



Department for
Business & Trade

The Rt Hon Greg Hands MP
Minister of State for Trade Policy
Minister for London
Department for Business and Trade
Old Admiralty Building
Admiralty Place
Whitehall
London
SW1A 2DY

Rt Hon Liam Byrne MP
Chair, Business and Trade Committee
House of Commons
London
SW1A 0AA

T +44 (0) 20 4551 0011
E hands.correspondence@businessandtrade.gov.uk
W www.gov.uk/dbt

21st February 2024

Dear Liam,

Progress on the certification of the WTO Services Domestic Regulation Joint Initiative

I am writing to inform you of the progress made on the certification of the Services Domestic Regulation Joint Initiative (JI) at the World Trade Organisation (WTO). The Secretary of State previously wrote to the International Trade Select Committee in December 2022 setting out the UK's approach to certifying the Services Domestic Regulation Joint Initiative. I have attached the previous letter that the Secretary of State shared with the International Trade Select Committee.

Once the certification of the SDR JI is complete, this will be the first services agreement at the WTO for over two decades. Participants represent approximately 93% of global trade in services and the OECD and WTO estimate it will reduce annual global trade costs by \$150 billion. The Services Domestic Regulation Joint Initiative will benefit UK services exporters and businesses, given the new rules will make it easier for businesses to operate in markets and obtain authorisation to export at a greater pace.

There has been a delay in the participants' certification of their commitments under the Services Domestic Regulation Joint Initiative at the WTO, resulting from objections from a small number of non-participating WTO Members. These objections centred on the legality of plurilateral approaches in the WTO. During 2023, consultations took place between the participants and these members concerned. At the very start of this year, an outcome was reached with these objecting members on how participants' certification requests might be modified to remove those objections. These were technical changes that were acceptable to JI participants.

As a result, and along with over 20 other JI participants, the UK has now submitted a corrigendum to its earlier certification request.

Once objections are lifted by those Members, most JI participants will be in a position to complete the certification process. Following this, those JI participants will see their commitments enter into force.

However, the UK has also received a further objection, related to its uncertified underlying GATS schedule. As a result, we do not expect the UK's commitments to enter into force for the time being. The UK welcomes the entry into force of the Domestic Regulation disciplines for those JI participants who have completed their certification at the WTO and looks forward to receiving the benefits of other JI participants' commitments. The UK will continue to fully honour the Domestic Regulation disciplines despite the JI commitments not yet being formally in force for the UK while we resolve one final objection.

I would be happy to offer a private briefing by my officials for Committee members on this Joint Initiative. Please let my office know if you would like to take up this offer and we shall arrange.

Yours,

A handwritten signature in blue ink, consisting of a large, stylized 'G' followed by a horizontal line and a small flourish.

The Rt Hon Greg Hands MP
Minister of State for Trade Policy and Minister for London
Department for Business and Trade