. These provisions are also dependent on the continued alignment of legislation, as per Article 71A. Moreover, there are no national treatment restrictions on business services for mode 3.

#### **4.4.1.2.4 Distribution services**

4.36. For distribution services, the scope of the UK's commitments under the GATS excludes trade in arms, chemical products, explosives and precious metal, otherwise, the sector is to a large extent open. The liberalization of the supply of retailing services is limited in scope and remains unbound for mode 1, except for mail order.

4.37. The Parties commit to not undertaking measures or actions which render the conditions for the supply of services significantly more restrictive than on 31 August 2013 and agree to implement paragraph 1 of Article 59 to allow progressively the supply of services between them. These provisions are also dependent on the continued alignment of legislation, as per Article 71A. Moreover, there are no national treatment restrictions on business services for mode 3.

#### **4.4.1.2.5 Education services**

4.38. Under the UK's GATS commitments, the provision of educational services is limited to privately funded primary, secondary, higher and adult education services which are fully bound.

4.39. The Parties commit to not undertaking measures or actions which render the conditions for the supply of services significantly more restrictive than on 31 August 2013 and agree to implement paragraph 1 of Article 59 to allow progressively the supply of services between them. These provisions are also dependent on the continued alignment of legislation, as per Article 71A. Moreover, there are no national treatment restrictions on business services for mode 3.

#### **4.4.1.2.6 Environmental services**

4.40. The supply of environmental services is largely liberalized by the UK under the GATS, with mode 1 remaining unbound for the scheduled sub-sectors.

4.41. The Parties commit to not undertaking measures or actions which render the conditions for the supply of services significantly more restrictive than on 31 August 2013 and agree to implement paragraph 1 of Article 59 to allow progressively the supply of services between them. These provisions are also dependent on the continued alignment of legislation, as per Article 71A. Moreover, there are no national treatment restrictions on business services for mode 3.

#### **4.4.1.2.7 Financial services**

4.42. Under the GATS, the UK made commitments in financial services in accordance with the provisions of the Understanding on Commitments in Financial Services (hereinafter the Understanding). Market access commitments in modes 1 and 2 apply only to the transactions

indicated in paragraphs B.3 and B.4 of the Understanding, respectively. In banking and other financial services, modes 2 and 3 are subject to a number of reservations, in particular regarding forms of establishment for mode 3.

4.43. Under the Agreement, the Parties may take measures for prudential reasons, including for the protection of investors, depositors, policy holders or persons to whom a fiduciary duty is owed by a financial service supplier, or to ensure the integrity and stability of the financial system (Article 54 of the EU-Serbia Agreement).

#### **4.4.1.2.8 Health related and social services**

4.44. The UK partially commits the supply of all hospital services and some social services with modes 2 and 3 fully liberalized and mode 1 remaining unbound.

4.45. The Parties commit to not undertaking measures or actions which render the conditions for the supply of services significantly more restrictive than on 31 August 2013 and agree to implement paragraph 1 of Article 59 to allow progressively the supply of services between them. These provisions are also dependent on the continued alignment of legislation, as per Article 71A. Moreover, there are no national treatment restrictions on business services for mode 3.

#### **4.4.1.2.9 Tourism and travel related services**

4.46. Tourism and travel related services are largely open by the UK under the GATS, with some reservations applicable to the scope and supply via mode 1 for hotels, restaurants and catering services.

4.47. The Parties commit to not undertaking measures or actions which render the conditions for the supply of services significantly more restrictive than on 31 August 2013 and agree to implement paragraph 1 of Article 59 to allow progressively the supply of services between them. These provisions are also dependent on the continued alignment of legislation, as per Article 71A. Moreover, there are no national treatment restrictions on business services for mode 3.

#### **4.4.1.2.10 Recreational and cultural and sporting services**

4.48. Under the GATS, news and press agency services are fully committed, while for entertainment services mode 1 remains unbound and partial liberalization commitments apply for the supply of sporting and other recreational services other than gambling and betting services.

4.49. The Parties commit to not undertaking measures or actions which render the conditions for the supply of services significantly more restrictive than on 31 August 2013 and agree to implement paragraph 1 of Article 59 to allow progressively the supply of services between them. These provisions are also dependent on the continued alignment of legislation, as per Article 71A. Moreover, there are no national treatment restrictions on business services for mode 3.

#### **4.4.1.2.11 Transport services**

4.50. The UK has no commitments in the GATS for maritime, internal waterways, space and pipeline transport services. In air transport services, maintenance and repair of aircraft and parts thereof, sales and marketing, and computer reservations systems are partially liberalized with inter alia, certain national treatment reservations. For rail transport services, the UK only liberalized modes 2 and 3 for maintenance and repair of rail transport equipment, with mode 1 remaining unbound. For road transport services, maintenance and repair of road transport equipment is fully liberalized, while for both passenger and freight transportation mode 1 is unbound, with specific reservations for mode 3 applicable for the supply of passenger transportation services. For services auxiliary to all modes of transport, the UK made full commitments in freight transport agency/freight forwarding services and pre-shipment inspection. For storage and warehouse services (other than in ports) only mode 1 remains unbound.

4.51. Specific provisions apply for the supply of maritime, air, inland and internal waterways transport services as described in Section 4.6.2 below.

#### 4.4.1.2.12 Other services not included elsewhere

4.52. Under the GATS, the UK has no commitments under this sector. Under the Agreement, no reservations for the sector are listed.

#### 4.4.2 Serbia

##### 4.4.2.1 MFN and horizontal commitments

4.53. No horizontal commitment reservations are included in the Agreement except that the provisions in Title V are subject to limitations justified on grounds of public policy, public security or public health and do not apply to activities connected, even occasionally, with the exercise of official authority.

##### 4.4.2.2 Sector specific commitments

4.54. As a non-WTO Member, Serbia has no GATS Schedules therefore Table 4.2 shows only the commitments under the Agreement. Horizontal limitations and MFN reservations are not considered in the table.

**Table 4.2 Serbia: Specific commitments under the Agreement**

Sectors / Sub-sectors	FTA sector-specific liberalization <sup>a</sup>		
	Sector coverage		Commit-ments
	Trade in services	Establish-ment	
<b>1. Business services</b>			
A. Professional Services	Full	Full	Conditional
B. Computer and Related Services	Full	Full	Conditional
C. Research and Development Services	Full	Full	Conditional
D. Real Estate Services	Full	Full	Conditional
E. Rental/Leasing Services without Operators	Full	Full	Conditional
F. Other Business Services	Full	Full	Conditional
<b>2. Communication services</b>			
A. Postal services	Full	Full	Conditional
B. Courier services	Full	Full	Conditional
C. Telecommunication services	Full	Full	Conditional
D. Audiovisual services	Full	Full	Conditional
E. Other	Full	Full	Conditional
<b>3. Construction and related engineering services</b>			
A. General construction work for buildings	Full	Full	Conditional
B. General construction work for civil engineering	Full	Full	Conditional
C. Installation and assembly work	Full	Full	Conditional
D. Building completion and finishing work	Full	Full	Conditional
E. Other	Full	Full	Conditional
<b>4. Distribution services</b>			
A. Commission agents' services	Full	Full	Conditional
B. Wholesale trade services	Full	Full	Conditional
C. Retailing services	Full	Full	Conditional
D. Franchising	Full	Full	Conditional
E. Other	Full	Full	Conditional
<b>5. Educational services</b>			
A. Primary education services	Full	Full	Conditional
B. Secondary education services	Full	Full	Conditional
C. Higher education services	Full	Full	Conditional
D. Adult education	Full	Full	Conditional
E. Other education services	Full	Full	Conditional
<b>6. Environmental services</b>			
A. Sewage services	Full	Full	Conditional
B. Refuse disposal services	Full	Full	Conditional
C. Sanitation and similar services	Full	Full	Conditional
D. Other	Full	Full	Conditional
<b>7. Financial services</b>			
A. All insurance and insurance-related services	Full	Partial	Conditional
B. Banking and other financial services	Full	Partial	Conditional
C. Other	Full	Partial	Conditional
<b>8. Health related and social services</b>			
A. Hospital services	Full	Full	Conditional
B. Other Human Health Services	Full	Full	Conditional

Sectors / Sub-sectors	FTA sector-specific liberalization <sup>a</sup>		
	Sector coverage		Commit-ments
	Trade in services	Establish-ment	
C. Social Services	Full	Full	Conditional
D. Other	Full	Full	Conditional
<b>9. Tourism and travel related services</b>			
A. Hotels and restaurants (including catering)	Full	Full	Conditional
B. Travel agencies and tour operators services	Full	Full	Conditional
C. Tourist guides services	Full	Full	Conditional
D. Other	Full	Full	Conditional
<b>10. Recreational and cultural and sporting services</b>			
A. Entertainment services	Full	Full	Conditional
B. News agency services	Full	Full	Conditional
C. Libraries, archives, museums and other cultural services	Full	Full	Conditional
D. Sporting and other recreational services	Full	Full	Conditional
E. Other	Full	Full	Conditional
<b>11. Transport services</b>			
A. Maritime Transport Services	Partial	Partial	Conditional
B. Internal Waterways Transport	Partial	Excluded	Conditional
C. Air Transport Services	Partial	Excluded	Conditional
D. Space Transport	Partial	Full	Conditional
E. Rail Transport Services	Partial	Full	Conditional
F. Road Transport Services	Partial	Full	Conditional
G. Pipeline Transport	Partial	Full	Conditional
H. Services auxiliary to all modes of transport	Partial	Full	Conditional
I. Other Transport Services	Partial	Full	Conditional
<b>12. Other services not included elsewhere</b>	Full	Full	Conditional

General Note: MFN and Horizontal limitations, as well as Mode 4 commitments/limitations not included.

As there are no schedules of commitments or lists of reservations for existing or future non-conforming measures, the liberalization under the Agreement is considered on the basis of the principle of the alignment of Serbia's legislation to that of the UK.

a: Progressive liberalization depends on the continued alignment of Serbia's legislation to that of the UK (Article 71A).

Full: Specific commitments not subject to limitation(s) under market access or national treatment, under any of the three modes.

Partial: Specific commitments subject to some limitation(s) under market access or national treatment, under any of the three modes.

Excluded: Sector or sub-sector excluded from the coverage, or full reservation (under the Agreement).

Conditional: Liberalization commitments are conditional to the level of alignment of Serbia's legislation to that of the UK.

Source: The Agreement and the EU-Serbia Agreement.

4.55. All services are covered under the Agreement except for air transport services, inland waterways and maritime cabotage services to which Chapter II of Title V on establishment does not apply (Article 55 of the EU-Serbia Agreement). Regarding financial services, the Parties may take measures for prudential reasons, including for the protection of investors, depositors, policy holders or persons to whom a fiduciary duty is owed by a financial service supplier, or to ensure the integrity and stability of the financial system (Article 54 of the EU-Serbia Agreement).

## 4.5 Regulatory provisions

### 4.5.1 Domestic regulation

4.56. There is no provision *per se* in the incorporated Agreement on domestic regulation in line with Article VI of the GATS.

4.57. The Agreement does not commit Serbia to approximate its legislation to that of the UK (Article 71A). However, the Parties recognise that there is an alignment of their legislation as a result of the EU-Serbia Agreement in the relevant sectors and agree that the operation of a number of provisions of the Agreement depends upon the continued alignment of their legislation in the relevant

sectors.<sup>14</sup> The Article also provides for consultations if a Party considers that the necessary level of alignment of their legislation is no longer reached.

#### **4.5.2 Recognition**

4.58. Article 57 of the EU-Serbia Agreement provides that the Partnership, Trade and Cooperation Council shall examine which steps are necessary for mutual recognition of qualifications, in order to make it easier for nationals of a Party to take up and pursue regulated professional activities in the territory of the other Party.

#### **4.5.3 Subsidies**

4.59. As regards subsidies, Article 73 of the EU-Serbia Agreement, described above in section 3.4.4 , applies to trade in services as well.

#### **4.5.4 Safeguards**

4.60. Article 63 of the EU-Serbia Agreement provides that when, in exceptional circumstances, movements of capital between the Parties cause, or threaten to cause serious difficulties in the operation of exchange rate policy or monetary policy, they may take safeguard measures with regard to movements of capital for a period not exceeding six months if such measures are strictly necessary.

### **4.6 Sector specific provisions on trade in services**

#### **4.6.1 Financial services**

4.61. Article 91 of the EU-Serbia Agreement encourages cooperation with the aim of establishing and developing a suitable framework for the encouragement of the banking, insurance and financial services sectors in Serbia based on fair competition practices and ensuring the necessary level playing field.

4.62. Annex VI of the EU-Serbia Agreement concerns financial services and sets out definitions to be used in Title V. It incorporates all of the definitions found in Article 5(a)(i)-(xvi) of the GATS Annex on Financial Services. Certain activities of central banks, government agencies or departments and other public institutions and activities forming part of a statutory system of social security or public retirement plans are excluded from the Agreement.

#### **4.6.2 Transport services**

4.63. Article 61 of the EU-Serbia Agreement includes provisions specific to transport services. With respect to land transport, rules are laid out in Protocol 4. With regard to international maritime transport, the Parties have agreed to undertake to effectively apply the principle of unrestricted access to the international maritime markets and trades on a commercial basis, and to respect international obligations in the field of safety, security and environmental standards, and have affirmed their commitment to a freely competitive environment as an essential feature of international maritime transport.<sup>15</sup> The conditions of mutual market access in air transport shall be dealt with by an agreement or arrangement governing air services between Serbia and the United Kingdom. Until such agreement is completed, the Parties shall not take any measures which are more restrictive or discriminatory compared with the situation existing prior to the entry into force of the Agreement.

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<sup>14</sup> Articles of the EU-Serbia Agreement concerned are 49, 53, 54(1), 58, 59, 60(1) and 61.

<sup>15</sup> More specifically, the Parties shall (a) not introduce cargo-sharing clauses in future bilateral Agreements with third countries, (b) abolish all unilateral measures and administrative, technical and other obstacles that could have restrictive or discriminatory effects on the free supply of services in international maritime transport, and (c) each Party shall grant no less favourable treatment for the ships operated by nationals or companies of the other Party than that accorded to a Party's own ships with regard to access to ports, open to international trade, the use of infrastructure and auxiliary maritime services of the ports, as well as related fees and charges, customs facilities and the assignment of berths and facilities for loading and unloading.

4.64. The Partnership, Trade and Cooperation Council shall examine ways of creating the conditions necessary for improving freedom to provide air, land and inland waterway transport services.

4.65. Protocol 4 lays down the rules applicable to the relationship between the Parties in order to ensure unrestricted road transit traffic across the Parties, the effective application of the principle of non-discrimination. The aim of the Protocol is to promote cooperation between the Parties in land transport (Article 1 of the Protocol). Cooperation covers land transport, and in particular road, rail and combined transport, and relevant infrastructure (Article 2 of the Protocol).

4.66. With regard to rail and combined transport, the Parties agreed to adopt mutually coordinated measures necessary for the development and promotion of rail and combined transport as a means of ensuring that a major proportion of their bilateral and transit transport through Serbia takes place under more environmentally friendly conditions (Article 7 of Protocol 4).

4.67. In road transport, the Parties agree to grant each other unrestricted access to the transit traffic (Article 11 of the Protocol).

4.68. Nothing in the Agreement shall affect the rights and obligations under the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Serbia on International Road Transport or any future agreement between the Parties on international road transport (Article 61A). The provisions of the Agreement (including Protocol 4) shall be interpreted and applied in a manner consistent with such agreements and in the event of any inconsistency those agreements shall prevail.

## **5 GENERAL PROVISIONS OF THE AGREEMENT**

### **5.1 Transparency**

5.1. There are no provisions per se on transparency.

### **5.2 Current payments and capital movements**

5.2. In Article 62 of the EU-Serbia Agreement, the Parties undertake to authorize any payments and transfers in the current account of the balance of payments between themselves in freely convertible currency and in accordance with the provisions of Article VIII of the Articles of Agreement of the IMF.

### **5.3 Exceptions**

5.3. Prohibitions or restrictions on imports, exports or goods in transit justified on grounds of i) public morality, public policy or public security, ii) the protection of health and human, animal or plant life, iii) the protection of national treasures of artistic, historic or archaeological value or iv) the protection of intellectual, industrial and commercial property, or rules relating to gold and silver are allowed but they shall not constitute a means of arbitrary discrimination or a disguised restriction on trade (Article 45 of the EU-Serbia Agreement).

5.4. Under Article 69, while endeavouring, where possible, to avoid the imposition of restrictions for balance of payments purposes, where there are serious balance of payments difficulties, any Party may, in accordance with the conditions established under the WTO Agreement, adopt restrictive measures, including on imports, which shall be of limited duration and may not go beyond that strictly necessary to remedy the balance of payments situation. Any restrictive measure shall not apply to transfers related to investment, in particular to the repatriation of amounts invested or reinvested or revenues stemming therefrom.

### **5.4 Accession and withdrawal**

5.5. There is no provision for third parties to accede to the Agreement.

5.6. The Agreement can be terminated by either Party denouncing it (Article 133 of the EU-Serbia Agreement). Termination shall take effect six months from such a notification. The Agreement can

also be suspended by either Party, with immediate effect, in the event of non-compliance by the other Party with one of the essential elements of the Agreement.

## 5.5 Institutional framework

5.7. The Partnership, Trade and Cooperation Council is established to ensure that the Agreement operates properly (Article 9). It takes over all the powers and responsibilities of the Stabilisation and Association Council established under Article 119 of the EU-Serbia Agreement. Unless the Parties otherwise agree, any decisions adopted by the Stabilisation and Association Council or the Stabilisation and Association Committee established by the EU-Serbia Agreement before it ceased to apply to the UK shall, to the extent those decisions relate to the Parties to the Agreement, be deemed to have been adopted, *mutatis mutandis*.

5.8. The Partnership, Trade and Cooperation Council has the power to take decisions within the scope of the Agreement in the cases provided for therein and make appropriate recommendations (Article 121 of the EU-Serbia Agreement). It may also create subcommittees. Under the EU-Serbia Agreement, five subcommittees have been established on: trade, industry, customs, taxation and cooperation with other candidate countries; agriculture and fisheries, food safety, veterinary and phytosanitary matters; internal market and competition; economic and financial issues and statistics; and Transport. As of 15 February 2023, no subcommittees have been needed.

## 5.6 Dispute settlement

5.9. Dispute settlement is dealt with in Articles 129 and 130 of the EU-Serbia Agreement and Protocol 7 of the EU-Serbia Agreement. Article 130 describes the procedures to be followed for consultations whereas Protocol 7 details procedures to be followed for arbitration.

5.10. The Parties agree to consult promptly through appropriate channels at the request of either Party, to discuss any matter concerning the interpretation or implementation of the Agreement (Article 129 of the EU-Serbia Agreement). When a Party considers that a measure adopted by the other Party or a failure by that Party to act constitutes a breach of its obligations under the Agreement, it may take appropriate measures. Before doing so, it should supply the Partnership, Trade and Cooperation Council with all relevant information with a view to seeking a solution acceptable to the Parties, except in cases of special urgency, when a Party may take appropriate measures beforehand.

5.11. The Parties shall endeavour to resolve the dispute and reach a mutually acceptable solution through good faith consultations in the Partnership, Trade and Cooperation Council or other relevant body (Article 130 of the EU-Serbia Agreement). The dispute will be discussed at every meeting of the Council until it is resolved or arbitration procedures have been initiated under Protocol 7. If the Parties fail to resolve the dispute within two months of the initiation of the dispute settlement procedure, they may submit the matter for arbitration under Protocol 7.

5.12. Protocol 7 of the EU-Serbia Agreement establishes a dispute settlement mechanism to resolve differences concerning the interpretation and application of certain provisions of Title IV (free movement of goods),<sup>16</sup> Title V (movement of workers, establishment, supply of services, capital)<sup>17</sup> and Title VI (approximation of laws, law enforcement and competition rules).<sup>18</sup>

5.13. Where the Parties fail to resolve their dispute, the complaining Party may submit a request in writing for the establishment of an arbitration panel to the Party complained against and the

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<sup>16</sup> The dispute settlement mechanism is not applicable in relation to Articles 33 (protection of GIs for agricultural and fishery products and foodstuffs other than wine and spirit drinks), 40 (dumping and subsidy), 41 (Safeguards), 33 (GIs), 40 (Dumping), paragraphs 1, 4 and 5 of Article 41, and Article 47.

<sup>17</sup> The dispute settlement mechanism applies with respect to differences concerning the interpretation and application of the following provisions: Chapter II Establishment (Articles 52 to 56 and 58), Chapter III Supply of services (Articles 59, 60 and 61, paragraphs 2 and 3), Chapter IV Current payments and movement of capital (Article 62 and Article 63 except paragraph 3, second sentence) and Chapter V General provisions (Articles 65 to 71).

<sup>18</sup> The dispute settlement mechanism applies with respect to differences concerning the interpretation and application of paragraph 2 of Articles 75 (intellectual, industrial and commercial property), and paragraph 1 and the first subparagraph of paragraph 2 and 3 to 6 of Article 76 (public procurement).



Partnership, Trade and Cooperation Council (Article 3 of Protocol 7). The Panel will notify its ruling to the Parties and the Interim Committee within 90 days and in no case later than 120 days from its establishment (in urgent cases, every effort will be made to issue a ruling within 45 up to a maximum 100 days).

5.14. Each Party will take any measure necessary to comply with the ruling of the Panel and the Parties will endeavour to agree on the reasonable period of time required to comply with the ruling (Article 6), which the Party complained against will notify no later than 30 days after the ruling (Article 7). Article 8 requires the Party complained against to notify the other Party and the Interim Committee before the end of the reasonable period of time of any measure it has taken to comply with the Panel ruling. If there is disagreement about the compatibility of any measure taken, the complaining Party may request the original Panel to rule on the matter. Once re-convened the Panel will rule within 45 days of the date of its re-establishment.

5.15. Temporary compensation is foreseen in Article 9 of the Protocol if the Party complained against fails to notify measures to comply with the Panel's ruling before the end of the reasonable period of time, or if the Panel rules that the measure notified is not in conformity with that Party's obligations under the Agreement. If there is no agreement on compensation within 30 days of the end of the reasonable period of time or if the Panel rules under Article 8 that the measure taken to comply does not conform with the Agreement, the complaining Party is entitled, upon notification, to suspend the application of the benefits under the relevant provisions at a level equivalent to the adverse economic impact caused by the violation. The original panel may be reconvened under Article 3 of the Protocol to determine the level of suspension of benefits. The benefits suspended shall be consistent with any such ruling of the Panel, temporary, and applied only until any measure found to violate the Agreement is withdrawn or amended so as to bring it into conformity with the Agreement or until the Parties have agreed to settle the dispute.

5.16. Compliance with the Panel ruling should be notified by the Party complained against (Article 10 of Protocol 7). The complaining Party may request that the Panel re-convene if there is no agreement on the measures taken to comply with the ruling. If the Panel decides that compliance has not been sufficient it will determine whether the complaining Party can continue the suspension of benefits while if it rules that compliance conforms with the Agreement, the suspension of benefits will be terminated.

5.17. Article 11 of Protocol 7 provides for open hearings. All Panel decisions will be taken by majority vote and shall be binding on the Parties (Article 14 of Protocol 7). They will be notified to the Parties and to the Partnership, Trade and Cooperation Council which will make them public unless it decides by consensus not to do so.

5.18. No later than six months after the entry into force of Protocol 7, a list of fifteen individuals who are willing and able to serve as arbitrators shall be established (Article 15 of Protocol 7).<sup>19</sup>

5.19. Article 16 of Protocol 7 provides for a choice of forum once Serbia accedes to the WTO. However, once a Party has instituted a dispute either under the provisions of the Agreement or under the WTO Agreement, it may not institute a dispute on the same measure in the other forum until the first proceeded has ended.

## 5.7 Relationship with other agreements concluded by the parties

5.20. Table 5.1 shows participation by the Parties in other RTAs in force, both notified and not notified to the WTO.

**Table 5.1 UK and Serbia: participation in other RTAs (notified and non-notified in force), as of as of 17 March 2023**

RTA Name	Entry into force <sup>a</sup>	Coverage	GATT/WTO Notification	
			Year	WTO Provision
<b>UNITED KINGDOM</b>				
United Kingdom – Iceland, Liechtenstein and Norway	01-Dec-21	Goods & Services	2021	GATT Art. XXIV & GATS Art. V

<sup>19</sup> The UK confirmed that, as of 15 February 2023, the list of arbitrators had not yet been established.



RTA Name	Entry into force <sup>a</sup>	Coverage	GATT/WTO Notification	
			Year	WTO Provision
United Kingdom – Mexico	01-Jun-21	Goods & Services	2021	GATT Art. XXIV & GATS Art. V
United Kingdom - Albania	03-May-21	Goods & Services	2021	GATT Art. XXIV & GATS Art. V
United Kingdom - Jordan	01-May-21	Goods	2021	GATT Art. XXIV
United Kingdom - Ghana	05-Mar-21	Goods	2021	GATT Art. XXIV
EU - United Kingdom	01-Jan-21	Goods & Services	2021	GATT Art. XXIV & GATS Art. V
United Kingdom - Cameroon	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Canada	01-Jan-21 01-Apr-21	Goods Services	2020 2021	GATT Art. XXIV GATS Art. V
United Kingdom - CARIFORUM States	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom - Central America	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom – Chile	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom – Colombia, Ecuador and Peru	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom - Côte d'Ivoire	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Eastern and Southern Africa States	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Egypt	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Faroe Islands	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Georgia	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom - Israel	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Japan	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom - Kenya	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Kosovo <sup>b</sup>	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Lebanon	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Morocco	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - North Macedonia	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom - Pacific States	01-Jan-21	Goods	2020	GATT Art. XXIV
• <i>United Kingdom - Pacific States - Accession of Samoa</i>	01-Jan-21	Goods	2020	GATT Art. XXIV
• <i>United Kingdom - Pacific States - Accession of Solomon Islands</i>	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Palestine	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Republic of Korea	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom - Republic of Moldova	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom - SACU and Mozambique	01-Jan-21	Goods	2021	GATT Art. XXIV
United Kingdom – Singapore	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom - Switzerland - Liechtenstein	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Tunisia	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Türkiye	01-Jan-21	Goods	2020	GATT Art. XXIV
United Kingdom - Ukraine	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
United Kingdom - Viet Nam	01-Jan-21	Goods & Services	2020	GATT Art. XXIV & GATS Art. V
<b>SERBIA</b>				
Eurasian Economic Union (EAEU) - Serbia	10-Jul-21	Goods	2021	GATT Art. XXIV
EFTA - Serbia	01-Oct-10	Goods	2010	GATT Art. XXIV
Türkiye - Serbia	01-Sep-10 01-Jun-19	Goods Services	2010 2022	GATT Art. XXIV GATS Art. V

RTA Name	Entry into force <sup>a</sup>	Coverage	GATT/WTO Notification	
			Year	WTO Provision
EU - Serbia	01-Feb-10 01-Sep-13	Goods Services	2010 2013	GATT Art. XXIV GATS Art. V
Central European Free Trade Agreement (CEFTA) 2006	01-May-07 11-Jan-21	Goods Services	2007	GATT Art. XXIV Not notified
Russian Federation - Serbia <sup>c</sup>	03-Jun-06	Goods	2012	GATT Art. XXIV
Protocol on Trade Negotiations (PTN)	11-Feb-73	Goods	1971	Enabling Clause
Kazakhstan - Serbia <sup>c</sup>	10-Jan-12	Goods		Not notified

- a Dates of the first entry into force/provisional application for at least one of the Parties. Where dates of provisional application have been provided by the Parties, further notifications to confirm the dates of entry into force are awaited.
- b Reference to Kosovo in this table shall be understood to be in the context of the United Nations Security Council resolution 1244 (1999).
- c Serbia indicates that these agreements have been superseded by EAEU-Serbia.

Source: WTO Secretariat. Further information on these Agreements and on specific dates of entry into force/provisional applications may be found in the WTO Database on RTAs: <http://rtais.wto.org>.

## 5.8 Government procurement

5.21. Article 76 of the EU-Serbia Agreement concerns public procurement. The Parties shall consider the opening up of the award of public contracts on the basis of non-discrimination and reciprocity, following in particular WTO rules, is a desirable objective. A Party's companies (whether based in Serbia or the EU) shall be granted access to contract award procedures in the other Party under treatment no less favourable than that accorded to its companies from the date of entry into force of the Agreement. The UK shall periodically examine the possibility of applying such provisions to contracts in the utilities sector.

## 5.9 Intellectual property rights

5.22. Article 75 of the EU-Serbia Agreement, as modified, covers intellectual, industrial and commercial property. Pursuant to the provisions of Article 75 and Annex VII, the Parties confirm the importance they attach to ensuring adequate and effective protection and enforcement of intellectual, industrial and commercial property rights.

5.23. Serbia undertakes to accede to the multilateral conventions on intellectual, industrial and commercial property rights referred to in Annex VII of the Agreement.<sup>20</sup> Any problems that occur in the area of intellectual, industrial or commercial property that affect trade conditions shall be referred urgently to the Stabilisation and Association Council, at the request of either Party, with a view to reaching mutually satisfactory solutions.

5.24. Article 81 of the EU-Serbia Agreement, as modified, concerns the protection of personal data. The Parties commit to maintain legislation concerning personal data protection and shall take into account principles and guidelines of relevant international bodies on the protection of personal data. The Parties shall maintain one or more independent supervisory bodies with sufficient financial and human resources in order to efficiently monitor and guarantee the enforcement of national personal data protection legislation.

5.25. Article 105 of the EU-Serbia Agreement, as modified, on information society, provides for cooperation with a view to further developing the Information Society in Serbia with the objectives to prepare society as a whole for the digital age, attracting investments and ensuring the interoperability of networks and services.

5.26. Annex II to Protocol 2 of the EU-Serbia Agreement, as modified, provides for the reciprocal recognition, protection and control of wine, spirit drinks and aromatised wine names. The list of protected names is included in Appendix 1 of Annex II.

<sup>20</sup> As of 15 March 2023, Serbia is a Party to all multilateral conventions mentioned on the Annex except for the TRIPS Agreement.

## 5.10 Competition

5.27. Article 73 of the EU-Serbia Agreement recognizes that the following are incompatible with the proper functioning of the Agreement: i) all agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings, which have as their object or effect, the prevention, restriction or distortion of competition, ii) abuse by one or more undertakings of a dominant position in the territories of the Parties as a whole or in a substantial part thereof, and iii) any State aid which distorts or threatens to distort competition by favouring certain undertakings or products. The Parties shall ensure that an operationally independent authority is entrusted with the powers needed to fully apply i) and ii) above, regarding private and public undertakings to which special rights have been granted.

5.28. If one of the Parties considers that a particular practice distorts or threatens to distort competition by favouring certain undertakings or certain products, it may take appropriate measures after consultation within the within the Partnership, Trade and Cooperation Council or after 30 working days following the referral for consultations. Nothing in the Article shall prejudice or affect the taking of countervailing measures in accordance with GATT 1994 and the WTO Agreement on Subsidies and Countervailing Measures and the respective internal legislation of the Parties.

5.29. Under Article 74 of the EU-Serbia Agreement, with regard to public undertakings and undertakings to which special or exclusive rights have been granted, the Parties shall ensure that there is neither enacted nor maintained any measure distorting trade between the Parties contrary to their interests. The Article should not obstruct the performance in law or in fact of the particular tasks assigned to those undertakings

## 5.11 Environment

5.30. Under Title VIII of the EU-Serbia Agreement, policies designed to bring about the economic and social development of Serbia should ensure that environmental considerations are fully incorporated and linked to the requirements of harmonious social development (Article 88 of the EU-Serbia Agreement).

5.31. Under Article 94 of the EU-Serbia Agreement, one of the objectives of industrial cooperation between economic operators of the Parties shall be the strengthening of the private sector under conditions which ensure that the environment is protected.

5.32. Incorporating modifications to Article 108 of the EU-Serbia Agreement, cooperation under this article should include improving protection of the environment in transport.

5.33. The Parties shall develop and strengthen their cooperation in environment with the vital task of halting further degradation and start improving the environmental situation with the aim of sustainable development (Article 111 of the EU-Serbia Agreement). They shall establish cooperation with the aim of strengthening administrative structures and procedures to ensure strategic planning of environment issues and coordination between relevant actors. Cooperation could also centre on the development of strategies to significantly reduce local, regional and trans-boundary air and water pollution, to establish a framework for efficient, clean, sustainable and renewable production and consumption of energy, and to execute environmental impact assessment and strategic environmental assessment. Special attention shall be paid to the implementation of the Kyoto Protocol.

5.34. Moreover, amongst other references to the environment under Protocol 4 on land and transport, Article 15 states that in order to protect the environment, the Parties shall endeavour to introduce standards on gaseous and particulate emissions and noise levels for heavy goods vehicles, which ensure a high level of protection.

## 5.12 Labour

5.35. Article 101 of the EU-Serbia Agreement provides for cooperation on employment which shall focus on upgrading job-finding and careers advice services, providing back-up measures and promoting local development to assist industrial and labour market restructuring. It shall also include measures such as studies, the secondment of experts and information and training operations.

### **5.13 Electronic commerce**

5.36. There are no provisions on e-commerce.

### **5.14 Small and medium-sized enterprises**

5.37. Article 95 of the EU-Serbia Agreement provides for cooperation between the Parties aimed at developing and strengthening private sector small- and medium-sized enterprises (SMEs), and the establishment of new undertakings in areas offering potential for growth and cooperation between SMEs.

## ANNEX 1

1. A comparison between the scheduled elimination of tariffs applied to the Parties' mutual imports and the duty rates applied by them on MFN imports is shown in

2. Table A1.1 and Table A1.2, by HS Chapters 1-24 (agricultural products), 25-97 (industrial products) and total products. Applied MFN duty rates in 2021 serve as a comparison.

3. The UK's overall average applied MFN tariff rate in 2021 was 3.8%. The average applied tariff on agricultural goods in HS Chapters 1-24 was 8.9%, compared to an average applied tariff of 2.5% on industrial goods. Under the Agreement, the average applied rates were 0.1% overall, 0.5% for agricultural products and 0% for industrial products. As a result, Serbian exporters had a relative margin of preference of 97% overall and 94% and 100% for agricultural and industrial products respectively. Duty-free tariff lines on an MFN basis accounted for 47% of all tariff lines while under the Agreement in 2021, the share of duty-free tariff lines overall was 99.6% (98.6% for agricultural products and 100% for industrial products).

**Table A1.1 UK: Indicators of MFN and preferential rates for imports from Serbia**

Origin of goods	Year	ALL PRODUCTS			HS Chapters 01-24			HS Chapters 25-97		
		Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)
		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)	
MFN	2021	3.8	7.8	47.0	8.9	12.0	18.8	2.5	5.8	57.1
Agreement	2021	0.1	11.2	97.3	0.5	11.2	89.6	0.0	0.0	100.0

Note: Tariff lines subject to in-quota rates are excluded in the computation. For the calculation of averages, specific rates are excluded, and the *ad valorem* part of alternate rates are included. For the tariff lines subject to seasonal duties, the average rate for the entire year is used for the calculation. The products classified beyond the HS 8-digit level are counted once and their tariff rates are averaged to the 8-digit level.

Source: WTO estimates based on data provided by the UK.

4. Serbia's average applied tariff rate in 2021 was 8.8% overall, 16.4% on agricultural goods in HS Chapters 1-24 and 6.1% on industrial goods. The overall average tariff for imports from the UK fell to 0.7%, while the tariff for agricultural and industrial products was respectively 2.9% and 0%. As a result, exporters from the UK had a relative margin of preference of 92% overall, and 82% and 100% respectively for industrial and agricultural products. Duty-free tariff lines accounted for 1.1% of all tariff lines, 0% for agricultural products and 1.5% for industrial products. Under the Agreement, the share of duty-free tariff lines overall in 2021 was 95% (80.5% for agricultural products and 100% for industrial products).

**Table A1.2 Serbia: Indicators of MFN tariff rates and preferential rates for imports from the UK**

Origin of goods	Year	ALL PRODUCTS			HS Chapters 1-24			HS Chapters 25-97		
		Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)
		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)	
Applied rates	2021	8.8	8.8	1.1	16.4	16.4	0	6.1	6.2	1.5
Agreement	2021	0.7	15.4	95.0	2.9	15.4	80.5	0.0	0.0	100.0

Note: Tariff lines subject to in-quota rates are excluded in the computation. Based on the HS 2017 nomenclature.

Source: WTO estimates based on data provided by the Serbian authorities and the WTO-IDB.

5. Table A1.3 shows the market access opportunities in the UK for Serbia's top 25 exports, which in 2018-2020 covered 91 tariff lines and accounted for 33% of Serbia's global exports. 39 lines were already duty free on an MFN basis in the UK's market in 2021 while the remaining 52 were duty-free under the Agreement.

**Table A1.3 UK: Market access opportunities under the agreement for Serbia's top 25 exports to the world**

Serbia's top export products in 2018-20		Access Conditions to UK's markets					
HS number and description		Share in global exports (%)	MFN 2021			Duty Free under the Agreement (2021)	Remain Dutiable
			Average Tariff (%)	No. of duty-free lines	No. of dutiable lines		
854430	Ignition wiring sets and other wiring sets for vehicles, aircraft or ships	6.0	1.8		1	1	
401110	New pneumatic tyres	2.7	4.0		1	1	
100590	Maize	2.3	0.0	1			
740311	Copper	2.0	0.0	1			
081120	Frozen raspberries, blackberries, mulberries, loganberries, black-, white- or red currants and gooseberries	1.5	15.1		7	7	
870322	Motor cars and other motor vehicles	1.4	10.0		2	2	
841370	Centrifugal pumps, power-driven	1.2	0.0	11			
300490	Medicaments	1.2	0.0	1			
940190	Parts of seats	1.2	1.3	1	2	2	
850110	Motors of an output <= 37,5 w	1.1	0.0	4			
271019	Medium oils and preparations	1.1	1.2	12	13	13	
340220	Surface-active preparations, washing preparations, auxiliary washing preparations and cleaning preparations	1.1	4.0		2	2	
240220	Cigarettes	1.1	30.0		2	2	
870331	Motor cars and other motor vehicles	1.1	10.0		2	2	
481159	Paper and paperboard	1.1	0.0	1			
850300	Parts suitable for use solely or principally with electric motors and generators, electric generating sets and rotary converters	1.0	2.0		3	3	
611521	Pantyhose and tights of synthetic fibres	0.8	12.0		1	1	
870899	Parts and accessories, for tractors, motor vehicles	0.7	2.7		3	3	
730890	Structures and parts of structures	0.7	0.0	3			
854449	Electric conductors	0.7	1.6	1	4	4	
720837	Flat-rolled products of iron or non-alloy steel	0.7	0.0	1			
760612	Plates, sheets and strip, of aluminium alloys	0.6	6.0		6	6	
240319	Smoking tobacco	0.6	70.0		2	2	
100199	Wheat and meslin	0.6	*		1	1	
721012	Flat-rolled products of iron or non-alloy steel	0.6	0.0	2			
<b>Total of above</b>		<b>33.0</b>	<b>7.2</b>	<b>39</b>	<b>52</b>	<b>52</b>	<b>-</b>

Note: Tariff lines subject to in-quota rates are excluded in the computation. For the calculation of averages, specific rates are excluded, and the *ad valorem* part of alternate rates are included. For the tariff lines subject to seasonal duties, the average rate for the entire year is used for the calculation. The products classified beyond the HS 8-digit level are counted once and their tariff rates are averaged to the 8-digit level.

Source: WTO estimates based on data provided by UK and UNSD Comtrade Database.

6. Table A1.4 shows the market access opportunities in Serbia for the UK's top 25 exports, which in 2018-2020 covered 117 HS lines and accounted for 38.4% of the UK's global exports. 9 lines were already duty free in Serbia in 2021 while the remaining 108 were duty-free under the Agreement.

**Table A1.4 Serbia: Market access opportunities under the agreement for the UK's top 25 exports to the world**

HS number and description of the product		Share in global exports (%)	Access Conditions to Serbia's import markets				
			Applied tariff (2021)			Duty Free under the Agreement	Remain dutiable
			Avg applied rate (%)	No. of duty-free	No. of dutiable lines		
710813	Gold, incl. gold plated with platinum, in semi-manufactured forms, for non-monetary purposes	5.6	10.0		2	2	
270900	Petroleum oils and oils obtained from bituminous minerals, crude	4.9	1.0		2	2	
300490	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes,	3.2	3.7		3	3	
880330	Parts of aeroplanes or helicopters, n.e.s.	2.9	1.0		1	1	
841112	Turbojets of a thrust > 25 kn	2.6	1.0		3	3	
870323	Motor cars and other motor vehicles principally designed for the transport of <10 persons, of a cylinder capacity > 1.500 cm <sup>3</sup> but <= 3.000 cm <sup>3</sup>	2.4	9.2		5	5	
841191	Parts of turbojets or turbopropellers, n.e.s.	2.1	1.0		1	1	
870324	Motor cars and other motor vehicles principally designed for the transport of <10 persons, of a cylinder capacity > 3.000 cm <sup>3</sup>	1.7	9.0		4	4	
220830	Whiskies	1.3	30.0		11	11	
271012	Light oils and preparations	1.3	2.5		11	11	
970110	Paintings, e.g. oil paintings, watercolours and pastels, and drawings executed entirely by hand	1.3	5.0		1	1	
870322	Motor cars and other motor vehicles principally designed for the transport of <10 persons, of a cylinder capacity > 1.000 cm <sup>3</sup> but <= 1.500 cm <sup>3</sup>	1.2	9.0		4	4	
711319	Articles of jewellery and parts thereof, of precious metal other than silver	1.0	20.0		1	1	
271019	Medium oils and preparations, of petroleum or bituminous minerals, not containing biodiesel, n.e.s.	1.0	1.1	6	19	19	
870332	Motor cars and other motor vehicles principally designed for the transport of <10 persons, of a cylinder capacity > 1.500 cm <sup>3</sup> but <= 2.500 cm <sup>3</sup>	0.7	9.2		5	5	
300220	Vaccines for human medicine	0.6		2			
870340	Motor cars and other motor vehicles principally designed for the transport of <10 persons, of a cylinder capacity > 1.500 cm <sup>3</sup> but <= 2.500 cm <sup>3</sup>	0.6	9.2		5	5	
711021	Palladium, unwrought or in powder form	0.6	10.0		1	1	
300215	Immunological products, for retail sale	0.6		1			
851762	Machines for the reception, conversion and transmission or regeneration of voice, images or other data	0.6	13.3		3	3	
382200	Diagnostic or laboratory reagents on a backing, prepared diagnostic or laboratory reagents	0.5	1.0		1	1	

United Kingdom's top export products in 2018 - 2020		Access Conditions to Serbia's import markets					
HS number and description of the product		Share in global exports (%)	Applied tariff (2021)			Duty Free under the Agreement	Remain dutiable
			Avg applied rate (%)	No. of duty-free	No. of dutiable lines		
490199	Printed books, brochures and similar printed matter	0.5	1.0		1	1	
870333	Motor cars and other motor vehicles principally designed for the transport of <10 persons, incl. station wagons and racing cars, with only diesel engine of a cylinder capacity > 2.500 cm <sup>3</sup>	0.5	9.2		5	5	
840890	Compression-ignition internal combustion piston engine "diesel or semi-diesel engine"	0.4	3.6		16	16	
870899	Parts and accessories, for tractors, motor vehicles for the transport of ten or more persons	0.4	1.0		3	3	
<b>Total of above</b>		<b>38.4</b>	<b>7.0</b>	<b>9</b>	<b>108</b>	<b>108</b>	<b>-</b>

Note: Tariff lines subject to in-quota rates are excluded in the computation.  
Based on the HS 2017 nomenclature.

Source: WTO estimates based on the data provided by the Serbian and the UK authorities and the WTO-IDB.



## ANNEX 2

Table A2.1 UK: Tariff Rate Quotas under the Agreement (metric tonnes, MT)

TRQs/Product's HS Codes	Tariff rates under the Agreement		MFN Rates
	In-quota	Out-of-quota	
<b>Products from HS Chapter 01 (1,185 tonnes)<sup>a</sup></b>			
0102295911, 0102295110, 0102295921, 0102299991, 0102295931, 0102299921, 0102295991, 0102299110	2% + 15.40 GBP/100kg	MFN	10% + 77.00 GBP/100 kg
0201100092, 0201202094, 0201202092, 0201100094	2.4% + 29.40 GBP/100kg	MFN	12% + 147.00 GBP/100 kg
0201203092, 0201203094	2.4% + 23.60 GBP/100kg	MFN	12.00% + 118.00 GBP / 100 kg
0201205092, 0201205094	2.4% + 35.40 GBP/100kg	MFN	12.00% + 177.00 GBP / 100 kg
<b>Products from HS Chapter 03 (12,000 kilogrammes)<sup>b</sup></b>			
03027300, 0304390020, 0304510010, 03019300, 0304690020, 03032500, 0304939010	0%	5.6%	8%
0305100020, 0305520010, 0305640010	0%	8.4%	12%
0305310010	0%	11.2%	16%
0305449010	0%	9.8%	14%
<b>Products from HS Chapter 03 (2,000 kilogrammes)<sup>c</sup></b>			
03019190, 03044290, 0305100010, 03021180, 03031420, 16041311, 16041390, 03048210, 0305598561, 03031490, 03044210, 03021120, 03048290, 16041950, 16041319, 0305698061	0%	8.4%	12%
03048250, 0304992111, 0304992112, 0304520010, 0304992120, 03019110, 03021110, 03031410, 03044250	0%	6.3%	8%
0305399010	0%	11.2%	16%
16041100, 16042010	0%	3.8%	4%
16041210, 03054300, 16042090	0%	10.5%	14%
16041448, 16041436, 16041995, 16041800, 16041931, 16041299, 16041421, 16041431, 16041441, 16041992, 16041590, 16041700, 16043200, 16041997, 16041993, 16041994, 16041446, 16041426, 16043100, 16042070, 16041428, 16041291, 16042005, 16041438, 16041939	0%	16.8%	20%
16041600, 16041490, 16041511, 16042040, 16041519, 16042050*	0%	17.5%	25%
16041910, 16041991, 16042030	0%	4.9%	6%
<b>Products from HS Chapter 17 (24,652 tonnes)<sup>d</sup></b>			
17011290, 17019990, 17011390, 17011490, 17019100, 17019910	0%	MFN	35.00 GBP/100 kg
17011410*, 17011310*, 17011210	0%	MFN	28.00 GBP/100 kg / std qual
17021100, 17021900	0%	MFN	11.00 GBP/100 kg
17022090	0%	MFN	8%
17023010, 17026010, 17024010, 17029030	0%	MFN	42.00 GBP/100 kg / net dry
17023050	0%	MFN	22.00 GBP/100 kg
17025000	0%	MFN	16% + 42.00 GBP/100 kg / net dry
17029010	0%	MFN	12%
17029071, 17029095, 17029080, 17026080, 17022010, 17026095	0%	MFN	0.30 GBP/100 kg/% sacchar.
17029075	0%	MFN	23.00 GBP/100 kg
17029079, 17024090, 17029050, 17023090	0%	MFN	16.00 GBP/100 kg

TRQs/Product's HS Codes	Tariff rates under the Agreement		MFN Rates
	In-quota	Out-of-quota	
<b>Products from HS Chapter 22 (1,675 hl)<sup>e</sup></b>			
22042210, 22042910	0%	MFN	26.00 GBP/hl
2204299720*, 2204229320*, 2204229520*, 2204229720*, 2204229320*, 2204299520*, 2204299621*, 2204229421*, 2204299821*, 2204229621*, 2204299421*, 2204229821*	0%	MFN	10.00 GBP/hl
2204299730*, 2204229530*, 2204299530*, 2204229330*, 2204229831*, 2204229730*, 2204299330*, 2204229631*, 2204229431*, 2204299431*, 2204299831*, 2204299631*	0%	MFN	12.00 GBP/hl
2204299740*, 2204229441*, 2204299540*, 2204229340*, 2204229540*, 2204229740*, 2204299340*, 2204299441*, 2204229641*, 2204299641*, 2204229841*, 2204299841*	0%	MFN	17.00 GBP/hl
2204299790*, 2204229451*, 2204299590*, 2204229390*, 2204229590*, 2204229790*, 2204299390*, 2204299651*, 2204299851*, 2204229651*, 2204299451*, 2204229851*	0%	MFN	1.40 GBP/% vol/hl
2204299811*, 2204299710*, 2204229310*, 2204229510*, 2204229710*, 2204299310*, 2204299510*, 2204299611*, 2204229411*, 2204229811*, 2204229611*, 2204299411*	0%	MFN	8.20 GBP/hl
<b>Products from HS Chapter 22 (7,491 hl)<sup>f</sup></b>			
22042109, 22041093, 22041096, 22041098, 22042106, 22042107, 22042108, 22041094	0%	MFN	26.00 GBP/hl
2204219511*, 2204219711*, 2204219319*, 2204219419*, 2204219611*, 2204219811*	0%	MFN	10.00 GBP/hl
2204219521*, 2204219721*, 2204219329*, 2204219429*, 2204219621*, 2204219821*	0%	MFN	12.00 GBP/hl
2204219531*, 2204219731*, 2204219331*, 2204219431*, 2204219631*, 2204219831*	0%	MFN	15.00 GBP/hl
2204219541*, 2204219741*, 2204219341*, 2204219841*, 2204219441*, 2204219641*	0%	MFN	17.00 GBP/hl
2204219551*, 2204219751*, 2204219351*, 2204219451*, 2204219651*, 2204219851*	0%	MFN	1.40 GBP/% vol/hl
<b>Products from HS Chapter 22 (681 hl)<sup>g</sup></b>			
2204219429*	0%	MFN	12.00 GBP/hl
2204229411*, 2204229811*, 2204229710*, 2204299310*, 2204299510*, 2204299611*, 2204299411*, 2204299710*, 2204299811*, 2204229510*, 2204229611*, 2204229310*	0%	MFN	8.20 GBP/hl
2204299320*, 2204299421*, 2204299520*, 2204229821*, 2204229720*, 2204229320*, 2204299621*, 2204229421*, 2204299720*, 2204229520*, 2204299821*, 2204229621*	0%	MFN	10.00 GBP/hl

\* Tariff lines also subject to MFN TRQs.

a In 2021, 734 tonnes for pro rata quota volume from 20 May to 31 December.

b In 2021, 7,430 kilogrammes for pro rata quota volume from 20 May to 31 December.

c In 2021, 1,238 kilogrammes for pro rata quota volume from 20 May to 31 December.

d The administration period of this quota is not a calendar year but it is from 01 October to 30 of September of the next year. In 2021, 9,050 tonnes for pro rata quota volume from 20 May to 30 September.

e In 2021, 1,037 hl for pro rata quota volume from 20 May to 31 December.

f In 2021, 4,638 hl for pro rata quota volume from 20 May to 31 December.

g In 2021, 421 hl for pro rata quota volume from 20 May to 31 December; also, this quota can only be accessed once the other wine quotas have been exhausted.

Source: Based on data provided by the UK.

Table A2.2 Serbia: Tariff Rate Quotas under the Agreement

TRQs/Product's HS Codes	Tariff rates under the Agreement		MFN Rates
	In-quota	Out-of-quota	
<b>Live swine (27 tonnes)</b>			
0103921100	0%	12% + 4.8 RSD each	30%
0103921900	0%	9% + 3.6 RSD each	30%
<b>Edible meat offal (27 tonnes)</b>			
0206410000, 0206490000	0%	6%	30%
<b>Carp (3 tonnes)</b>			
0301930000	10%	18%+ 12 RSD/kg	30%
<b>Milk and cream (10 tonnes)</b>			
0402101100, 0402101900, 0402109900	5%	9% + 25.2 RSD/kg	20%
0402211100, 0402211800	5%	7% + 19.6 RSD/kg	20%
<b>Buttermilk, curdled milk and cream, yoghurt (26 tonnes)</b>			
0403101100, 0403101300	0%	6% + 3 RSD/kg	20%
0403909100, 0403909300	0%	8%	20%
<b>Cheese and curd (7 tonnes)</b>			
0406103000, 0406105000, 0406108000	0%	6% + 16 RSD/kg	30%
0406301000, 0406303100, 0406303900, 0406309000	0%	12% + 16 RSD/kg	30%
0406901300, 0406901500, 0406901700, 0406901800, 0406902100, 0406902500, ex0406908900, ex0406909200	0%	18% + 24 RSD/kg	30%
0406902300, 0406902900, 0406903200	0%	10.5% + 14 RSD/kg	30%
0406903700, 0406903900	0%	15% + 20 RSD/kg	30%
0406905000, 0406906100, 0406906300, 0406906900, 0406907300, 0406907400, 0406907500, 0406907600, 0406907800, 0406907900, 0406908100, 0406908200, 0406908400, 0406908600, ex0406908900, ex0406909200, 0406909300, 0406909900	0%	9% + 12 RSD/kg	30%
<b>Potatoes, fresh or chilled (22 tonnes)</b>			
0701909000	0%	6%	30%
<b>Frozen vegetables (3 tonnes)</b>			
0710210000	0%	4% + 3.6 RSD/kg	20%
<b>Wheat and meslin (41 tonnes)</b>			
1001990000	0%	18%	30%
<b>Maize (corn) (37 tonnes)</b>			
1005101800	0%	9%	30%
<b>Sunflower-seed, safflower, or cotton-seed oil (8 tonnes)</b>			
1512199000	5%	30%	30%
<b>Other prepared or preserved meat (20 tonnes)</b>			
1602100000, 1602411000, 1602419000, 1602421000, 1602429000, 1602491100, 1602491300, 1602491500, 1602491900, 1602493000, 1602495000, 1602499000, 1602501000, 1602503100, 1602509500	0%	6% + 8 RSD/kg	30%
<b>Cane or beet sugar (10 tonnes)</b>			
1701129000, 1701149000, 1701991000	0%	12% + 12 RSD/kg	20%
<b>Fruit and vegetable juices (3 tonnes)</b>			
2009899600	0%	8%	20%
<b>Quality sparkling wine (3,405 hl)</b>			
220410	0%	30%	30%
220421	0%	30%	30%
<b>Undenatured ethyl alcohol (161 tonnes)</b>			
2207100000	0%	12% + 12 RSD/kg	30%
<b>Tobacco (10 tonnes)</b>			
2401	0%	10%	10%
2401203500	0%	10% + 20 RSD/kg	10%
ex Burley type (including Burley hybrids), partly stemmed/stripped			
ex Burley type (including Burley hybrids), wholly stemmed/stripped		10% + 25 RSD/kg	
<b>Cigars, cheroots, cigarillos, and cigarettes (3 tonnes)</b>			
2402209000	10%	57.6%	57.6%
<b>Cigars, cheroots, cigarillos, and cigarettes (218 tonnes)</b>			
2402209000	15%	57.6%	57.6%

Source: Serbian authorities and the Agreement.