DECISIONS

COUNCIL DECISION (EU) 2017/817

of 11 May 2017

establishing the position to be taken on behalf of the European Union within the World Trade Organisation on the modification of paragraph C(ii) of Annex 3 to the WTO Agreement as regards the frequency of WTO Trade Policy Reviews and of the rules of procedure of the Trade Policy Review Body

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the first subparagraph of Article 207(4), in conjunction with Article 218(9) thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) Paragraph C(ii) of Annex 3 to the Marrakesh Agreement establishing the World Trade Organisation ('WTO Agreement') sets out the frequency for reviewing WTO Members' trade policies and practices. The frequency of the reviews of each Member's trade policy depends on its share of world trade. The four biggest trading Members are currently examined every two years. The next 16 Members in terms of their share of world trade are reviewed every four years, while all other Members are currently reviewed every six years.

(2) The increase in WTO membership since 1995 has also increased the number of reviews necessary to comply with Annex 3 to the WTO Agreement, increasing the burden on Members and the WTO Secretariat. In order to safeguard the effectiveness of the review system, the Trade Policy Review Body (TPRB) of the WTO suggests extending by one year the cycles currently in place. As a result, WTO Members would be reviewed every three, five or seven years, depending on their share of world trade.

(3) In accordance with Article X:8 of the WTO Agreement, decisions approving amendments to Annex 3 to the WTO Agreement are to be taken by consensus by the Ministerial Conference or, pursuant to Article IV:2 of the WTO Agreement, by the General Council in the intervals between meetings of the Ministerial Conference, and are to take effect for all WTO Members upon approval.

(4) In order to safeguard the effectiveness of the review system, the TPRB has recommended also to amend its rules of procedure to introduce slight modifications that would facilitate the conduct of reviews, such as granting four weeks instead of the current three to the Member reviewed so as to reply to advance questions when it uses the alternative timeline. Other changes in the rules of procedure involve, for example, the possibility for a WTO Member to present significant changes to its trade policy at a meeting of the TPRB in between two Trade Policy Reviews or the possibility, on request of a Member, to make the second day of the review more interactive, using panels or the issuance by the WTO Secretariat of a list of speakers for the interventions of the WTO Members on the first day of the review. The TPRB can take the decision to amend its own rules of procedure pursuant to Article IV:4 of the WTO Agreement.

(5) It is in the interest of the Union to ensure a well-functioning Trade Policy Review Mechanism so that all WTO Members continue to be reviewed regularly and meetings in the TPRB are as efficient and well prepared as possible.

(6) Therefore, it is appropriate to establish that the position to be taken on behalf of the Union in the WTO is to extend by one year the cycles of Trade Policy Reviews of WTO Members and to modify the rules of procedure of the TPRB to facilitate the conduct of reviews,

HAS ADOPTED THIS DECISION:

Article 1

The position to be taken on behalf of the Union within the General Council of the World Trade Organisation shall be to join the consensus to amend paragraph C(ii) of Annex 3 to the WTO Agreement to extend by one year the cycles of Trade Policy Reviews of WTO Members. The review cycles in paragraph C(ii) of Annex 3 to the WTO Agreement depend on the share of world trade and currently stand at two, four or six years. They will be replaced, respectively, by cycles of three, five or seven years.

This position shall be expressed by the Commission at the upcoming meeting of the General Council.

Article 2

The position to be taken on behalf of the Union within the Trade Policy Review Body shall be to join the consensus to amend the TPRB's rules of procedure, as envisaged in Document WT/RD/TPR/745.

This position shall be expressed by the Commission at an upcoming meeting of the TPRB.

Article 3

After its adoption, the amendment of paragraph C(ii) of Annex 3 to the WTO Agreement, as notified by the WTO, shall be published in the *Official Journal of the European Union*.

Article 4

This Decision shall enter into force on the date of its adoption.

Done at Brussels, 11 May 2017.

For the Council
The President
C. CARDONA