<u>DECISION OF THE JOINT EFTA-HONG KONG, CHINA COMMITTEE</u> (HEREINAFTER REFERRED TO AS "THE JOINT COMMITTEE")

No. 3 of 2017

(Adopted on 31 October 2017)

ON PROCEDURES FOR THE MODIFICATION OF LISTS OF RESERVATIONS AND COMMITMENTS ON TRADE IN SERVICES

THE JOINT COMMITTEE,

HAVING regard to the Free Trade Agreement between the EFTA States on the one part, and the Hong Kong Special Administrative Region of the People's Republic of China (hereinafter referred to as "Hong Kong, China"), on the other, signed in Schaan on 21 June 2011, hereinafter referred to as "the Agreement",

NOTING that Article 3.18 of the Agreement provides that the Joint Committee shall adopt procedures to be followed for the modification of lists of reservations and commitments on trade in services under each Party's Appendix to Annex X (Lists of Reservations and Commitments),

DECIDES:

- 1. The procedures for the modification of lists of reservations and commitments referred to in Article 3.18 of the Agreement as set out in the Annex to this Decision are adopted.
- 2. Chapter 10 of the Agreement shall apply *mutatis mutandis* to the procedures for the modification of lists of reservations and commitments adopted under this Decision.
- 3. This Decision shall enter into force on the date of its adoption.
- 4. The Secretary-General of the European Free Trade Association shall deposit the text of this Decision with the Depositary.

PROCEDURES FOR THE MODIFICATION OF LISTS OF RESERVATIONS AND COMMITMENTS

- 1. A Party shall notify the other Parties of its intention to modify its List of Reservations and Commitments set out in Annex X of the Agreement. Upon written request within 45 days from the receipt of the notification, the Parties shall hold consultations on any necessary compensatory adjustment with the aim to ensure that the general level of mutually advantageous commitments under Chapter 3 of the Agreement is maintained.
- 2. If a compensatory adjustment has been made by a Party to the benefit of the requesting Party as an "affected Member" in accordance with Article XXI of the GATS with regard to the same modification as intended for the List of Reservations and Commitments of the former Party set out in Annex X of the Agreement, the Parties concerned shall be deemed to have reached an agreement on compensation referred to in paragraph 1 with the same conclusion as agreed in the said compensatory adjustment.
- 3. A modification of a List of Reservations and Commitments shall be incorporated into Annex X of the Agreement in accordance with the procedures set out in paragraphs 7 and 8 of Article 9.1 of the Agreement.