

18 March 2013

Really Good Friends* – Meeting of 19 March 2013*Plurilateral Initiative on Trade in Services****Submission by Switzerland:****Text Proposal on Most Favoured-Nation Treatment****Objective**

Switzerland is submitting this proposal in the context of the eighth round of discussion on the Agreement on trade in services, basing on the more complete collection of provisions submitted by the document of the EU of today.

In general terms, regarding the question of the basic provisions of the agreement, Switzerland is of the opinion that the appropriate approach is to replicate the original provisions of the GATS with no more modifications than necessary to adapt to the context of a plurilateral agreement. The reason for that position is that every modification to the basic GATS articles that would be made plurilaterally, if any, would create a difficulty to the objective of the future integration of the negotiating outcome into the WTO.

This general vision also applies to the issue of the MFN. Firstly, like in the GATS, the plurilateral agreement will need to contain an obligation in respect of the MFN treatment. Second, that obligation has to replicate as exactly as possible the type of obligation contained in the GATS, but adapted to the different group of Parties.

The proposal below integrates, into one single article composed of three paragraphs, all the constitutive elements of the MFN regime of the GATS, *i.e.* the relevant elements of Article II, Article V and Article V *bis*, as well as a reference to Article VII of the GATS given that it constitutes a *de facto* deviation from Article II. This approach implies that the plurilateral agreement would be complemented by Lists of MFN exemptions to the extend needed by individual Parties, a fact duly reflected in the text of the proposal.

The proposal is to include the article into the body of basic provisions of the plurilateral agreement.

Proposed Text:

Article : Most-Favoured-Nation Treatment

1. Without prejudice to measures taken in accordance with Article VII of the GATS, and except as provided for in its List of MFN-exemptions contained in Annex [LISTS OF MFN-EXEMPTIONS], a Party shall accord immediately and unconditionally, in respect of all measures affecting the supply of services, to services and service suppliers of another Party treatment no less favourable than the treatment it accords to like services and service suppliers of any country.
 2. Treatment granted under other existing or future agreements concluded by one of the Parties and notified under Article V or Article V *bis* of the GATS shall not be subject to paragraph 1.
 3. The provisions of this Agreement shall not be so construed as to prevent any Party from conferring or according advantages to adjacent countries in order to facilitate exchanges limited to contiguous frontier zones of services that are both locally produced and consumed.
-