

Disciplines on domestic regulations

- The General Agreement on Trade in Services (GATS) recognizes the right of members to regulate and introduce new regulations to meet national policy objectives like quality of service, safety of consumers, code of conduct etc. Such regulations must be reasonable, objective and impartially enforced. A balance is required between market access provided to service suppliers and the domestic regulations affecting the supply of that service/service supplier to ensure that market access recorded in schedules is not rendered useless by excessively restrictive and burdensome regulations.

- Any disciplines relating to the five elements vis-à-vis qualification requirements and procedures, technical standards and licensing requirements and procedures should not constitute unnecessary barriers to trade in services and are, not more burdensome than necessary to ensure the quality of the service. In the case of licensing procedure, not in themselves a restriction on the supply of the services.

- Pakistan is for balanced progress in rules and market access. It has offensive interests in disciplines on qualification requirements and procedures in domestic regulations to complement our policy of seeking greater Mode 4 market access which may be rendered ineffective through onerous domestic regulations. It is expected that Members will come up with draft disciplines in this area in the current round. Pakistan co sponsored a paper with India, Thailand, Chile, Mexico last spring on having less burdensome qualification requirements and procedures (**JOB(05)/50, Proposed elements for disciplines on Qualification Requirements and Procedures**)

- Recently, on 24th May, Pakistan and China tabled a joint paper on licensing requirements, procedures and standards etc (**JOB(06)/158, Proposed disciplines on Domestic Regulation Under Article VI.4 of the GATS**) being used in a balanced manner to allow effective market access without compromising on regulatory objectives like consumer protection and quality of the service.

- Effective regulatory regimes are prescribed as an indispensable requirement for successful liberalization of services sectors. Regulatory bodies are essential to check market failures and need space for achieving social objectives. Members may apply licensing requirements, qualification requirements and technical standards in order to meet national policy objectives, including provision of essential services to general public and the development of rural areas and vulnerable, disadvantaged sections of population.
- At the same time there is valid concern that onerous domestic regulations may act as barriers to GATS scheduled market access. During the discussions in the Working Party on Domestic Regulations (WPDR) there has been progress in negotiating disciplines under Article VI.4 of the GATS that are balanced and check use of regulatory measures for protectionist purposes.