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## **1 ARTICLE XXIV OF THE GENERAL AGREEMENT ON TRADE IN SERVICES**

### **1.1 Text of Article XXIV**

#### ***Article XXIV***

##### *Council for Trade in Services*

1. The Council for Trade in Services shall carry out such functions as may be assigned to it to facilitate the operation of this Agreement and further its objectives. The Council may establish such subsidiary bodies as it considers appropriate for the effective discharge of its functions.
2. The Council and, unless the Council decides otherwise, its subsidiary bodies shall be open to participation by representatives of all Members.
3. The Chairman of the Council shall be elected by the Members.

### **1.2 Council for Trade in Services**

#### **1.2.1 Rules of Procedure**

1. At its meeting of 15 November 1995, the General Council approved Rules of Procedure for meetings of the Council for Trade in Services<sup>1</sup>, consisting of the General Council's Rules of Procedure<sup>2</sup> applied *mutatis mutandis* with agreed modifications.

#### **1.2.2 Observer status**

2. At its meeting of 1 March 1995, the Council for Trade in Services took note of the decision by the General Council of 31 January 1995<sup>3</sup> in which it granted observer status to a number of governments and separate territories and also covered observership to the subsidiary bodies to the General Council, including the Council for Trade in Services.<sup>4</sup> The Council for Trade in Services also took note of the decision of the General Council which agreed on an *ad hoc* arrangement whereby

<sup>1</sup> [WT/GC/M/8](#), section 4(a). The text of the adopted Rules of Procedure can be found in [S/L/15](#).

<sup>2</sup> [WT/L/161](#).

<sup>3</sup> [WT/GC/M/1](#).

<sup>4</sup> [S/C/M/1](#), para. 4.

the International Monetary Fund (IMF), the World Bank, the United Nations (UN) and the United Nations Conference on Trade and Development (UNCTAD) were invited to participate as observers in the first meetings of the General Council and its subsidiary Councils.<sup>5</sup>

3. At its meeting of 5 March 1997, the Council for Trade in Services took note of the invitation by the General Council to proceed with the grant of observer status to international intergovernmental organizations and agreed to grant observer status to the UN, UNCTAD, the IMF and the World Bank.<sup>6</sup>

4. At its meeting held on 22 and 23 July 1998, the Council agreed to grant the International Civil Aviation Organization and the International Telecommunication Union (ITU) observer status on an *ad hoc* basis.<sup>7</sup> Pursuant to the Agreement between the ITU and the World Trade Organization adopted by the Council for Trade in Services on 26 May 2000 and approved by the General Council on 10 October 2000, the ITU was granted observer status to the Council for Trade in Services on regular basis.<sup>8</sup> At its meeting on 14 April 2000, the Council for Trade in Services agreed to grant the World Health Organization and the World Tourism Organization observer status on an *ad hoc* basis.<sup>9</sup> At its meeting on 11 April 2006, the Council for Trade in Services, following previous practice, decided to grant *ad hoc* observer status to the Universal Postal Union.<sup>10</sup>

### 1.2.3 Reporting

5. The Council for Trade in Services reports to the General Council on an annual basis.<sup>11</sup>

### 1.3 Decision on institutional arrangements for the General Agreement on Trade in Services (GATS)

6. With respect to institutional arrangements for the General Agreement on Trade in Services (GATS), Ministers at the 1994 Marrakesh Ministerial conference adopted the following Decision:

#### **"Decision on Institutional Arrangements for the General Agreement on Trade in Services**

*Ministers,*

*Decide* to recommend that the Council for Trade in Services at its first meeting adopt the decision on subsidiary bodies set out below.

*The Council for Trade in Services,*

*Acting* pursuant to Article XXIV with a view to facilitating the operation and furthering the objectives of the General Agreement on Trade in Services,

*Decides* as follows:

1. Any subsidiary bodies that the Council may establish shall report to the Council annually or more often as necessary. Each such body shall establish its own rules of procedure, and may set up its own subsidiary bodies as appropriate.
2. Any sectoral committee shall carry out responsibilities as assigned to it by the Council, and shall afford Members the opportunity to consult on any matters relating to

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<sup>5</sup> [S/C/M/1](#), para. 4.

<sup>6</sup> [S/C/M/17](#), paras. 2-3.

<sup>7</sup> [S/C/M/29](#), paras. 10-11.

<sup>8</sup> [S/C/11](#) and [WT/GC/M/58](#), paras. 65-76.

<sup>9</sup> [S/C/M/42](#), paras. 68-69.

<sup>10</sup> [S/C/M/82](#), paras. 17-18.

<sup>11</sup> [S/C/2](#) for 1995; [S/C/3](#) for 1996; [S/C/5](#) for 1997; [S/C/6](#) for 1998; [S/C/10](#) for 1999; [S/C/12](#) for 2000; [S/C/14](#) for 2001; [S/C/16](#) and [S/C/17](#) and [Rev.1](#) for 2002; [S/C/19](#) for 2003; [S/C/22](#) for 2004; [S/C/24](#) for 2005; [S/C/26](#) for 2006; [S/C/28](#) for 2007; [S/C/30](#) for 2008; [S/C/32](#) for 2009; [S/C/34](#) for 2010; [S/C/36](#) for 2011; [S/C/39](#) for 2012; [S/C/42](#) for 2013; [S/C/44](#) for 2014; [S/C/48](#) for 2015; [S/C/50](#) for 2016; [S/C/53](#) for 2017; [S/C/55](#) for 2018; [S/C/59](#) for 2019; and [S/C/60](#) for 2020.

trade in services in the sector concerned and the operation of the sectoral annex to which it may pertain. Such responsibilities shall include:

- (a) to keep under continuous review and surveillance the application of the Agreement with respect to the sector concerned;
- (b) to formulate proposals or recommendations for consideration by the Council in connection with any matter relating to trade in the sector concerned;
- (c) if there is an annex pertaining to the sector, to consider proposals for amendment of that sectoral annex, and to make appropriate recommendations to the Council;
- (d) to provide a forum for technical discussions, to conduct studies on measures of Members and to conduct examinations of any other technical matters affecting trade in services in the sector concerned;
- (e) to provide technical assistance to developing country Members and developing countries negotiating accession to the Agreement Establishing the World Trade Organization in respect of the application of obligations or other matters affecting trade in services in the sector concerned; and
- (f) to cooperate with any other subsidiary bodies established under the General Agreement on Trade in Services or any international organizations active in any sector concerned."

#### **1.4 Establishment of subsidiary bodies**

##### **1.4.1 Committee on Trade in Financial Services**

7. On 1 March 1995, pursuant to the Ministers' Decisions in Marrakesh, the Council for Trade in Services adopted the Decision on Institutional Arrangements for the General Agreement on Trade in Services, thereby establishing the Committee on Trade in Financial Services.<sup>12</sup> Its responsibilities are listed in paragraph 2 of the Decision and comprise, *inter alia*, the duty:

- "(a) to keep under continuous review and surveillance the application of the Agreement with respect to the sector concerned;
- (b) to formulate proposals or recommendations for consideration by the Council in connection with any matter relating to trade in the sector concerned;
- (c) if there is an annex pertaining to the sector, to consider proposals for amendment of that sectoral annex, and to make appropriate recommendations to the Council;
- (d) to provide a forum for technical discussions, to conduct studies on measures of Members and to conduct examinations of any other technical matters affecting trade in services in the sector concerned;
- (e) to provide technical assistance to developing country Members and developing countries negotiating accession to the Agreement Establishing the World Trade Organization in respect of the application of obligations or other matters affecting trade in services in the sector concerned; and

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<sup>12</sup> [S/C/M/1](#), paras. 6-7. The text of the adopted Decision can be found in [S/L/1](#).

- (f) to cooperate with any other subsidiary bodies established under the General Agreement on Trade in Services or any international organizations active in any sector concerned."<sup>13</sup>

8. The Committee on Trade in Financial Services reports annually on its activities to the Council for Trade in Services.<sup>14</sup>

#### **1.4.2 Working Party on Professional Services and Working Party on Domestic Regulation**

9. On 1 March 1995, pursuant to paragraph 2 of the Decision on Professional Services, the Council for Trade in Services established a Working Party on Professional Services.<sup>15</sup> With respect to disciplines on domestic regulation in the accountancy sector and mutual recognition guidelines, see the document on Article VI of the GATS (Practice).

10. The Working Party on Professional Services reported to the Council for Trade in Services on an annual basis.<sup>16</sup>

11. On 26 April 1999, the Council for Trade in Services discussed the issue of how to manage the two overlapping mandates under Article VI:4 which called upon the Council to develop disciplines on domestic regulation in all services sectors, and the Decision on Professional Services which called upon the Working Party on Professional Services to fulfil the same task for professional services.<sup>17</sup> For this purpose, at the same meeting, the Council for Trade in Services adopted a decision establishing the Working Party on Domestic Regulation.<sup>18</sup> The Working Party on Domestic Regulation would replace the Working Party on Professional Services and would be responsible for carrying out all the work foreseen under Article VI:4. It would give priority to the development of horizontal disciplines generally applicable to all services sectors, while retaining the possibility of developing further disciplines applicable to specific sectors or groups of sectors, including the development of general disciplines for professional services.<sup>19</sup>

12. In 2001, the Guidelines and Procedures for the Negotiations on Trade in Services stipulated that Members shall aim to complete negotiations under Articles VI:4 prior to the conclusion of negotiations on specific commitments.<sup>20</sup>

13. In 2005, the WTO Hong Kong Ministerial Declaration instructed negotiators to develop disciplines on domestic regulations and to adopt text for adoption before the end of the Round. Annex C of the Ministerial Declaration provides that:

"5. Members shall develop disciplines on domestic regulation pursuant to the mandate under Article VI:4 of the GATS before the end of the current round of negotiations. We call upon Members to develop text for adoption. In so doing, Members shall consider proposals and the illustrative list of possible elements for Article VI:4 disciplines."<sup>2</sup>

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<sup>2</sup> As attached to the Report of the Chairman of the Working Party on Domestic Regulation to the Special Session of the Council for Trade in Services on 15 November 2005, contained in document JOB(05)/280."<sup>21</sup>

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<sup>13</sup> [S/L/1](#), para. 2.

<sup>14</sup> [S/FIN/1](#) for 1995; [S/FIN/2](#) for 1996; [S/FIN/3](#) for 1997; [S/FIN/4](#) for 1999; [S/FIN/5](#) for 2000; [S/FIN/6](#) for 2001; [S/FIN/8](#) and [S/FIN/9](#) for 2002; [S/FIN/10](#) for 2003; [S/FIN/12](#) for 2004; [S/FIN/14](#) for 2005; [S/FIN/16](#) for 2006; [S/FIN/18](#) for 2007; [S/FIN/20](#) for 2008; [S/FIN/22](#) for 2009; [S/FIN/24](#) for 2010; [S/FIN/25](#) for 2011; [S/FIN/27](#) for 2012; [S/FIN/28](#) for 2013; [S/FIN/29](#) for 2014; [S/FIN/30](#) for 2015; [S/FIN/31](#) for 2016; [S/FIN/32](#) for 2017; [S/FIN/33](#) for 2018; [S/FIN/34](#) for 2019; and [S/FIN/35](#) for 2020.

<sup>15</sup> [S/L/3](#).

<sup>16</sup> [S/WPPS/1](#), [S/WPPS/2](#), [S/WPPS/3](#), and [S/WPPS/4](#).

<sup>17</sup> [S/C/M/35](#), paras. 18-22.

<sup>18</sup> [S/L/70](#).

<sup>19</sup> [S/C/10](#), para. 25.

<sup>20</sup> [S/L/93](#), para. 7.

<sup>21</sup> [WT/MIN\(05\)/DEC](#), Annex C, para. 5. (fn original)

14. The Working Party on Domestic Regulation reports to the Council for Trade in Services on an annual basis.<sup>22</sup>

#### **1.4.3 Working Party on GATS Rules**

15. At its meeting of 30 March 1995, the Council for Trade in Services established a Working Party on GATS Rules to carry out the negotiating mandates contained in the GATS on Emergency Safeguard Measures (Article X), Government Procurement (Article XIII), and Subsidies (Article XV).<sup>23</sup>

16. The Working Party on GATS Rules reports to the Council for Trade in Services on an annual basis.<sup>24</sup>

#### **1.4.4 Committee on Specific Commitments**

17. On 4 October 1995, the Council for Trade in Services established the Committee on Specific Commitments.<sup>25</sup> At its meeting on 22 November 1995, the Council for Trade in Services adopted the Decision on the Terms of Reference for the Committee on Specific Commitments.<sup>26</sup>

18. The Committee on Specific Commitments reports to the Council for Trade in Services on an annual basis.<sup>27</sup>

#### **1.4.5 Negotiating Groups on Natural Persons, Maritime Transport Services and Basic Telecommunications**

19. The Negotiating Group on Natural Persons, the Negotiating Group on Maritime Transport Services and the Negotiating Group on Basic Telecommunications were established by Ministerial Decisions at the Marrakesh Ministerial Conference. For further information, see the document on Article XIX of the GATS (Practice).

Current as of: July 2022

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<sup>22</sup> [S/WPDR/1](#) for 1999; [S/WPDR/2](#) and [Corr.1](#) for 2000; [S/WPDR/3](#) for 2001; [S/WPDR/4](#) and [S/WPDR/5](#) for 2002; [S/WPDR/6](#) for 2003; [S/WPDR/7](#) for 2004; [S/WPDR/8](#) for 2005; [S/WPDR/9](#) for 2006; [S/WPDR/10](#) for 2007; [S/WPDR/11](#) for 2008; [S/WPDR/12](#) for 2009; [S/WPDR/13](#) for 2010; [S/WPDR/14](#) for 2011; [S/WPDR/15](#) for 2012; [S/WPDR/16](#) for 2013; [S/WPDR/17](#) for 2014; [S/WPDR/18](#) for 2015; [S/WPDR/19](#) for 2016; [S/WPDR/20](#) for 2017; [S/WPDR/22](#) for 2018; [S/WPDR/23](#) for 2019; and [S/WPDR/24](#) for 2020.

<sup>23</sup> [S/C/M/2](#), paras. 22-25.

<sup>24</sup> [S/WPGR/1](#) for 1996; [S/WPGR/2](#) for 1997; [S/WPGR/3](#) for 1998; [S/WPGR/4](#) for 1999; [S/WPGR/5](#) for 2000; [S/WPGR/6](#) for 2001; [S/WPGR/8](#) and [S/WPGR/12](#) for 2002; [S/WPGR/13](#) for 2003; [S/WPGR/14](#) for 2004; [S/WPGR/15](#) for 2005; [S/WPGR/16](#) for 2006; [S/WPGR/17](#) for 2007; [S/WPGR/18](#) for 2008; [S/WPGR/19](#) for 2009; [S/WPGR/20](#) for 2010; [S/WPGR/22](#) for 2011; [S/WPGR/23](#) for 2012; [S/WPGR/24](#) for 2013; [S/WPGR/25](#) for 2014; [S/WPGR/26](#) for 2015; [S/WPGR/27](#) for 2016; [S/WPGR/28](#) for 2017; [S/WPGR/29](#) for 2018; [S/WPGR/30](#) for 2019; and [S/WPGR/31](#) for 2020.

<sup>25</sup> [S/C/M/6](#), paras. 22-25.

<sup>26</sup> [S/L/16](#).

<sup>27</sup> [S/CSC/1](#) for 1996; [S/CSC/2](#) for 1997; [S/CSC/3](#) for 1998; [S/CSC/4](#) for 1999; [S/CSC/5](#) for 2000; [S/CSC/6](#) for 2001; [S/CSC/7](#) and [S/CSC/8](#) for 2002; [S/CSC/9](#) for 2003; [S/CSC/10](#) for 2004; [S/CSC/11](#) for 2005; [S/CSC/12](#) for 2006; [S/CSC/13](#) for 2007; [S/CSC/14](#) for 2008; [S/CSC/15](#) for 2009; [S/CSC/16](#) for 2010; [S/CSC/17](#) for 2011; [S/CSC/18](#) for 2012; [S/CSC/19](#) for 2013; [S/CSC/20](#) for 2014; [S/CSC/21](#) for 2015; [S/CSC/22](#) for 2016; [S/CSC/23](#) for 2017; [S/CSC/24](#) for 2018; [S/CSC/25](#) for 2019; and [S/CSC/26](#) for 2020.