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INFORMAL WORKING GROUP ON MSMES

DRAFT MINISTERIAL RECOMMENDATION ON PROMOTING MSME INCLUSION IN REGULATORY DEVELOPMENT IN THE AREA OF TRADE

Communication from the Russian Federation and Uruguay

Revision

The following communication, dated 4 February 2020, is being circulated at the request of the delegations of the Russian Federation and Uruguay.

Recalling the Declaration on the Establishment of the WTO Informal Work Programme for MSMEs (WT/MIN(17)/58/Rev.1);

Recognizing that regulatory changes may be particularly burdensome for MSMEs and that WTO Members could minimize potential challenges by assessing the impact of new rules on MSMEs and by providing adequate opportunity for MSMEs to comment on and adapt to new regulatory requirements;

Noting the discussions by the MSME Informal Working Group of horizontal and non-discriminatory solutions in the area of regulatory practices, which are likely to yield benefits for the participation of MSMEs in international trade;

Noting that principles of MSME inclusion in regulatory development have been established in a number of Members' domestic jurisdictions and included in a number of regional trade agreements;

Noting that WTO agreements include rules on consultations with stakeholders in the process of regulatory development but do not explicitly refer to MSMEs;

Building on the implementation of Articles 1 and 2 of the Agreement on Trade Facilitation and Article X of the General Agreement on Tariffs and Trade;

We recommend that WTO Members:

1. Promote the consideration of the specific needs of MSMEs in domestic trade-related regulatory development. For this purpose, WTO Members are encouraged, consistent with their implementation capacities, to establish domestic regulatory procedures that include:
 - a) Consultation with MSMEs in the process of developing new regulations related to issues covered by the WTO agreements;
 - b) Publication of drafts of such regulations before their adoption, or of consultation documents that provide sufficient details about a possible new regulatory measure related to issues covered by the WTO agreements, preferably at an early stage of their development;

- c) An assessment of the impact of possible new regulatory measures on MSMEs and, as appropriate, consideration of potential steps to identify and mitigate potential economic impacts on MSMEs – including alternative compliance approaches where appropriate – while allowing the Member to fulfil its regulatory objectives;
 - d) Provision of a reasonable period of time for all the interested parties to comment on possible new regulatory measures;
 - e) The publication of such adopted regulations [within a reasonable period of time before the entry into force of such regulations – EU] no later than the date of their entry into force, so as to allow economic operators to adapt to the new regulatory requirements;
 - f) A retrospective review of adopted regulations to assess, among other things, their impact on MSMEs and any need for modification to address that impact.
2. Publish any available documents referred to in paragraph 1 in electronic form and provide free public access to them.
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