

## NOTE ON THE MEETING HELD ON 16 JULY 1998

### Note by the Secretariat

#### Revision

1. The Working Party on Professional Services held its twentieth meeting on 16 July 1998. The agenda for the meeting was contained in airgram WTO/AIR/878.

#### Work Pursuant to Paragraph 2(a) of the *Decision on Professional Services*

2. The Chairman opened formal discussion of the Secretariat note, Disciplines on Domestic Regulation in the Accountancy Sector (ninth revision, Job No. 3684), by stating that he hoped to finalize the disciplines before the summer break. He also suggested that the current examination should not take place on a paragraph-by-paragraph basis, as this had been completed at the previous meeting, but rather on the basis of the outstanding issues. The suggestion was adopted.

3. Egypt initiated discussion by stating that it had withdrawn its reservation on Paragraph 6 of the disciplines. Venezuela, commenting on the decision at the previous meeting to use the passive voice in place of the previous language in Paragraphs 13, 15 and 23, suggested that this new wording weakened the text. Changes were suggested, but in the end Members agreed to keep the text as written.

4. On Paragraph 2, the Chairman asked whether Members approved of the manner in which the previous footnote was replaced with a reference to GATS Articles XVI and XVII, as reproduced at the end of the text. Members indicated they agreed. Regarding Paragraph 11, the Chairman summarized the discussion of the previous meeting, which India said was an accurate reflection of its position. Mexico stated that the withdrawal of its reservation on the paragraph depended on the outcome of the discussions on the legal form of the disciplines. The United States and Australia replied that they could not accept the additional wording suggested by India, but were willing to compromise by accepting India's alternative proposal of ending the paragraph after the word "objective". Japan did not approve of this change, but was willing to compromise and accept the consensus decision if the Chairman stated that Members were dropping the remainder of the sentence for the purpose of simplicity, and that the deletion of the phrase on legal liability did not substantially alter the meaning. The Chairman agreed. Mexico then said it would like to reflect on this change, and would submit its concerns about the paragraph in writing.

5. On Paragraphs 15 and 16, the Chairman asked if the changes requested in the Spanish text at the previous meeting had been made. The changes were confirmed. On Paragraph 20, the Chairman asked if India had further comments on its previously suggested changes. The Indian delegate stated that his country continued to feel that the text of the paragraph did not adequately reflect the objectives of the disciplines, i.e. the facilitation of trade in accountancy services. India had repeatedly amended its text, but unfortunately there was no support from Members. Perhaps Members had misinterpreted India's flexibility for a lack of resolve on the issue. India remained open to any

alternative formulation, but in the meantime would maintain its reservation. The United States responded that it understood India's concern, but thought that MRAs were the best means for addressing the issue. India replied by saying that MRAs were useful in the longer term, but required much time to negotiate. Regarding Paragraph 23, the Chairman enquired if the previously requested change in the Spanish translation was acceptable. The change was approved. The Chairman concluded discussion of the text of the disciplines by noting the two outstanding reservations, and proposed a meeting during the last week of July to complete the text. It was so agreed.

6. For the second item on the agenda, the revised Secretariat Note Discussion of Matters Relating to Articles XVI and XVII of the GATS (Job. No. 3720), discussion took place in informal mode. In the end, Members agreed to the Chairman's offer to draft a Note on the issue.

7. Discussion of the remaining item on the agenda, the issue of the legal form of the disciplines, also took place in informal mode. Progress was made in refining previously suggested options, and additional possibilities were raised. Members also agreed to study the issue of how to initiate the future discussion of horizontal issues, and accepted the offer of the Chairman to prepare a new background Note.

8. The date of the next meetings was set for the morning of 29 July, and 22 October.

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