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1 ARTICLE V OF THE GENERAL AGREEMENT ON TRADE IN SERVICES

1.1 Text of Article V

Article V

Economic Integration

1. This Agreement shall not prevent any of its Members from being a party to or entering into an agreement liberalizing trade in services between or among the parties to such an agreement, provided that such an agreement:

- (a) has substantial sectoral coverage,¹ and

(footnote original) ¹ This condition is understood in terms of number of sectors, volume of trade affected and modes of supply. In order to meet this condition, agreements should not provide for the a priori exclusion of any mode of supply.

- (b) provides for the absence or elimination of substantially all discrimination, in the sense of Article XVII, between or among the parties, in the sectors covered under subparagraph (a), through:

- (i) elimination of existing discriminatory measures, and/or
- (ii) prohibition of new or more discriminatory measures, either at the entry into force of that agreement or on the basis of a reasonable time-frame, except for measures permitted under Articles XI, XII, XIV and XIV *bis*.

2. In evaluating whether the conditions under paragraph 1(b) are met, consideration may be given to the relationship of the agreement to a wider process of economic integration or trade liberalization among the countries concerned.

3. (a) Where developing countries are parties to an agreement of the type referred to in paragraph 1, flexibility shall be provided for regarding the conditions set out in paragraph 1, particularly with reference to subparagraph (b) thereof, in accordance with the level of development of the countries concerned, both overall and in individual sectors and subsectors.

(b) Notwithstanding paragraph 6, in the case of an agreement of the type referred to in paragraph 1 involving only developing countries, more favourable treatment may be granted to juridical persons owned or controlled by natural persons of the parties to such an agreement.

4. Any agreement referred to in paragraph 1 shall be designed to facilitate trade between the parties to the agreement and shall not in respect of any Member outside the agreement raise the overall level of barriers to trade in services within the respective sectors or subsectors compared to the level applicable prior to such an agreement.

5. If, in the conclusion, enlargement or any significant modification of any agreement under paragraph 1, a Member intends to withdraw or modify a specific commitment inconsistently with the terms and conditions set out in its Schedule, it shall provide at least

90 days advance notice of such modification or withdrawal and the procedure set forth in paragraphs 2, 3 and 4 of Article XXI shall apply.

6. A service supplier of any other Member that is a juridical person constituted under the laws of a party to an agreement referred to in paragraph 1 shall be entitled to treatment granted under such agreement, provided that it engages in substantive business operations in the territory of the parties to such agreement.

7. (a) Members which are parties to any agreement referred to in paragraph 1 shall promptly notify any such agreement and any enlargement or any significant modification of that agreement to the Council for Trade in Services. They shall also make available to the Council such relevant information as may be requested by it. The Council may establish a working party to examine such an agreement or enlargement or modification of that agreement and to report to the Council on its consistency with this Article.

(b) Members which are parties to any agreement referred to in paragraph 1 which is implemented on the basis of a time-frame shall report periodically to the Council for Trade in Services on its implementation. The Council may establish a working party to examine such reports if it deems such a working party necessary.

(c) Based on the reports of the working parties referred to in subparagraphs (a) and (b), the Council may make recommendations to the parties as it deems appropriate.

8. A Member which is a party to any agreement referred to in paragraph 1 may not seek compensation for trade benefits that may accrue to any other Member from such agreement.

1.2 Article V:7

1.2.1 Format for notifications

1. At its 44th Session on 13 October 2006, the Committee on Regional Trade Agreements (CRTA) adopted a common and simplified notification format for regional trade agreements (RTAs), and agreed to recommend it to the Council for Trade in Services.¹ The Council for Trade in Services adopted this format at its meeting on 16 November 2007.² With respect to the format for notifications prior to that date, see the Guidelines for Notifications under the General Agreement on Trade in Services.³

2. At its 89th Session on 19 June 2018, the CRTA adopted a template to be used for notifications of changes to all existing RTAs under paragraph 14 of the Transparency Mechanism, and agreed to recommend it to the Council for Trade in Services. The Council adopted this template at its meeting on 12 October 2018.⁴

1.2.2 Reporting on the operation of regional trade agreements

3. On 20 February 1998, the CRTA made recommendations to the Council for Trade in Services with respect to the reporting on the operation of RTAs to the Committee.⁵ On 23 and 24 November 1998, the Council for Trade in Services took note of the recommended procedures as general guidelines with respect to reports/information on RTAs submitted to it.⁶ No such reports have been submitted.

¹ [WT/REG/16](#).

² The notification format is circulated in document [S/L/310](#). See also [WT/REG/M/44](#), paras. 17-19 and [S/C/M/90](#), paras. 13-16.

³ [S/L/5](#).

⁴ The template is circulated in document [S/L/418](#). See also [WT/REG/M/89](#), paras. 1.35-1.37 and [S/C/M/136](#), paras. 2.1-2.6.

⁵ [WT/REG/M/16](#), section B, in particular, paras. 4-39. The adopted recommendations can be found in WT/REG/5.

⁶ [S/C/M/31](#), section E. The procedures can be found in [S/C/W/92](#).

1.2.3 Examination and consideration of specific agreements

4. With respect to the procedures for the examination and consideration of specific agreements, see section 1.7.6 of the document on Article IV of the WTO Agreement (Practice) and the document on Article XXIV of the GATT 1994 (Practice). For a list of RTAs notified to the GATT/WTO, see the table in section 1.7.6 of the document on Article IV of the WTO Agreement (Practice).

5. The CRTA reports annually on its activities to the General Council.⁷

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Current as of: June 2020

⁷ [WT/REG/2](#), [WT/REG/3](#), [WT/REG/7](#), [WT/REG/8](#), [WT/REG/9](#), [WT/REG/10](#), [WT/REG/11](#), [WT/REG/12](#), [WT/REG/13](#), [WT/REG/14](#), [WT/REG/15](#), [WT/REG/17](#), [WT/REG/18](#), [WT/REG/19](#), [WT/REG/20](#), [WT/REG/21](#), [WT/REG/22](#), [WT/REG/23](#), [WT/REG/24](#), [WT/REG/25](#), [WT/REG/26](#), [WT/REG/27](#), [WT/REG/29](#); and [WT/REG/30](#).