



**NINTH MEETING OF THE  
REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP  
WORKING GROUP ON TRADE IN SERVICES  
(9<sup>TH</sup> RCEP – WGTIS)**

**3 – 7 August 2015, Nay Pyi Taw, Myanmar**

**SUMMARY OF DISCUSSION**

1. The 9<sup>th</sup> Meeting of the Regional Comprehensive Economic Partnership – Working Group on Trade in Services (9<sup>th</sup> RCEP-WGTIS) was held on 3 – 7 August 2015 in Nay Pyi Taw, Myanmar; and was preceded by the caucus meeting of ASEAN on 2 August 2015.
2. The Meeting was chaired by the ASEAN Lead Negotiator, Mr. P. Ravidran of Malaysia, working in conjunction with the AFP Facilitator, Ms. Hye Jin Kwon of Korea; and was attended by representatives from all RCEP Participating Countries (RPCs) and staff members of the ASEAN Secretariat. The list of delegates appears as **ANNEX 1**.

**AGENDA ITEM 1. ADOPTION OF THE AGENDA**

3. The WGTIS adopted its agenda, which appears as **ANNEX 2**.

**AGENDA ITEM 2. BUSINESS ARRANGEMENTS**

4. The Meeting was held in plenary, in parallel with the meeting of the RCEP-TNC and the other RCEP Working Groups and Sub-Working Groups.

**AGENDA ITEM 3. UPDATE ON RECENT DEVELOPMENTS RELEVANT TO THE WGTIS**

5. WGTIS noted the services-related outcome of the Intersessional RCEP Ministerial Meeting held on 13 July 2015 in Kuala Lumpur, Malaysia, which appears as **ANNEX 3**.

#### AGENDA ITEM 4. POSITIVE LIST APPROACH AND VALUE-ADD ELEMENTS

6. Other RPCs requested India to positively consider adopting value-add elements. WGTIS discussed the action plan to operationalize the value-add elements (ratchet and MFN or Transparency List) based on the outcome of the Intersessional RCEP Ministerial Meeting.

7. To facilitate discussions on this topic, Australia introduced its Paper on “*Scheduling Value Added Elements*” which appears as **ANNEX 4** on the necessity to introduce a benchmark to ratchet and MFN. Australia and Japan also presented their Joint Paper on Transparency List, which appears as **ANNEX 5**, based on the view that for the Transparency List to be a meaningful option, it must be equipped with specifics which could be considered as value add element. RPCs were encouraged to further reflect on these issues. Some RPCs emphasised that the Transparency List must be provided within the timeframe of the RCEP negotiation. The draft action plan as of this Meeting, for submission to and further guidance by the RCEP TNC, appears as **ANNEX 6**.

8. WGTIS noted that paragraph 6 of the Action Plan on the value-add elements reflected that “*For Cambodia, Lao PDR and Myanmar are given additional flexibility to not undertake commitments on value add elements (ratchet, MFN, and Transparency List).*”

9. On the issue of value-add, WGTIS noted the outcome of the TNC-WGTIS meeting where the TNC Chair requested RPCs to submit their initial offers with list of which subsectors chosen to offer ratchet by 1 October 2015. Some RPCs indicated difficulties and preferred to submit on best-endeavour basis. RPCs who may require more time will indicate their preferred timeline for submission. Some RPCs indicated that it will facilitate them if there is request by other RPCs for subsectors that should be subject to value-add elements. Some RPCs requested initial offers with list of subsectors for sectoral MFN, or for those RPCs choosing TL, a partial TL on committed subsectors to be submitted by 1 October 2015.

#### AGENDA ITEM 5. INITIAL OFFERS

10. WGTIS noted that the initial offers have been exchanged between 15 RPCs on 28 July 2015 as agreed intersessionally. The Philippines submitted its initial offer and New Zealand re-submitted its initial offer to include mode 3 on 4 August 2015, and subsequently circulated and exchanged with all RPCs. The complete set of initial offers appears as **ANNEX 7**.

11. Each individual RPC provided the WGTIS a brief snapshot of their respective initial offers. WGTIS urged all RPCs to:

- a) Ensure that their offers adhere to the Guiding Principles and Objectives for Negotiating the RCEP which stated that “*The RCEP will have broader and deeper engagement with significant improvements over the existing ASEAN+1 FTAs, while recognizing the individual and diverse circumstances of the participating countries*”;

- b) Provide a brief summary of their offers, indicating improvements beyond existing ASEAN+1 FTAs as well as the subsectors where they add or detract from the ASEAN+1 FTAs.

12. WGTIS recalled the joint non-paper by Australia and New Zealand tabled at the previous meeting on the process for examining and negotiating offers, which re-appears as **ANNEX 8**. WGTIS agreed on the need for flexible approach in negotiating and exchanging requests and offers, which require collective process (including through self-introduction of the latest snapshot of offers to all RPCs) as well as plurilateral or bilateral request and offer. WGTIS further agreed on the need for transparency, through sharing of initial requests and revised offers to all RPCs throughout the RCEP negotiation process. There were divergent views on the sharing of subsequent requests. Requests for improvement of currently available initial offers, however, could be submitted preferably by 1 October 2015 and circulated to all RPCs once available.

13. Notwithstanding the above understanding, WGTIS agreed that the value-add offers, as reflected in paragraph 9 above, shall be sent only to the ASEAN Secretariat and shall be shared to RPCs who have also submitted on a date to be decided by the WGTIS.

#### **AGENDA ITEM 6. DRAFT TEXT OF THE TRADE IN SERVICES CHAPTER**

14. WGTIS undertook preliminary discussion on the draft text of the Trade in Services Chapter based on a consolidated text which incorporates: (a) preliminary draft tabled by ASEAN during the 2<sup>nd</sup> RCEP-WGTIS meeting; (b) draft texts for List A elements submitted by all RPCs during the 6<sup>th</sup> RCEP-WGTIS meeting; and (c) new text proposals tabled during this meeting (covering text on Ratchet from Australia, Korea and New Zealand; text on MFN from NZ, and text on Transparency List from ASEAN). The draft consolidated text after further discussions at this meeting appears as **ANNEX 9**.

15. WGTIS requested RPCs to provide further input intersessionally to the ASEAN Secretariat **before 1 September 2015** for consolidation and further discussions at the next meeting.

#### **AGENDA ITEM 7. RELATED CHAPTERS/SECTORAL ANNEXES**

16. Following up from the decision of the Intersessional RCEP Ministerial Meeting, WGTIS commenced discussions on the works of Sub Working Groups on Financial Services (SWG-FIN) and Sub Working Group on Telecommunication Services (SWG-TEL) at this meeting. Prior to specific discussions on these services, WGTIS noted the paper by Korea on telecommunication services, joint paper by Australia, Japan, and Korea on telecommunication services, and joint paper by Australia, Japan, and Korea on financial services, which appear as **ANNEXES 10, 11, and 12**, respectively.

17. WGTIS agreed on the following way forward for organisation of the negotiations for these Sub Working Groups:

- a) RPCs were requested to submit draft texts intersessionally to the ASEAN Secretariat with the view to have consolidated draft texts by the next meeting.
- b) RPCs to nominate their officials (with their respective email addresses) for each of these Sub Working Groups to the ASEAN Secretariat in order to establish email lists;
- c) RPCs to ensure attendance of their respective officials in these Sub Working Groups at the next 10<sup>th</sup> RCEP meeting in Busan. Starting from this meeting onwards, the Sub Working Groups to meet in parallel with WGTIS.

18. **Discussions on the Work Plan of the Sub Working Group on Telecommunication Services (SWG-TEL)**. 13 RPCs were represented in the discussions, of which outcomes are as follows:

- a) All elements proposed on Telecommunication Services will be further discussed;
- b) Flexibilities will need to be negotiated into the draft text;
- c) ASEAN proposed to put forward initial text by September 2015 and the other members may submit their comments on this text with the view to begin negotiation based on the draft consolidated text; and
- d) 3 to 4 days will be required in future meetings including 1 day for ASEAN and AFP caucuses. SWG-TEL meetings shall be held back-to-back with the meetings of the WGEC (Working Group on Electronic Commerce).

19. **Discussions on the Work Plan of the Sub Working Group on Financial Services (SWG-FIN)**. 10 RPCs were represented in the discussions. The outcome of discussions, including the indicative work plan and the draft list of indicative elements for the financial services chapter/annex proposed by Australia and Japan, jointly appear as **ANNEX 13**. WGTIS requested substantial time be allocated to the SWG-FIN in Busan. Noting the resource constraint of some RPCs, WGTIS noted that for the next 10<sup>th</sup> RCEP meeting, SWG-FIN will meet back-to-back (not in parallel) with the SWG-TEL. The arrangement for future meetings will be revisited.

20. ASEAN informed that its Working Committee on Financial Services Liberalisation (WCFSL) is tentatively scheduled in the 4<sup>th</sup> week of September 2015 in the Philippines. It was suggested that AFPs could be invited to attend this meeting on voluntary basis.

21. **RCEP Business Travel Card (RBTC) and RCEP Service Supplier Card (RSSC)**. India introduced these proposals, of which paper and presentation material jointly appear as **ANNEX 14**. RPCs were encouraged to further reflect on these proposals for discussion at the next meeting.

22. **Movement of Natural Persons (MNP)** and **Professional Services**. Some RPCs emphasised the necessity to initiate MNP discussions from the 10<sup>th</sup> Round. The WGTIS also discussed about the possibility of a separate Chapter or Annex on Professional Services under the RCEP. Some RPCs indicated reservations to the above. WGTIS noted that ASEAN has no consensus position on this issue yet. Intersessionally, RPCs were encouraged to provide their views on MNP and Professional Services, including any text proposals. WGTIS noted that India had submitted a text for MNP during the 6<sup>th</sup> RCEP-WGTIS meeting.

23. **Audio Visual Services**. WGTIS continued to discuss the various possible implications should audio visual services be agreed in a multilateral setting under the RCEP, as compared to the usual bilateral agreement approach. WGTIS will continue to discuss this proposal at the next meeting.

#### **AGENDA ITEM 8. OTHER ISSUES**

24. WGTIS recognised the criticality of the next meeting, and urged all RPCs to submit all the required works on a timely basis.

#### **AGENDA ITEM 9. DATE AND VENUE OF NEXT MEETING**

25. WGTIS noted that the next meeting will be held on 12 – 16 October 2015 in Busan, Korea. The meeting will be held in parallel with the 10<sup>th</sup> RCEP TNC Meeting.

#### **AGENDA ITEM 10. ADOPTION OF THE SUMMARY OF DISCUSSION**

26. WGTIS adopted the Summary of Discussions of the 9<sup>th</sup> RCEP-WGTIS Meeting held on 3 – 7 August 2015 in Nay Pyi Taw, Myanmar.

#### **ACKNOWLEDGEMENT**

The delegates thanked the Government of Myanmar for the excellent hosting and arrangements for the meeting and the warm hospitality.

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