Dear Joan McAulay MSP,

I promised to write to your Committee with further details of the certification process for schedules at the World Trade Organization.

As I said during the hearing, while the UK is a founding member of the WTO, we will need to establish our own independent schedules of commitments at the WTO as we leave the EU. WTO Members frequently have a need to update their schedules of commitments. This may be in order to affect a technical change, for example updating commitments to reflect changes to the Harmonised System of tariff codes. Or it might be to make a substantive change to commitments, for example as new Members join the European Union.

The processes for doing that are different for goods and services. The process for amending the goods schedule is set out in the Decision of 26 March 1980 – L/4962. This procedure is subject to the following conditions:

- The proposed rectification shall be limited to amendments or rearrangements which are of a purely formal character and which do not alter the scope of the concessions.
- The proposed modifications resulting from action under Article II, Article XVIII:7, Article XXIV:6, Article XXVII or Article XXVIII, shall be a correct reflection of the modification.
- If objections are raised (e.g. because another Member considers the change alters the scope of the concession) on any of these grounds, the Member wishing to modify / rectify its Schedule could end-up in Article XXVIII of the GATT 1994 renegotiations.

The process for amending the services schedule was agreed by the WTO on 14 April 2000 and is set out in document S/L/84. These procedures are to be used whenever a Member intends to undertake new commitments, improve existing ones, or introduce rectifications or changes of a purely technical nature that do not alter the scope on the substance of the existing commitments.

Given that the UK will not be seeking to make substantive changes to its schedule, but only changes of a technical nature, the simplest option to establish the UK's independent position in the WTO is to follow these established processes.
As the Committee has noted, our current schedules, which we share with the EU, have been uncertified for more than 20 years with no consequent uncertainty for business, and without impeding the EU's ability to strike new trade deals. However, it is certainly desirable that any future UK WTO schedules are certified and we will be engaging with the WTO membership to bring that about in the shortest possible timeframe.

Yours,

[Signature]

RT HON GREG HANDS MP
Minister of State for Trade and Investment