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Working Party on Domestic Regulation

- DRAFT -

**ANNUAL REPORT OF THE WORKING PARTY ON DOMESTIC REGULATION
TO THE COUNCIL FOR TRADE IN SERVICES (2020)**

1. Since its 2019 annual report to the Council for Trade in Services¹, the Working Party on Domestic Regulation held one formal meeting, on 3 December 2019.²
2. At the meeting, the delegations of India, South Africa, Sri Lanka, Tunisia, and Zimbabwe raised concerns about the development of disciplines on domestic regulation through a Reference Paper by the Joint Initiative on Services Domestic Regulation. India's opening statement was circulated to all Members.³
3. The concerns expressed were threefold: first, the Joint Initiative could not develop disciplines under the multilateral mandate set out in GATS Article VI:4. Second, certain provisions contained in the draft Reference Paper⁴ reduced, amended, or interpreted existing GATS obligations, hence affecting all Members' rights and obligations. India and co-sponsors requested that the disciplines in the draft Reference Paper be made consistent with GATS provisions and all references to GATS Article VI:4 be removed. Third, as the disciplines contained new rules, they could exclusively be introduced through an amendment procedure in line with the Marrakesh Agreement, and required the consensus of the full WTO Membership.
4. Other delegations disagreed with the views expressed, and noted the open-ended, transparent and inclusive nature of the negotiating process that allowed all Members to participate at any point in the discussions and express their views and concerns. Some Members stated that the disciplines developed by the Joint Initiative left the multilateral mandate contained in Article VI:4 untouched. The provisions negotiated in the context of the Joint Initiative improved upon existing commitments and could not be regarded as a dilution of existing commitments or obligations. Members were permitted, at any time, to improve their GATS Schedules of commitments. Participants of the Joint Initiative indicated their willingness to consider carefully the concerns expressed and invited all delegations to take actively part in the process.

¹ Annual Report of the Working Party on Domestic Regulation (2020), [S/WPDR/23](#), dated 21 November 2019.

² The report of the meeting is contained in document [S/WPDR/M/76](#), dated 13 December 2019, and should be read in conjunction with this annual report.

³ RD/SERV/154, dated 3 December 2019.

⁴ INF/SDR/W/1, dated 4 September 2019.