

1	ARTICLE II OF THE GENERAL AGREEMENT ON TRADE IN SERVICES	1
1.1	Text of Article II	1
1.2	Scope	1
1.2.1	Measures relating to judicial and administrative assistance	1
1.2.2	a-5 (l) II3 (o)-7.3 (j)-33	

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"At the end of the Uruguay Round it had been agreed by participants that Article II of the GATS (MFN) would not apply to measures relating to judicial and administrative assistance. This agreement was reflected in document [MTN.GNS/W/177/Rev.1/Add.1](#) which states:

'It is agreed by participants that the provisions of Article II (Most-Favoured National Treatment) do not apply to measures relating to judicial and administrative assistance. In the light of this agreement, the former footnote to Article II has been deleted.'

The agreement was based on the view that discrimination between services providers by the provisions of the GATS, would not ha

¹ [S/C/M/1](#), para. 14.

competition between service suppliers. In the subsequent consultations it was agreed that the same logic could be applied to the whole of the GATS and that therefore none of the provisions of the GATS would apply to such measures."²

1.2.2 Electronic commerce

2. With respect to the application of Article II to electronic commerce, see the Progress Report adopted by the Council for Trade in Services in the context of the Work Programme on Electronic Commerce on 19 July 1999.³

1.3 Exemptions from Article II

1.3.1 Annex on Article II Exemptions

3. See the document on the Annex on Article II Exemptions (Practice).

1.3.2 Exemptions in financial services

4. With respect to exemptions from Article II of the General Agreement on Trade in Services (GATS) concerning financial services, see the Fifth Protocol to the GATS⁴, adopted by the Committee on Trade in Financial Services on 14 November 1997.⁵

1.3.3 Exemptions in maritime transport services

5. With respect to this issue, see the Decision on Maritime Transport Services adopted by the Council for Trade in Services at its meeting of 28 June 1996, which suspends negotiations on maritime transport services. The Decision further states that such negotiations will resume with "the commencement of comprehensive negotiations on Services" and that Article II of the GATS will enter into force with respect to "international shipping, auxiliary services and access to and use of port facilities" when these negotiations have been concluded.⁶

1.3.4 Exemptions in basic telecommunications

6. With respect to this issue, see the Fourth Protocol to the GATS, adopted by the Council for Trade in Services at its meeting of 30 April 1996.⁷

1.3.5 Least-developed country (LDC) services waiver