1 ARTICLE XV

1.1 Text of Article XV

Article XV

Subsidies

1. Members recognize that, in certain circumstances, subsidies may have distortive effects on trade in services. Members shall enter into negotiations with a view to developing the necessary multilateral disciplines to avoid such trade-distortive effects. The negotiations shall also address the appropriateness of countervailing procedures. Such negotiations shall recognize the role of subsidies in relation to the development programmes of developing countries and take into account the needs of Members, particularly developing country Members, for flexibility in this area. For the purpose of such negotiations, Members shall exchange information concerning all subsidies related to trade in services that they provide to their domestic service suppliers.

(footnote original) A future work programme shall determine how, and in what time-frame, negotiations on such multilateral disciplines will be conducted.

2. Any Member which considers that it is adversely affected by a subsidy of another Member may request consultations with that Member on such matters. Such requests shall be accorded sympathetic consideration.

1.2 Working Party on General Agreement on Trade in Services (GATS) Rules

1. Negotiations on subsidies have been carried out in the Working Party on GATS Rules, established on 30 March 1995 by the Council for Trade in Services.¹

¹ At its second meeting, on 30 March 1995, the Council for Trade in Services decided to establish a Working Party to conduct the negotiations on safeguards, government procurement and subsidies stipulated in Articles X, XIII, and XV of the GATS respectively. (S/C/M/2, paras. 22-25.)