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**TURKEY – CERTAIN MEASURES CONCERNING THE PRODUCTION,
IMPORTATION AND MARKETING OF PHARMACEUTICAL PRODUCTS**

COMMUNICATION FROM THE EUROPEAN UNION AND TÜRKİYE

The following communication, dated 5 May 2023, from the delegation of the European Union and the delegation of Türkiye to the Chairperson of the Dispute Settlement Body, is circulated at the request of these delegations.

The European Union and the Republic of Türkiye ("Türkiye") would like to inform the Dispute Settlement Body of the attached "Agreed Procedures under Articles 21 and 22 of the Dispute Settlement Understanding" between the European Union and Türkiye with respect to the dispute "Turkey – Certain Measures concerning the Production, Importation and Marketing of Pharmaceutical Products (WT/DS583)".

We request that you please circulate the content of the attached agreement to the Members of the Dispute Settlement Body.

Agreed Procedures under Articles 21 and 22 of the Dispute Settlement Understanding

The Award of the Arbitrators in the dispute *Turkey – Certain Measures concerning the Production, Importation and Marketing of Pharmaceutical Products* (WT/DS583) was issued and notified to the Dispute Settlement Body ("DSB") on 25 July 2022 (WT/DS583/ARB25 and WT/DS583/ARB25/Add.1).

Pursuant to Article 21.3(b) and Article 25.4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU), the European Union and Türkiye ("the Parties to the dispute") have agreed that the reasonable period of time for Türkiye to implement the recommendations of the above-mentioned Award of the Arbitrators will expire on 25 April 2023 (WT/DS583/17).

Türkiye and the European Union have agreed on the following procedures for the exclusive purposes of this dispute. These are designed to facilitate the resolution of the dispute and reduce the scope for procedural disputes and are without prejudice to either party's views on the correct interpretation of the DSU:

1. Should the European Union consider that the situation described in Article 21.5 of the DSU exists, the European Union will request that Türkiye enters into consultations with the EU. The Parties agree to hold such consultations within 15 days from the date of receipt of the request. After this 15-day period has elapsed, the European Union may request the establishment of a panel pursuant to Article 21.5 of the DSU at any time.
2. At the first DSB meeting at which the European Union request for the establishment of an Article 21.5 panel appears on the agenda, Türkiye shall accept the establishment of that panel.
3. The parties to the dispute shall cooperate to enable the Article 21.5 panel to circulate its report within 90 days of the panel's establishment, excluding such time during which the panel's work may be suspended pursuant to Article 12.12 of the DSU.
4. Either party to the dispute may request the DSB to adopt the report of the Article 21.5 panel at a DSB meeting held at least 20 days after the circulation of the report to the Members unless either party appeals the report.
5. Regarding a potential appeal by either party, the parties recall that the Agreed Procedures for Arbitration under Article 25 of the DSU (WT/DS583/10) apply with respect to any final panel report issued in this dispute, including in compliance proceedings pursuant to Article 21.5 of the DSU.
6. The European Union may request authorization to suspend concessions or other obligations pursuant to Article 22.2 of the DSU in the event of a final ruling as a result of a proceeding under Article 21.5 of the DSU that a measure taken to comply does not exist or is inconsistent with a covered agreement. Türkiye shall not assert that the European Union is precluded from obtaining such DSB authorization because its request was made outside the time period specified in the first sentence of Article 22.6 of the DSU. This is without prejudice to Türkiye's right to have the matter referred to arbitration in accordance with Article 22.6 of the DSU.
7. If the European Union requests authorization to suspend concessions or other obligations pursuant to Article 22.2 of the DSU, Türkiye shall have the right to object under Article 22.6 of the DSU to the level of suspension of concessions or other obligations and/or claim that the principles and procedures set forth in Article 22.3 of the DSU have not been followed. In the event of such objection, the matter will be referred to arbitration pursuant to Article 22.6 of the DSU.
8. The parties to the dispute will cooperate to enable the arbitrator under Article 22.6 of the DSU to circulate its decision within 60 days of the referral to arbitration.
9. If any of the original panellists is not available for either the Article 21.5 compliance panel or the Article 22.6 arbitration (or both), or any person serving in such proceeding becomes unavailable to serve, the parties to the dispute will promptly consult on a replacement, and either party may request the Director-General of the WTO to appoint, within ten days of being so requested, a replacement for the proceeding or proceedings in which a replacement is required. If an original panellist is unavailable to serve in either of the proceedings, or a person serving in such proceeding becomes unavailable to serve, the parties to the dispute will further request that, in making this appointment, the Director-General seek a person who will be available to act in both proceedings.

10. The parties to this dispute will continue to cooperate in all matters related to these agreed procedures and agree not to raise any procedural objection to any of the steps set out herein.
11. If, during the application of these procedures, the parties to the dispute consider that a procedural aspect has not been properly addressed in these procedures, they will endeavour to find a solution within the shortest time possible that will not affect the other aspects and steps agreed herein.
