WORLD TRADE ORGANIZATION

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Good Regulatory Practices to Facilitate Trade in Services

Cutting red tape,
unlocking services trade

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Executive summary

Services are central to growth, productivity, employment and economic diversification, and constitute the largest and most dynamic sector of many economies. They play an indispensable role across value chains and are a major source of export earnings. The ability to trade services – digitally across borders, via commercial presence in other economies or through the movement of people – is a core driver of competitiveness and growth.

Despite the instrumental and cross-cutting role of services, the costs to trade services remain high, and markedly higher than those for trade in goods.

While regulation of services sectors is essential to achieving legitimate public policy objectives (such as consumer protection, financial stability, health, safety and environmental goals), regulatory differences among economies and governance quality significantly constrain trade in services across the four modes of supply. Notably, opaque and inefficient procedures, fragmented information and discretionary practices can reduce contestability in services markets and discourage trade and investment.

Building on the experience of various international economic forums, a group of over 70 WTO members adopted a new set of rules to facilitate services trade by fostering transparency, predictability and efficiency in regulatory frameworks. The 2024 entry into force of the new Disciplines on Services Domestic Regulation (SDR Disciplines) at the WTO underscores the importance of embedding good regulatory practices (GRPs) in services policies to further promote economic growth and development.

Good regulatory practices can drive economic growth and development

Available research converges on two key points. First, the trade costs for services are far higher than for goods. At least one quarter of these costs stem directly from factors related to regulatory and governance quality. Second, adopting a coherent package of GRPs can significantly cut transaction and compliance costs for businesses, especially for small businesses and women-owned firms.

Research conducted by the WTO Secretariat suggests that full implementation of the SDR Disciplines would reduce services trade costs by 8-14 per cent,, with the sharpest average cuts for lower middle-income economies (10 per cent) and upper middle-income economies (14 per cent). These cost savings would deliver a 0.3 per cent rise in global real income (approximately equal to US$ 301 billion) and a 0.8 per cent expansion of world exports (approximately equal to US$ 206 billion). Over an implementation period of 10 years, annual trade cost savings would amount to roughly US$ 127 billion.

Implementing the SDR Disciplines can generate positive effects for all economies: real incomes are projected to rise even for those that are not currently committed to implementing the SDR Disciplines at the WTO as part of their commitments under the General Agreement on Trade in Services (GATS). This is because GRPs are applied on a non-discriminatory basis; therefore, service suppliers will benefit when these rules are implemented in their trading partners' markets. However, given their internal regulatory focus, exports are expected to progressively shift to implementing markets, while remaining stagnant for other economies.

Empirical evidence further reinforces the link between procedural quality and economic performance. Higher levels of GRPs integration in domestic regulatory frameworks are systematically associated with larger shares of services value-added in GDP and a stronger orientation towards services exports.

By promoting competition and innovation among services suppliers, the research shows that GRPs implementation is also positively associated with improved entrepreneurship, deeper participation in global value chains, and lower costs for starting a business. It can also enhance financial inclusion, including by increasing the availability of banking services to individuals in remote or underserved areas and fostering the development of innovative products, such as mobile banking and other digital solutions.

Good regulatory practices can enhance transparency, predictability and efficiency of authorization processes

The quality of authorization systems for service suppliers is critical for trade and investment. Clear, objective and transparent authorization systems, including acknowledgement of application receipt, completeness checks, mechanisms to correct minor deficiencies, as well as the provision of written reasons for decisions, help reduce uncertainty related costs. Predictable and time-bound decisions strengthen accountability and limit the scope for arbitrary or inconsistent treatment.

Transparency underpins understanding, and thus compliance. Consolidated, up-to-date publication of laws and regulations – paired with accessible enquiry points that deliver timely and thorough replies – improves information flows and facilitates the participation of small businesses and new market entrants.

Digitalization enables further streamlining of authorization procedures and multiplies benefits for business. Acceptance of electronic applications and supporting documentation, online payments and real-time status tracking lower transaction costs and widen access to markets, notably for foreign suppliers. Single windows that enable end-to-end filing, data re-use across agencies and two-way messaging avoid unnecessary duplications and improve the user experience.

Stakeholder engagement improves legitimacy and quality of regulatory outcomes. Advance publication of draft laws and regulations with a reasonable opportunity to comment for interested stakeholders fosters legitimacy and acceptance, while at the same time promoting the quality of regulatory outcomes through expert input.

Transparent and reasonable fees lower entry barriers. Existence of a clear legal basis for authorization fees, disclosure of calculation methods and the alignment of fee amounts with processing and supervision costs deter the use of fees as barriers to entry and contribute to a fair and predictable regulatory environment for service suppliers.

Independence and impartiality of decision-making bolster institutional credibility. Insulation from supplier influence, robust conflict-of-interest policies, objective criteria, transparent appointment rules and regular reporting support institutional integrity and strengthen trust in day-to-day implementation.

Review mechanisms of administrative decisions are central to ensure the consistent and predictable application of regulatory frameworks. Accessible review routes with clear and transparent timelines and, where appropriate, remedies, ensure suppliers' redress, strengthen accountability and consistency in the application of rules.

Regulatory impact assessment throughout the policy cycle keeps measures balanced, targeted and effective. Defining regulatory problems, assessing regulatory and non-regulatory options using the best available evidence, weighing expected costs and benefits, and consulting stakeholders helps leverage relevant experience and supports continuous improvement.

Standards are becoming increasingly important for services and services trade. With dynamically evolving technologies and market structures, standards can help reduce costs, promote interoperability and signal minimum quality in service delivery. The open and transparent development of standards strengthens their legitimacy, improves domestic uptake, and supports broad adoption across international markets.

Coordination at home and cooperation across borders are essential. Domestic inter-agency coordination facilitates authorization procedures and data-sharing. International regulatory cooperation enables cross-border authentication and solutions for recognition; it also promotes information exchange, use of international instruments and standards, and the participation of foreign stakeholders, thereby supporting dialogue and improvement.

Fourteen good regulatory practices to facilitate trade in services

1. Processing of authorization applications

- Set and publish decision deadlines (including through silent approval mechanism where appropriate).
- Acknowledge receipt and check for completeness.
- Allow applicants to correct minor errors without restarting the process.

- Notify decisions in a timely manner, including reasons for rejection.

2. Electronic submission of applications

- Enable online applications, including uploading required documentation, and digital signatures.
- Provide real-time tracking of application status and notification of decisions.

3. Online publication of information

- Publish information on requirements and procedures, fees, timelines, contact addresses and review procedures – and do so in one consolidated portal online.
- Use plain and concise language and make available summaries or other documents to aid understanding.
- Keep information up to date with change logs/archives.
- Provide information in multiple languages, notably in English.

4. Single window

- Offer one unified portal as an information gateway and entry point for submitting authorization applications.
- Require uploading of documentation once only and enable cross-sharing of information across agencies.
- Include possibility to contact directly responsible agencies for questions and assistance.

5. Authorization fees

- Publish legal basis and calculation method of fees.
- Keep fees reasonable and ensure they do not in themselves restrict supply of services.
- Allow for online payment of fees.

6. Governance of regulators: independence and impartiality and decision-making

- Ensure that authorization decisions are reached and administered independently from suppliers, including through structural separation where necessary.
- Guarantee that application procedures are impartial, adequate and non-obstructive vis-à-vis all applicants, including foreign suppliers and women entrepreneurs.
- Establish functions and structures, appointment rules, conflict-of-interest policies, as well as clear reporting lines for oversight.
- Make agencies' budgets publicly available and allocated in a manner that safeguards operational independence.

7. Stakeholder engagement

- Publish drafts of laws and regulations as early as possible and ensure minimum timeframes to receive comments.
- Explore use of multiple channels (including online) and targeted expert outreach (e.g., SMEs, regions, foreign suppliers).
- Ensure clear report back on how comments were considered.
- Establish a reasonable period of time before entry into force of laws and regulations.

8. Enquiry points

- Make contact details for enquiries easily available and promote coordination among agencies as required.
- Establish clear and reasonable response time standards.
- Ensure that enquiry points are free of charge or limit amount of charges to the approximate costs of the service rendered.

9. Standards in services

- Ensure transparency, objectivity and necessity of standards.
- Use standards that have been developed through open and transparent processes.
- Consider and use relevant international standards; avoid duplication/conflict with work of international standard-setting bodies.

10. Review of administrative decisions

- Offer simple and affordable review routes, including grounds for requests and clear timelines.
- Issue transparent and reasoned decisions.
- Ensure adequate remedies where appropriate.
- Guarantee that reviewers are structurally independent from the original decision-making agency.

11. Assessment of qualifications

- Publish recognition procedures, criteria, documents and reasonable timelines.
- Accept e-submissions and remote invigilation, including at international assessment centres.
- Ensure that eligibility criteria are not more burdensome than necessary, including legitimate and proportionate language requirement.
- Ensure that examinations are held at reasonable and regular intervals with clear registration windows.

- Where appropriate, allow foreign professionals to demonstrate competence through professional experience, references and membership in foreign professional associations.

12. Regulatory impact assessment

- Define the problem and objectives of regulations and compare policy options using the best available evidence.
- Assess costs/benefits and distributional impacts, including by involving stakeholder and expert groups.
- Transparently communicate the outcome of the assessment.
- Plan post-adoption review of regulations with clear indicators and timelines to support continuous learning and adjustment.

13. Domestic inter-agency coordination

- Involve all relevant agencies across all stages of policy cycles, from policy design and drafting to implementation, enforcement and review of regulations.
- Make publicly available procedures and mechanisms for inter-agency coordination.
- Establish dedicated platforms to exchange information, including through a central coordinating body with monitoring and reporting functions.

14. International regulatory cooperation

- Use cooperation channels to share information and learn about emerging best practices, including in specific sectors or emerging regulatory areas.
- Promote cooperation as a tool to facilitate the recognition of professional qualifications and authorizations.
- Leverage cooperation to assess cross-border impacts, consider international instruments, and progressively remove unnecessary regulatory differences (see Box 1).

Learning from experience: case studies provide insights on domestic reform

Effective reform starts with clear legal anchors and empowered regulatory agencies, including a central coordinating body.

Clear legal anchors allow objectives to be turned into enforceable duties and support coordination across agencies, including through a central coordinating body with guidance and monitoring functions. Case studies show that where the lead agency's mandate and powers are explicit, implementation is smoother and more consistent across sectors.

High-level support helps but does not guarantee delivery; sustained results require consistent political backing across election cycles.

Initial political support unblocks reforms, but continuity of direction and stable resources determine whether reforms deepen or stall after the initial launch. The case studies underline the need to preserve momentum across administrations to avoid a slowdown in reform.

Box 1: Diagnostic and Reform Planning Tool: a new instrument for supporting regulatory reforms

The new Diagnostic and Reform Planning Tool supports mapping of domestic regulatory frameworks against core GRPs with a view to examining areas of strengths and weaknesses and identifying priority areas for reform to improve the quality of the business environment.

The Tool builds on the extensive information contained in the WTO-World Bank Services Trade Policy Database (STPD) and expands the scope with more than 130 additional questions on the implementation of core GRPs across 34 services subsectors.

The Tool is designed to also capture *de facto* implementation of GRPs, by examining administrative and procedural practices, even beyond the existence of legal requirements.

A user-friendly visualization board allows users to assess how domestic regulatory frameworks align with the SDR Disciplines across various services subsectors.

Institutions are as important as regulation: strong mandates, clear responsibilities and sustainable resourcing ensure effective, consistent implementation and enforcement of regulatory reforms.

Institutions determine whether rules translate into consistent practice. Where roles and resourcing are well-defined, agencies can assure quality, enforce quality standards and reduce bottlenecks.

Effective inter-agency coordination – both across regulatory agencies and across levels of government – is central to the success of reform.

Domestic inter-agency coordination connects political will with institutional practice, prevents implementation in silos and enables interoperability of systems (including digital systems). When inter-agency coordination functions well, applicants benefit from a single, predictable process rather than a sequence of fragmented steps, and governments can monitor performance, enforce deadlines and share data seamlessly.

Digitalization can only deliver its full benefits when it is paired with process simplification and interoperable systems.

Digitalization is not an end in itself but a tool to further simplify processes and make systems function effectively. Without these objectives, technology risks merely replicating bureaucratic inefficiencies in digital form. Across case studies, reforms that standardized forms and procedures, enabled data sharing and reuse of information among agencies, and connected sectoral and sub-national systems showed reductions in processing times and compliance costs.

Infrastructure is a key enabler; given the strong emphasis on digital tools, reforms need reliable power supply, robust connectivity and functional IT systems to produce tangible results.

Infrastructure is a prerequisite for digital reform to deliver tangible results. Reliable power supply and connectivity ensure that digital platforms function smoothly, data systems remain stable, and users can access services without interruption. The case studies show that reforms must be underpinned by sustained investment in connectivity and key foundations, such as trusted identity and e-signature systems, resilient hosting and shared services (for example, payments, or logging/analytics).

Continuous agency upskilling is essential to ensure that staff are well equipped to adapt and foster a service-oriented culture that supports the effective implementation of reforms.

Regular upskilling of staff is critical to turn legal reforms and new platforms into a consistent way to improve day-to-day practice. Regular training, peer learning and institutionalized knowledge-sharing mechanisms help build technical and managerial capabilities needed to embed new processes, close implementation gaps and sustain reform performance over time.

User-centred design – including through help desks and unified portals – reduces search and compliance costs, especially for small businesses.

Designing systems based on users' needs helps reduce search and compliance costs – especially for small businesses – by making rules and processes easy to find, understand and complete. Clear guidance, intuitive layouts and integrated assistance tools allow users to complete transactions with fewer errors and less reliance on intermediaries.

Central oversight and regular monitoring and evaluation promote accountability and sustain reform momentum.

A central oversight structure, paired with regular monitoring and evaluation turns legal standards into day-to-day accountability. When performance data are tracked, compared and acted upon, institutions can identify bottlenecks, target support and sustain consistent service delivery across agencies.

Flexibility and progressive adjustment are essential to ensure that reforms meet evolving business needs.

Flexibility and progressive improvement keep reforms aligned with evolving business needs and implementation realities. Across the case studies, durable results depend on built-in impact assessment and review of existing measures, with a view to recalibrating rules, improving quality standards, and making digital systems effective.

Introduction

Services have become the most dynamic and dominant force shaping global economic patterns in the 21st century. Today, services account for over two-thirds of global GDP and more than half of global employment, and are the primary source of value added in most economies.[1]

In 2023, services contributed approximately 54 per cent of GDP and more than 44 per cent of employment.[2] This transformative role extends beyond direct contributions to output and jobs: services are critical drivers of competitiveness, innovation and resilience, serving as key inputs in manufacturing and agricultural value chains and as catalysts for export diversification.[3] For developing economies, services trade has over the years provided significant opportunities for export-led growth, economic diversification and integration into global markets.

Yet despite the sector's importance, services trade costs remain markedly higher than those for goods – exporting a service still costs more than four times the domestic price and almost a third more than trading manufactured goods.[4] Small enterprises and women-owned businesses face an additional seven percentage point burden because, being smaller on average and less capital-intensive, they struggle the most with costly and unclear procedures for gaining access to services markets.[5] These elevated costs are driven not only by traditional market access barriers but also by a complex web of domestic regulatory measures. As highlighted in the WTO's *World Trade Report 2019*, regulatory differences and weak governance – including opaque and unpredictable authorization and licensing regimes for service providers, duplicative requirements and lack of transparency – significantly restrict the supply of services across borders, discouraging both trade and investment.[6]

These challenges have profound implications. Lowering the cost of services trade has the potential to boost trade volumes and unlock economy-wide efficiency gains. What is more, services trade is increasingly vital for sustainable growth outcomes: it can support small and medium-sized enterprises (SMEs) and generate high-value jobs for young and skilled workers.[7] It is also central to inclusion: in 2023, services accounted for 57.3 per cent of women's employment worldwide (compared with 45.5 per cent for men), highlighting the sector's role in fostering women's economic empowerment.[8]

The COVID-19 pandemic further underscored both the importance and the vulnerabilities of the services sector. While services that require physical proximity such as tourism and hospitality experienced severe disruptions, digitally deliverable services proved remarkably resilient, enabling the continuation of services trade across borders despite restrictions on movement.[9] This acceleration of digitalization has reshaped services trade dynamics, expanded the cross-border tradability of services and created new opportunities – particularly for smaller businesses and developing economies – to integrate into global value chains (GVCs). These shifts, combined with the highly regulated nature of services, have also intensified the need for streamlined and adaptable regulatory frameworks.[10]

Against this backdrop, policy reforms to facilitate services trade and investment can take two main approaches. The first is to remove measures that restrict openness to international competition, namely measures liberalizing market access and national treatment – for example, removing limits on foreign ownership or relaxing nationality requirements for professionals.[11] The second, and the focus of this Handbook, is to establish regulatory improvements that enhance the transparency, predictability and efficiency of procedures without prescribing specific policy outcomes.

Since the 1990s, the concept of good regulatory practices (GRPs) has emerged as a tool to promote the quality, efficiency and accountability of domestic regulatory systems, irrespective of the level of market opening of different economic sectors. In light of their non-discriminatory nature, GRPs help facilitate compliance with existing laws and regulations – benefiting both domestic and foreign businesses alike. GRPs play a key role in improving governance and accountability of regulatory and institutional frameworks.

Importantly, reforms to implement GRPs can be pursued independently of decisions regarding market opening or the substance or stringency of underlying regulatory requirements.[12] Reductions in regulatory restrictiveness translate into several percentage point cuts in ad-valorem-equivalent trade costs in services – magnitudes that are in the same ballpark as many goods tariffs.[13] Procedural reforms – such as moving licence applications online or allowing information and documents to be submitted through a single entry point to fulfil regulatory requirements (single windows) – are reported to have generated multimillion dollar savings within a single year.[14]

Over recent years, the adoption of GRPs in services has gained prominence at the international level. The WTO General Agreement on Trade in Services (GATS), in force since 1995, already set out several regulatory obligations, mainly concerning transparency and procedural fairness. Since then, significant progress has been made.

In 2021, new Disciplines on Services Domestic Regulation (SDR Disciplines) were agreed by a group of WTO members: they represent a landmark effort to enhance regulatory transparency and efficiency.[15] The SDR Disciplines include key commitments on authorization procedures, public availability of regulatory frameworks, impartiality of decision-making as well as stakeholder engagement mechanisms. These commitments are echoed and further elaborated in preferential trade agreements (PTAs) adopted regionally or bilaterally, as well as in instruments such as the Organisation for Economic Co-operation and Development's (OECD's) *Recommendation on Regulatory Policy and Governance* (2012) and the APEC (Asia-Pacific Economic Cooperation) *Non-Binding Principles for Domestic Regulation of the Services Sector* (2018).

Across advanced and emerging economies, governments are actively upgrading their regulatory systems – digitizing authorization and introducing stakeholder engagement procedures and regulatory impact assessments (RIAs). Recent global diagnostics document this reform momentum across sectors and regions. For example, the OECD *Regulatory Policy Outlook 2025* – which covers 38 OECD member countries and the European Union – notes a positive trend as governments continue to improve on the use of digital means to call on the public to provide evidence on the impact of rules, introducing minimum consultation periods, as well as expanding consultation time frames.[16]

Moreover, the World Bank's *Business Ready* (*B-READY*) 2024 report states that "economies do not need to be rich to develop a good business environment."[17] While high-income economies have been implementing reforms to provide higher quality public services to support businesses, all economies have room for improvement – especially when it comes to moving from the design of regulations to their actual implementation on the ground.[18]

Recent research by the WTO Secretariat highlights that the implementation of a common set of GRPs for services, such as those contained in the SDR Disciplines, could trim trade costs by up to 14 per cent for middle-income economies, saving businesses around US$ 127 billion a year.[19] It can also raise global real income by 0.3 per cent, and boost exports by 0.8 per cent.[20] In addition, analysis by the WTO Secretariat finds a positive correlation between higher-quality regulation and larger services sectors, stronger innovation capacity and deeper participation in GVCs.[21] The latter point has been echoed by the World Bank which shows that streamlined processes – such as through online single windows – cut trade costs and help companies integrate into international markets.[22]

From a development perspective, improved regulatory practices align with broader objectives, such as the United Nations Sustainable Development Goals (SDGs).[23] Efficient, transparent services regulation supports SDG 8 (promoting inclusive and sustainable economic growth, employment and decent work) and SDG 9 (building resilient infrastructure, promoting inclusive and sustainable industrialization, and fostering innovation).[24] In light of women's strong participation in the services sector, facilitating services trade can also support the achievement of SDG 5 on achieving gender equality and empowering women.[25] Additionally, enhanced regulatory practices in services sectors, such as telecommunications and logistics, are foundational for promoting digital inclusion and climate-resilient economic models. Together, this research makes a clear case for GRPs as a key driver of competitiveness, investment and inclusive growth.

Against this backdrop, this Handbook aims to provide practical guidance for policymakers and regulators on advancing domestic regulatory reforms that facilitate services trade while preserving and promoting legitimate public policy objectives. To do so, it provides an overview of progress in the domain of GRP with a focus on services trade – at the WTO, in services PTAs, as well as in other relevant forums. The Handbook underpins targeted technical assistance and capacity-building activities by the WTO Secretariat and the World Bank and serves policymakers as a resource to benchmark regulatory regimes and prioritize actions for reform.

This Handbook is structured as follows:

- **SECTION I** provides an overview of recent work on GRPs for services trade, from the GATS to the SDR Disciplines, and recent trends in services PTAs. Additionally, based on existing literature, it offers evidence of the impact of regulatory reforms on economic growth and development.
- **SECTION II** analyses a set of widely recognized GRPs, explaining their key features, rationale and objectives. For each GRP, the main legal basis – including in the GATS, the SDR Disciplines, and agreements in other areas of relevance for trade – are identified. In addition, dissemination through regional and bilateral frameworks is also discussed.
- **SECTION III** illustrates practical GRP reform experiences through case studies (Costa Rica, Indonesia, the Philippines, Thailand) – real-world examples of domestic implementation across service sectors and regions. The case studies examine the motivations and context for specific reform initiatives, legal basis and institutional arrangements, implementation experience, as well as any observable effects on business operations and lessons learned. An overview distils cross-cutting insights on common success factors and recurrent implementation challenges.
- **SECTION IV** introduces a new "Diagnostic and Reform Planning Tool" to help policymakers benchmark existing frameworks against the GRPs set out in Section II, with a view to identifying gaps and prioritizing regulatory reforms. The Tool leverages the extensive information on services policies contained in the WTO–World Bank Services Trade Policy Database (STPD) while adding many new questions that assess GRP implementation in greater detail across 34 service sectors. The Tool also aims to capture de facto implementation of GRPs, by examining administrative and procedural practices, looking beyond legally mandated application of GRPs. Through a user-friendly visualization board, the Tool enables the mapping of existing domestic regulatory frameworks across sectors, including with a view to identifying possible priority areas for regulatory reforms. The Tool can also be used by WTO members to evaluate implementation of the GRPs set out in the SDR Disciplines, and use that evidence to assess adoption options, including capacity-building and designation of transitional periods.

SECTION 1

Good regulatory practices to facilitate trade in services

1 Conceptual basis and early trade activation

2 Work on good regulatory practice for services in the WTO

3 The WTO disciplines on services domestic regulation

4 GRPs: Beyond the WTO disciplines on services domestic regulation

5 GRPs in preferential trade agreements

6 Economic benefits from implementing GRPs for services trade

Conceptual basis and early trade activation

The concept of GRPs emerged during the late 1980s and early 1990s as part of broader public sector reform efforts aimed at improving the quality, efficiency, and accountability of domestic regulatory systems. This evolution occurred in parallel with the conclusion in 1994 of the Uruguay Round at the WTO but stemmed from distinct policy issues. Governments, particularly in member countries belonging to the OECD, sought to address growing concerns about regulatory complexity, rising compliance costs and declining public trust in administrative institutions.[26]

As such, early GRP frameworks prioritized transparency, public consultation, evidence-based policy-making, proportionality and RIAs, with the goal of improving governance and economic efficiency, rather than facilitating trade per se.[27] International organizations, such as the OECD, the World Bank, and the APEC, played a key role in promoting these principles as part of broader competitiveness and good governance agendas.[28]

It was only in the mid-1990s, particularly with the establishment of the WTO in 1995, that the relevance of domestic regulatory practices became more explicitly recognized across various trade areas. The GATS, as well as the WTO Agreement on Import Licensing Procedures, the Agreement on Technical Barriers to Trade (TBT Agreement) and the Agreement on Sanitary and Phytosanitary Measures (SPS Agreement), all incorporated core GRP principles. Among these, rules on transparency, regulatory predictability and the use of international standards gained early prominence.[29] This marked the "trade activation" of GRPs – extending their role beyond domestic reform to also reducing behind-the-border frictions in international trade.

Two of the earliest examples of integrating trade considerations into GRP instruments were the *OECD Guiding Principles for Regulatory Quality* and Performance and the APEC-OECD *Integrated Checklist on Regulatory Reform*, both published in 2005. Principle 6 of the OECD *Guiding Principles* calls on governments to better integrate market-openness considerations into the design and implementation of regulations and into RIAs, recognizing that, as trade and investment liberalization advances, domestic regulatory environments increasingly determine market openness.[30] The *APEC-OECD Integrated Checklist* was developed in recognition that, beyond the liberalization of services sectors, "regulatory reform is a central element in the promotion of open and competitive markets, and a key driver of economic efficiency and consumer welfare."[31] Conceived as a voluntary self-assessment tool, it was designed to help governments evaluate the extent to which their laws, institutions and processes reflected the principles of high-quality regulation, effective competition policy and open markets. Through the *APEC-OECD Integrated Checklist*, governments sought regulatory tools that could unlock the economic gains of open and competitive markets while safeguarding legitimate public-interest objectives.

Building on this foundation, the *Recommendation on Regulatory Policy and Governance*, issued in 2012 by the OECD, codified the main GRP principles which included evidence-based impact assessment of measures to be developed, stakeholder engagement, review of existing laws and regulations (i.e. ex post review) and domestic inter-agency coordination. It also calls on governments to consider relevant international standards and frameworks when developing regulations, including (where appropriate) their likely effects beyond the jurisdiction, so that rules are coherent internationally. Together, these guidelines reframed high-quality regulation not only as a domestic governance issue but also as a key enabler of trade competitiveness, laying the conceptual groundwork for today's trade-oriented GRP agenda.

The term GRP does not appear in the GATS, nor in any other multilateral trade agreement that was established by the WTO in 1995. Yet core GRP principles – such as transparency, predictability, non-discrimination and the use of international standards – are embedded across several WTO legal texts. For example, regarding trade in goods, the General Agreement on Tariffs and Trade (GATT) establishes a foundational transparency obligation, requiring prompt publication of laws, regulations, judicial decisions and administrative rulings of general application.[32]

The TBT Agreement goes even further with respect to transparency by requiring WTO members to notify proposed technical regulations and provide opportunities for comments on such proposals.[33] The TBT Agreement also promotes regulatory coherence and international alignment by encouraging the use of international standards, where such

standards are effective and appropriate.[34] Similarly, the SPS Agreement supports predictability by mandating that SPS measures be based on scientific principles and encourages harmonization with international standards.[35]

The more recent Trade Facilitation Agreement (TFA) – which entered into force in 2017 – introduces core GRP obligations to support the smooth flow of goods across borders. These include the requirement that WTO members maintain enquiry points to answer questions from governments and traders, ensure that fees and charges for customs processing are published and limited in amount to the approximate cost of the services rendered, as well as establish single windows to enable operators to submit the relevant documentation.

In the area of trade in services, the principal focus of the GATS lies in the reduction or elimination, through progressive liberalization over time, of specific measures that act as barriers.[36] Specifically, these barriers were identified as (i) measures that alter competitive conditions for foreign services and service suppliers relative to domestic ones (Article XVII), and (ii) certain measures limiting market access, especially quantitative limitations such as quotas on market entry, value of assets or transactions, operations, or output, as well as foreign equity limits (Article XVI).

WTO members record their market-opening commitments, together with any remaining limitations, in schedules of specific commitments. These schedules are subject to successive negotiation rounds aimed at progressive liberalization.[37] At the same time, and in part to safeguard the economic gains from these commitments, the GATS also incorporates certain core GRP principles designed to ensure that domestic regulations, while serving legitimate policy objectives, do not create unnecessary barriers to trade.

Building on the GATT, one foundational GRP principle related to services is transparency. This principle is enshrined in GATS Article III:1, which requires WTO members to promptly publish all measures of general application that affect trade in services. In addition, Article III:4 makes the establishment of enquiry points mandatory, to respond to requests for information from other WTO members, and Article IV:2 requires developed-country WTO members to establish contact points to help service suppliers from developing economies access information on relevant market conditions, recognition and qualification procedures, and available services-related technology. Furthermore, Article VI:2 requires WTO members to maintain mechanisms for prompt review and, where appropriate, the correction of administrative decisions, thereby supporting accountability and due process.

In sectors where specific commitments have been undertaken, the principle of predictability of administration is codified in GATS Article VI:1, which requires that measures of general application be administered in a reasonable, objective and impartial manner. GATS Article VI:3 also provides procedural guarantees for service suppliers seeking authorization, requiring timely decisions and transparency on the decision concerning the application and on its status. Moreover, Article VI:6 stipulates that WTO members must maintain adequate procedures to verify the competence of foreign professionals.

In addition to these obligations, GATS Article VI:4 provides a forward-looking mandate to develop disciplines to ensure that licensing and qualification requirements and procedures, and technical standards, do not constitute unnecessary barriers to trade in services. Such disciplines shall ensure that these requirements are based on objective and transparent criteria, are not more burdensome than necessary to ensure the quality of the service, and that procedures are not in themselves a restriction on the supply of services. A synthesis of the GRP principles as reflected in the GATS can be found in Figure 1.

Work on good regulatory practice for services in the WTO

Multilateral work under the GATS Article VI:4 mandate began with considerable ambition and some early achievements. As a first concrete step, WTO members adopted a set of disciplines for the accountancy sector in 1998, marking an initial success.[38] These disciplines reflected core GRPs – such as transparency, objectivity and predictability – and were intended to serve as a model for horizontal disciplines across all services sectors. In parallel, the 1997 guidelines for mutual recognition agreements in the accountancy sector were adopted to provide practical guidance for WTO members to implement Article VII of the GATS, thereby facilitating cross-border recognition of professional qualifications.[39]

Figure 1: GRP principles as reflected in the GATS

ARTICLE III:1	Prompt publication of measures of general application (by entry into force at the latest) which pertain to or affect the operation of the GATS, as well as relevant international agreements.
ARTICLE III:4	Prompt response to requests for information by other WTO members and establishment of enquiry points to supply such information.
ARTICLE IV:2	Establishment of contact points to facilitate access to information for developing country WTO members' service suppliers.
ARTICLE VI:1	Administration of measures of general application affecting trade in services in a reasonable, objective and impartial manner.
ARTICLE VI:2	Maintenance of judicial, arbitral, or administrative tribunals or procedures for prompt, objective and impartial review and appropriate remedies for administrative decisions affecting trade in services.
ARTICLE VI:3	Where authorization is required: ▪ Provision of information of the decision concerning the application within a reasonable period of time; ▪ Provision of information concerning the status of the application, without undue delay.
ARTICLE VI:4	Mandate to develop disciplines to ensure that licensing and qualification requirements and procedures, and technical standards, do not constitute unnecessary barriers to trade in services.
ARTICLE VI:6	Provision of adequate procedures to verify the competence of professionals belonging to other WTO members.

Source: WTO/World Bank.

The Working Party on Domestic Regulation (WPDR) was established in 1999 with the objective of developing generally applicable disciplines on licensing, qualification, technical standards and, where appropriate, sector-specific disciplines. In its initial phase, the WPDR considered the extension of the 1998 accountancy disciplines to other professional services and began exploring elements that could apply horizontally across all services sectors. This dual approach evolved following the 2005 Hong Kong Ministerial Declaration, which directed WTO members to focus on the development of horizontal disciplines and aim for an agreed outcome by the end of the Doha Development Agenda (DDA).[40]

Between 2006 and 2011, the WPDR saw substantial negotiating activity, with over 70 WTO members submitting text-based proposals. Draft disciplines addressed principles such as transparency, impartiality, the use of objective and pre-established criteria, and publication of laws and regulations. These discussions were captured in a series of draft negotiating texts, most notably in 2009 and 2011.[41] However, progress proved elusive, as it became clear that for many WTO members, agreement on domestic regulation was inextricably linked to market access negotiations, and by extension, to the broader conclusion of the DDA. As the latter reached stalemate by 2011, negotiations in the WPDR lost momentum.

Efforts to re-energize the process in the lead-up to the 11th Ministerial Conference in 2017 aimed to achieve a stand-alone outcome on domestic regulation disciplines, independent of other negotiating areas. While these efforts produced a consolidated text proposal supported by 55 WTO members[42], they encountered strong opposition from several WTO members that expressed fundamental concerns about the necessity and implications of the proposed disciplines, particularly in relation to regulatory autonomy and development priorities. As a result, no consensus could be reached, and the multilateral negotiations under the WPDR were effectively stalled. As a result, the Article VI:4 mandate has not (yet) been fulfilled in a multilateral context.[43]

The lack of a multilateral outcome led a coalition of like-minded WTO members to pursue a new and parallel path through the Joint Initiative on Services Domestic Regulation, launched in 2017.[44] In 2021, this Joint Initiative culminated in the adoption by over 60 WTO members of the SDR Disciplines.[45] In the Declaration announcing the conclusion of negotiations, the signatory WTO members set out the intention to incorporate the SDR Disciplines in their schedules of specific commitments following the Procedures for the Certification of Rectifications or Improvements to Schedules of Specific Commitments.[46]

The WTO disciplines on services domestic regulation

Scope, coverage and modalities for application

The SDR Disciplines contain a dedicated section which recalls common understandings and sets out modalities and guidance for giving them legal effect.[47] They also include important provisions on development flexibility and support measures.[48]

The SDR Disciplines explicitly recognize WTO members' right to regulate, including the right to introduce new regulations to achieve legitimate policy objectives.[49] They acknowledge the asymmetries in regulatory capacity, particularly between developed and developing or least-developed country (LDC) WTO members.[50] Furthermore, the SDR Disciplines neither impose any particular regulatory model nor reduce WTO members' existing GATS obligations.[51]

Specifically, it is made clear that WTO members that adopt the SDR Disciplines will incorporate them in their schedules of specific commitments as additional commitments under Article XVIII of the GATS.[52] The SDR Disciplines therefore become part of the multilaterally applicable obligations of WTO members, and extend their benefits on a most-favoured-nation basis (MFN), including to those that have not adopted the SDR Disciplines.

The SDR Disciplines apply where specific commitments exist, which means that their application is conditioned on the pre-existence of market access and national treatment commitments in specific sectors.[53] As sector coverage among schedules of specific commitments is uneven, ranging from 1 to 147 with an average of 54 sectors, WTO members are encouraged to extend the application of the SDR Disciplines to additional sectors.[54] To date, nine WTO members have listed new additional sectors to which they will apply the SDR Disciplines – including in business, postal and telecommunications, construction, distribution, environmental, and transport services.

While the SDR Disciplines recognize the existence of asymmetries in regulatory development across WTO members – particularly between developed, developing and LDC members[55] – its approach to special and differential treatment differs notably from the model used in the TFA.

Unlike the TFA, which allow developing and LDC WTO members to self-designate provisions into categories A, B, or C based on readiness and capacity-building needs, the SDR Disciplines adopt a more streamlined and targeted approach. The main flexibility mechanisms are as follows:

- Transitional periods of up to seven years, which developing country WTO members may designate for specific provisions and sectors[56];
- Deferred application of the SDR Disciplines for LDC WTO members, together with any transitional periods that they designate at the moment of integration into schedules of specific commitments[57];
- Encouragement for technical assistance and capacity building, particularly to strengthen regulatory institutions, enhance service suppliers' compliance with foreign requirements and procedures, and support participation in international standard-setting processes.[58]

Key features

The SDR Disciplines apply to measures relating to licensing requirements and procedures, qualification requirements and procedures, and technical standards affecting trade in services. Most individual Disciplines are framed such that they apply in the context of authorization, i.e. where a WTO member requires authorization for the supply of a service. "Authorization" is defined as the "permission to supply a service resulting from a procedure to which an applicant must adhere in order to demonstrate compliance with licensing requirements, qualification requirements, or technical standards".[59] Only few Disciplines are not expressly linked to authorization, namely those related to enquiry points[60], opportunity to comment[61], or technical standards.[62]

Importantly, negotiators took care not to interfere with the right of WTO members to determine authorization requirements and criteria that they consider necessary for the attainment of domestic policy objectives.

The substantive provisions of the SDR Disciplines are designed for horizontal application across all services sectors and do not address regulatory issues that are specific to individual sectors. They can be grouped under the following regulatory principles (for an overview, see Figure 2). They are addressed in more detail under each relevant GRP in Section II of this Handbook:

TRANSPARENCY

One central aim of the SDR Disciplines is to improve the transparency of authorization procedures, thereby reducing the costs of information asymmetries for service suppliers. This is achieved through several interrelated obligations:

- Publication of information: Publication and public availability of all relevant information required by service suppliers to comply with authorization procedures. This includes descriptions of procedures, applicable fees, contact points for competent authorities, relevant technical standards and opportunities for stakeholder engagement – including through a single online information portal.
- Stakeholder engagement: Promotion of the publication of proposed new measures in advance; provision for reasonable opportunities to comment from interested parties and consideration of such comments before finalizing laws and regulations.
- Reasonable time for compliance: Provision of a reasonable interval between the publication of new laws and regulations and the date of required compliance by service suppliers.
- Enquiry points: Establishment of appropriate mechanisms for responding to requests for information from service suppliers.

LEGAL CERTAINTY AND PREDICTABILITY

Another key objective of the SDR Disciplines is to ensure that authorization procedures are conducted in a manner that provides clarity and fairness to applicants.

- Application processing: Guarantee that competent authorities provide indicative time frames for processing applications, allow applicants to correct minor deficiencies, advise the reasons for rejection of an application and permit resubmission.
- Assessment of qualifications: Provision of reasonably frequent intervals for examination of professionals. Acceptance of electronic submissions and consideration of digital means for taking exams.

REGULATORY QUALITY AND FACILITATION

Several provisions of the SDR Disciplines seek to ensure the quality of regulation and to facilitate services trade.

- Digitalization of procedures: Acceptance of electronic applications and authenticated copies of documents.
- Authorization fees: Fees charged for authorization procedures are to be reasonable and transparent, not a restriction on the supply of a service.
- Impartiality and independence: Impartiality of authorization procedures and independence of regulatory decisions from services suppliers.
- Technical standards: Open and transparent processes for the development of technical standards.

NON-DISCRIMINATION ON THE BASIS OF GENDER

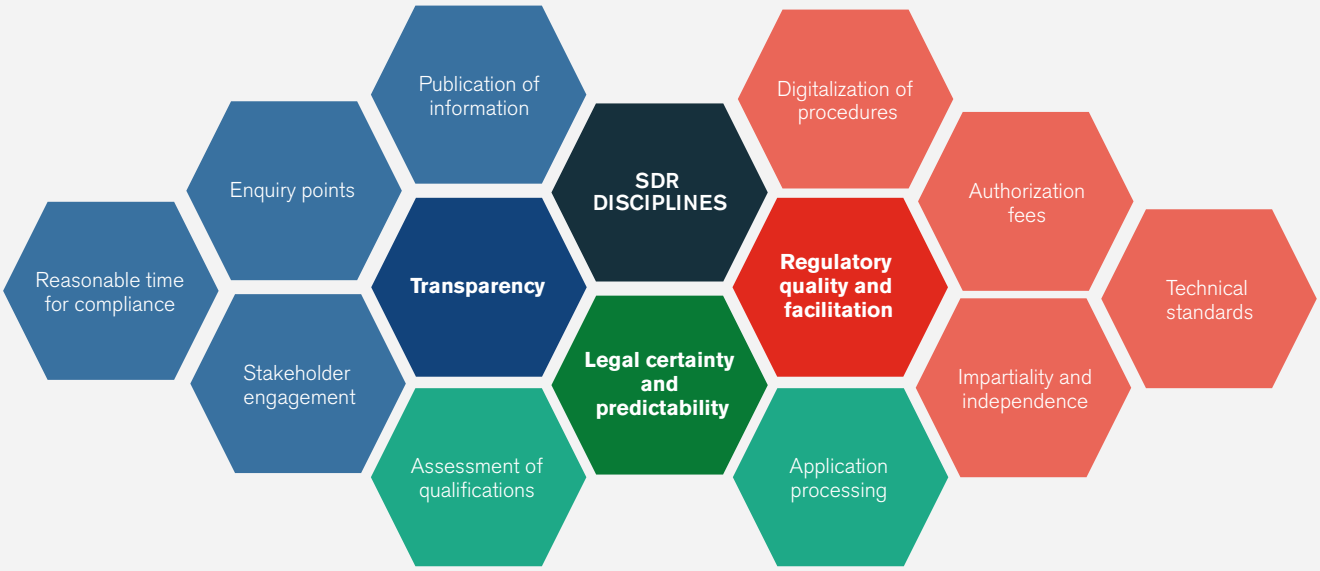
A notable innovation in the SDR Disciplines is the gender non-discrimination provision.[63] It obliges WTO members that choose to implement the SDR Disciplines to ensure that measures relating to authorization do not discriminate between men and women. A clarifying footnote provides that differential treatment that is reasonable, objective and serves a legitimate aim, as well as temporary special measures to accelerate *de facto* equality, shall not be considered discrimination.

This is the first time a legally binding WTO outcome includes a provision aimed at promoting gender equality and the participation of women in trade. While WTO members have the option to opt out of this provision, at the time of writing, none has chosen to do so.[64]

ALTERNATIVE SDR DISCIPLINES FOR FINANCIAL SERVICES

Given the technical and sensitive nature of financial services, the SDR Disciplines include an alternative set of rules (Alternative SDR Disciplines) that WTO members may adopt for their commitments on financial

Figure 2: Overview of SDR Disciplines



Source: WTO/World Bank.

services instead of the horizontal disciplines.[65] The Alternative SDR Disciplines retain the core procedural guarantees contained in the horizontal Disciplines with regard to application processing, electronic submissions, transparency, opportunities to comment, enquiry points, independence, assessment of qualifications, as well as the general criteria for developing authorization-related measures. However, the Alternative SDR Disciplines contain several limited but material differences:

i. Their scope and definitions omit technical standards;

ii. They exclude the paragraphs on "Submission of Applications" and "Recognition";

iii. They soften the obligation on authorization by requiring the publication of fee schedules or methodologies rather than requiring that fees are reasonable and not in themselves a restriction to the supply of services;

iv. They trim certain publication-related obligations (e.g. no obligation to publish fees, technical standards, or indicative time frames).

The majority of WTO members that have adopted the SDR Disciplines have opted to apply the Alternative SDR Disciplines to the financial services subsectors committed in their schedules of specific commitments.

Accommodating diversity in regulatory capacity for implementation

In addition to the specific flexibilities available to developing country and LDC WTO members, the SDR Disciplines are drafted to provide a high degree of flexibility for domestic implementation.

This approach reflects the need to account for the wide variation in regulatory capacity – not only across jurisdictions but also in various sectors – as well as differences in legal systems and administrative practices. These flexibilities are particularly important for developing economies, as they enable them to implement the GRPs embodied in the SDR Disciplines in a manner that is practicable and compatible with their domestic contexts.

The SDR Disciplines impose obligations with varying degrees of stringency. Only 10 obligations contain unqualified commitments, expressed through "shall", namely those on providing information on status and decision of applications[66]; entry into force of granted authorization without undue delay[67]; authorization fees[68]; assessment of qualifications[69]; independence[70]; publication and information available[71]; enquiry points[72]; and development of measures.[73]

The use of the word "shall" signals that these are legally binding obligations. The stringency of these obligations, however, also depends on other elements in the SDR Disciplines that may preserve some flexibility for the authorities concerned. For example, while competent authorities shall ensure that authorization, once granted, takes effect without "undue delay", what constitutes undue delay is in practice highly dependent on the individual circumstances within a situation.[74]

In another 13 obligations, the term "shall" is qualified by the phrase "to the extent practicable", introducing additional flexibility. This is the case for obligations on submission of applications[75]; application time frames[76]; several aspects of processing applications[77]; opportunity to comment (advance publication, comment period, consideration of comments)[78]; and the time between publication and compliance.[79] The phrase "to the extent practicable" plays a critical interpretative role. While WTO members are expected to comply with these obligations, they are granted some flexibility in situations where full implementation is not feasible due to existing practical constraints. Relevant factors in assessing practicability may include administrative resources; technical capacity and infrastructure; time constraints linked to domestic legal or legislative processes; the existence of competing regulatory priorities; as well as in case of an emergency, such as a natural catastrophe or a pandemic.

Several other flexibility permutations exist: WTO members or their competent authorities, for instance, "should" not prevent an applicant from submitting another application solely on the basis that an application has been previously rejected[80]; "shall, to the extent practicable, endeavour" to provide time between publication of and compliance with a law or regulation[81]; "endeavour" to accept applications in electronic format[82]; "should consider" supporting dialogues of professional bodies where requested and appropriate[83]; and are "encouraged to consider, to the extent practicable" the use of electronic means in other aspects of examination processes.[84]

These diverse flexibilities are also featured in other WTO agreements. For example, in the TFA, WTO members "shall, to the extent practicable" provide advance publication and opportunities to comment on proposed laws and regulations (Article 2). Similarly, in the TBT Agreement, WTO members shall, "wherever practicable", formulate and adopt international systems for conformity assessment and become members thereof or participate therein (Article 9.1). These usages indicate that WTO members are expected to make genuine efforts to establish practicability, while allowing consideration of specific situations and domestic systems.

GRPs: Beyond the WTO disciplines on services domestic regulation

While the SDR Disciplines constitute a negotiated compromise reached among a subset of WTO members, other international forums – both intergovernmental and non-governmental – have also developed and articulated GRPs, typically focusing on governance quality and the overall business climate across sectors (for an overview, see Figure 3). These GRPs are relevant also for services trade. Reflecting broad convergence on practices that support well-functioning, continuously improving regulatory frameworks, Section II of this Handbook discusses the following additional GRPs:

- Single window mechanisms: Portals which can generally serve as information gateways to facilitate access to and dissemination of information, as well as entry points enabling users to submit applications and request different services from the government.[85]
- Regulatory impact assessment: Procedures used to assess the effects of regulatory interventions and ensure that measures taken are adequate and designed to achieve their objectives in the most effective and efficient manner.[86]
- Inter-agency coordination: Practices that entail systematic collaboration and dialogue among various competent authorities with a view to ensuring the smooth and continuous transfer of relevant information and knowledge.
- International cooperation: Procedures or organizational arrangements, formal or informal, between governments to promote cooperation in various areas, including the design, monitoring, enforcement, or *ex post* management of regulations.[87]

GRPs in preferential trade agreements

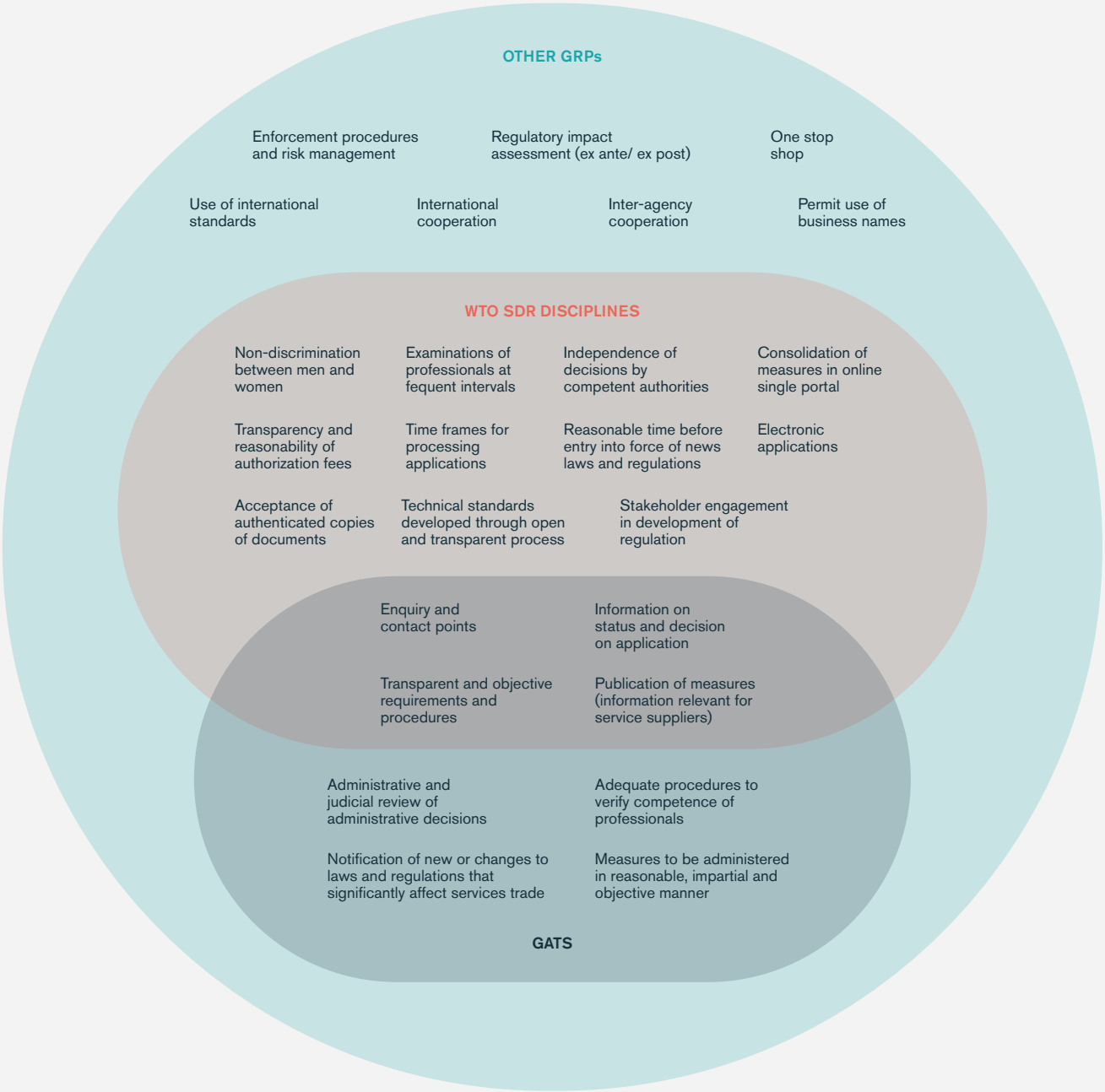
Over the past two decades, PTAs have become the principal laboratory for testing and progressively deepening regulatory commitments beyond market opening. Besides a promise to incorporate any future multilateral rules developed under GATS

Article VI:4, the earliest generation of agreements (in the late 1990s) were often limited to reproducing or cross-referencing GATS obligations on transparency and predictability of authorization procedures.

Regulatory obligations were therefore dominated by basic GRP clauses, such as publication of laws, the designation of enquiry points for addressing questions by other governments, as well as a generic commitment to administering procedures in a reasonable, objective and impartial manner.

The architecture began to change in the 2000s, particularly as negotiations in the WPDR started gaining momentum. Inspired by draft texts circulating among WTO members, negotiators started to craft "GATS-plus" GRP obligations in PTAs, notably with respect to advance publication of measures and stakeholder engagement.

Figure 3: GRPs beyond the GATS and the SDR Disciplines



Source: WTO/World Bank.

Various agreements signed by the United States (with, for example, Australia, Chile, Republic of Korea), the Hong Kong, China-New Zealand CEPA (2011), the EU-Republic of Korea FTA (2011), and the Australia –Malaysia FTA (2012) were early agreements that introduced indicative processing time frames, the right to correct minor defects in an application, and the option to submit documents electronically.

Recent research by the WTO Secretariat shows that, while by 2008 barely 60 WTO members had taken on even one of these new-style obligations, by 2025, 115 WTO members had included at least one of these provisions in a PTA, and roughly 40 per cent had taken on half or more of the obligations that eventually formed the backbone of the eventual SDR Disciplines (for more information on this analysis, see Box 1).

More recently, a clear pattern has emerged across mega-regional and bilateral trade agreements: disciplines on GRPs for services trade are now organized in two or three layers that build on one another. Most agreements include a horizontal transparency or GRP chapter (e.g. USMCA Chapter 28 or CPTPP Chapter 25). Such chapters often cover issues related to the publication of laws and regulations, including in advance as drafts, possibility for comments by stakeholders, and time frames before entry into force of new measures.

These agreements then typically add a chapter on trade in services that goes beyond the GATS and closely tracks the SDR Disciplines. Finally, some agreements round out the package with sector-specific annexes for finance, telecommunications and professional services which adapt and expand these GRP principles to the needs identified for specific sectors. Where an agreement – such as the RCEP – lacks a stand-alone chapter on transparency/GRP, the basic transparency obligations are folded into the services chapter itself, yielding a two-layer structure. Whether configured in two tiers (RCEP) or the fuller three tiers (CPTPP, USMCA), this stacked architecture has become the prevailing template for embedding GRPs in modern PTAs.

The research found that 80 per cent of agreements that involve a middle-income partner contain "GATS-plus" disciplines applicable across services sectors, whereas low-income economies appear in only a couple of such deals (Baiker, Bertola and Jelitto, 2021).[88]

Box 1: WTO research on the prevalence of GRP obligations in preferential trade agreements

Analysis by the WTO Secretariat on the prevalence of GRPs in services PTAs covers a representative sample of 84 trade agreements, concluded by 153 WTO members, including many in the last 20 years.

It examines chapters on trade in services and horizontal chapters on transparency and other regulatory matters. Conversely, it does not analyse GRP-related provisions included in stand-alone chapters on specific services sectors, such as financial or telecommunications services, professional services, rules on e-commerce, or on the movement of natural persons.

In terms of scope, the analysis covers 25 different GRP aspects reflected in the SDR Disciplines, with the only exception being the Discipline on non-discrimination between men and women, for which a comparator could not be found in PTAs. Other GRP-related obligations beyond the scope of the SDR Disciplines, including on RIAs, inter-agency coordination, international cooperation and use of international standards, are not part of this analysis.

In assessing the prevalence of the different types of GRP obligations, the analysis focuses on whether the substantive core of any given provision is present in a specific agreement. In addition, to assess their legal nature, obligations are classified as either hard obligations (e.g. "shall") or flexible obligations (e.g. "should", "to the extent practicable", "shall endeavour").

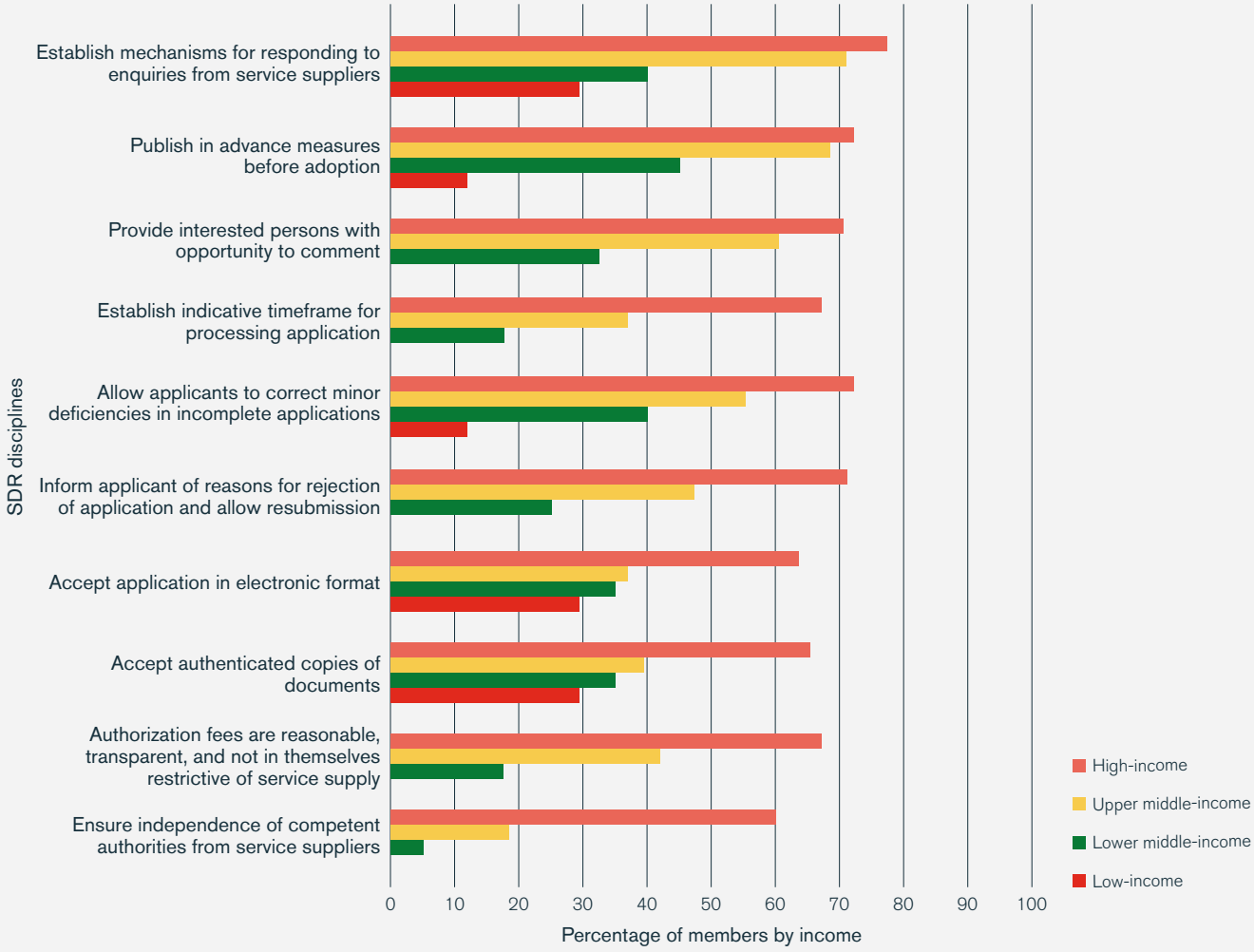
For information about the methodology of this analysis, please refer to the WTO Staff Working Paper: "Services Domestic Regulation – Locking-in Good Regulatory Practices: Analyzing the Prevalence of SDR Disciplines and Their Potential Linkages with Economic Performance".

Obligations regarding transparency of regulatory frameworks and predictability of authorization procedures are across income groups (around 72 per cent of the high-income group, 55 per cent of the upper-middle income group and around 28 per cent of the lower-middle-income group have adopted at least half of these types of obligations). In contrast, the level of inclusion of regulatory quality and facilitation obligations varies greatly among income groups – from 64 per cent of high-income economies to 15 per cent of lower-middle-income economies (Figure 4).

Across regions, economies from all regions have included GRP-related commitments into their PTAs – East Asia and the Pacific, Europe and Central Asia, and North America having done so to a larger extent, where between 70 and 100 per cent of WTO members in these regions have adopted at least half of the provisions in their PTAs (Figure 5). Overall, about 35 per cent of the provisions in the PTAs use flexible language (e.g. "shall endeavour", "where practicable") or are excluded from dispute settlement. The remainder – especially those dealing with publication, enquiry points and the obligation to give reasons for a negative decision – are fully enforceable under the terms of the respective PTAs.[89]

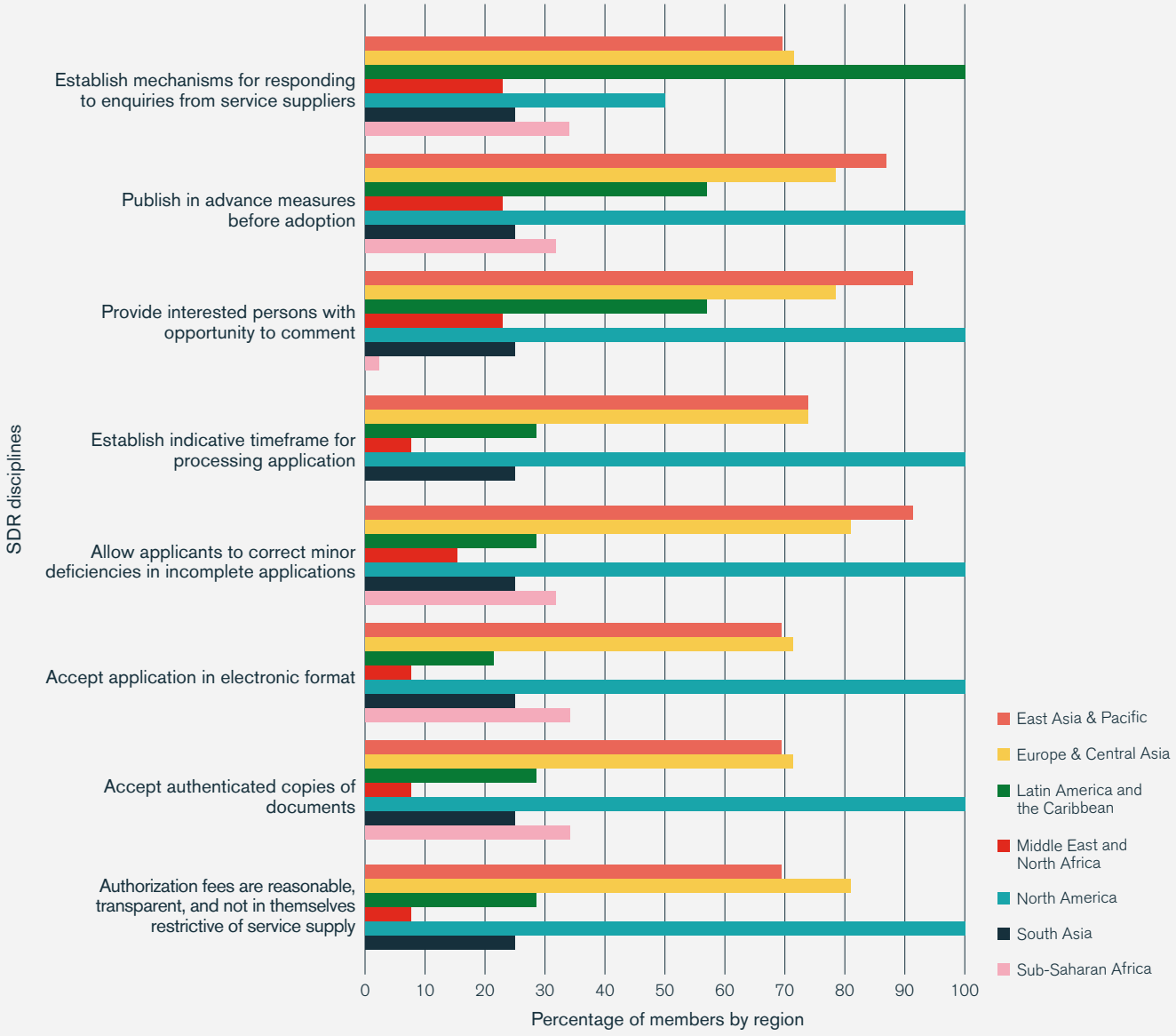
In sum, current PTA practice shows that core GRP commitments have moved from being optional and ambitious add-ons to core pillars of services trade governance, advancing predictability and inclusiveness in

Figure 4: Prevalence of GRPs in PTAs, by income groups



Source: WTO/World Bank.

Figure 5: Prevalence of GRPs in PTAs, by regional groups



Source: WTO/World Bank.

markets worldwide. When multilateral WTO negotiations on domestic regulations progressed slowly and eventually stalled, PTAs provided a dynamic laboratory for seeding and fine-tuning GRPs relevant to services trade, progressively codifying practices that anticipate and complement the SDR Disciplines developed at the WTO – including with respect to processing timelines, electronic filing of applications and fee requirements.

The incorporation of GRP provisions in line with the SDR Disciplines also extends to WTO members that have not committed to adopt the SDR Disciplines in their schedules of specific commitments, notably among Asian economies. Overall, while GRP-related obligations in PTAs can serve to progressively reconcile regulatory differences and secure effective access to services markets among trading partners, they can also serve as a reference point for the design of domestic regulatory reforms with a view to signaling the existence of a stable and conducive regulatory environment to foreign service suppliers.[90]

Economic benefits from implementing GRPs for services trade

Long-standing analytical work has established that regulatory inefficiencies impose a measurable drag on economic activity. Early case studies[91] consistently document reforms where a single technical change (e.g. replacing paper forms with an online module) produces multimillion dollar savings for businesses or public agencies in the first year alone (OECD, 2003) (for more information on the implementation of GRPs in domestic regulatory frameworks, see Box 2).

Early trade cost work found that the costs of services trade are two to three times as high (in *ad valorem* terms[92]) as the trade costs of goods.[93] The 2017 OECD *International Regulatory Co-operation and Trade* study was the first comprehensive attempt to quantify the impact on cross-border economic activity.[94] Drawing on gravity models (which provide an estimate of the volume of flows of services), case studies and detailed sector analysis, it concluded that divergent or opaque regulations can raise trade costs by the equivalent of 5–30 percentage-point *ad valorem* tariffs, depending on the sector and the nature of the regulatory hurdle. The study highlighted that economies in which GRPs such as public consultations, impact assessments, prompt publication of draft measures and regular reviews of existing measures were systematically employed, were more successful in keeping these costs down.

Despite continuous reductions in services trade costs over the past 30 years, the costs of cross-border services trade remain on average a third higher than trade costs for manufactured goods.[95] Trading services internationally cost on average roughly 5.5 times that of domestic trade costs (compared to 4.1 in manufacturing and 6.0 in agriculture). Within services, costs vary: transport and distribution are closer to manufacturing levels, while digitally deliverable services saw a 14 per cent cost decline (1996–2018) and now sit below agriculture.[96] The burden appears heaviest for SMEs and for women-owned businesses: for them, opaque licensing requirements and duplicative procedures tend to raise trade costs disproportionately, limiting their effective access to foreign markets.[97] Analysis by the WTO Secretariat provides a more granular breakdown of the costs of cross-border services trade, showing that trade policy, regulatory differences and governance quality account for one quarter of these costs.[98]

Box 2: The WTO-World Bank Services Trade Policy Database – data on GRP implementation

The WTO-World Bank STPD provides an opportunity to gather and compare information on current services trade policies across economies and sectors. The information can be used to identify areas for potential domestic reforms, and support trade in services negotiations and discussions.

The database currently contains information for 138 economies from all regions of the world. It covers 34 core subsectors, which account approximately for two thirds of the services economy (e.g. business, professional, computer, communication, construction, distribution, financial, health, tourism and transport services).

Beyond issues related to market access and national treatment, the database also tracks the implementation of GRPs in domestic laws and regulations. It studies more than 20 different types of GRP elements, ranging from processing of authorization applications and publication of information, to the right to request review of decisions, independence of regulators, and stakeholder engagement.

For more information, see the I-TIP Services website (itip-services-worldbank.wto.org).

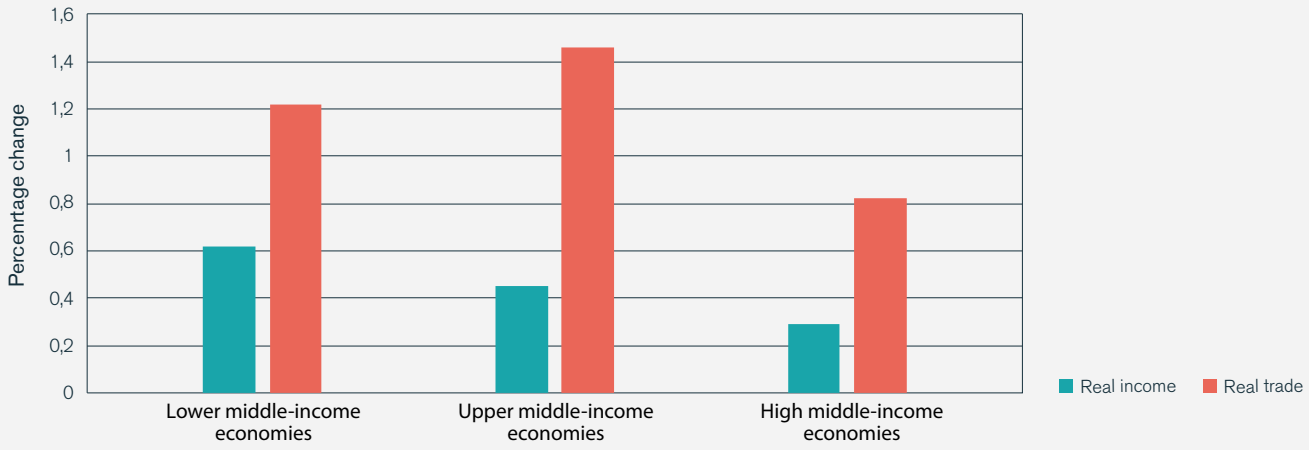
The next analytical step undertaken was to translate procedural reform into potential trade cost savings. Three separate exercises conducted in 2021 arrived at broadly similar estimates. A WTO-OECD *Joint Trade Policy Brief* projected that universal adoption of the SDR Disciplines by all WTO members would lower global services trade costs by about 6 per cent and save businesses close to US$ 150 billion annually, with finance, professional services, telecommunications and transport capturing the largest absolute gains.[99] A parallel OECD *Trade Policy Brief* for APEC economies reached a similar conclusion at regional level, estimating average trade-cost reductions of 7 per cent within three to five years once SDR-type rules become operational.[100] Sectoral analysis indicated that commercial banking could see cost reductions of up to 22 per cent, underscoring how heavily regulated core sectors are particularly sensitive to procedural streamlining.

Bekkers and So assessed the trade and economic impact of full implementation of the SDR Disciplines by those WTO members that had incorporated them in their schedules of specific commitments (Figure 6).[101] Using a structural gravity model, they first estimated the effects of the SDR implementation index on bilateral services trade.[102] These estimates were then converted into an ad valorem-equivalent change in trade costs that would be obtained from full implementation and then a model to estimate the broader economic implications of the SDR Disciplines was applied.

Their results suggest that full implementation would cut services trade costs by 8–14 per cent, with the sharpest average cuts for lower-middle income economies (-10 per cent) and upper-middle income economies (-14 per cent). These cost savings would deliver a 0.3 per cent rise in global real income (≈ US$ 301 billion) and a 0.8 per cent expansion of world exports (≈ US$ 206 billion). The distribution of these gains differs by income group, with lower-middle income economies seeing the largest proportional gain in economic well-being (+0.6 per cent real income), while upper-middle income economies experience the largest increase in trade (+1.5 per cent exports). Over an implementation period of 10 years, annual trade cost savings would amount to roughly US$ 127 billion. This figure aligns closely with the OECD's earlier static projections but now also accounts for dynamic spillovers across sectors and regions.

Bekkers and So further found that the implementation of the SDR Disciplines will have positive effects for all economies: real incomes are projected to grow even for those that are at present not committed to implementing them. This is because, since GRPs are applied non-discriminatorily, service suppliers

Figure 6: Projected per cent change in macroeconomic aggregates, by income groups



Note: the figure displays the per cent change in real income and real exports projected for 2032 for WTO members that have adopted the SDR Disciplines in different income groups, calculated as the value-weighted average of regional results using the baseline values of GDP and the value of exports (FOB) in 2022. GDP per capita of the regions in the simulations are employed with the income brackets from the World Bank for 2022.

Source: Simulations by the authors using the WTO Global Trade Model.

will also benefit when these rules are implemented in their trading partners' markets. However, exports are expected to progressively shift to implementing economies' markets, while remaining stagnant for other economies.

If all WTO members implemented the SDR Disciplines, large consumer welfare and trade increases are projected, especially for developing economies. It should be noted that, due to constraints in data availability, the projections by the OECD and Bekkers and So are based on services trade measured under the balance of payments framework which has a narrower set of definitions than those from the WTO and does not take account services traded through commercial presence (Mode 3). As the latter is estimated to account for over 60 per cent of world services trade and is the dominant mode in all sectors (except transport services), the projections are likely to underestimate the positive effects arising from implementation of the SDR Disciplines.[103]

Empirical correlations further reinforce the link between procedural quality and economic performance (Box 3). Baiker, Bertola and Jelitto constructed an SDR implementation score for 151 economies based on the existence of SDR Disciplines in PTAs.[104] Higher scores were systematically linked to larger services value-added shares in GDP, a stronger focus on services in exports, higher levels of entrepreneurship and deeper integration into GVCs. The latter finding is echoed by Gillson, Molinuevo and Sáez who noted that streamlined regulatory processes (including single windows and electronic applications) can substantially reduce trade costs and enhance firms' ability to participate in GVCs.[105]

Additional research indicates that implementation of the SDR Disciplines is positively associated with the level of financial inclusion measured by bank account ownership.[106] GRPs can foster an environment for financial inclusion by promoting competition and innovation among services suppliers. It can, for instance, increase the availability of banking services to individuals in remote or underserved areas and foster the development of innovative products, such as mobile banking and other digital solutions, which can facilitate access to banking services. Furthermore, clear and reliable regulations can enhance entrepreneurs' access to finance as, where the overall quality of the regulatory system is higher, financial institutions tend to have greater confidence in extending loans to start-ups, thereby contributing to a reduction in the overall cost of borrowing for these businesses (see also Box 4).

Taken in combination, these strands of research offer a consistent, data driven account of how regulatory frameworks affect economic outcomes. Domestic

Box 3: Implementing GRPs in domestic regulatory frameworks – Key reasons why

Trade cost reductions:

- 10 per cent for lower middle-income economies
- 14 per cent for upper middle-income economies
- Global savings in the range of US$ 127 to 150 billion

Improvements in economic performance:

- Real income is expected to increase by at least 0.3 per cent (or US$ 301 billion)
- Global exports are projected to rise by at least 0.8 per cent (or US$ 206 billion)

Other potential economic benefits:

- More active engagement in international services trade
- Broad reductions in input prices across services sectors
- Higher level of financial inclusion
- Stronger participation in GVCs

regulations that are ambiguous, insufficiently transparent or administered without clear deadlines translate into higher compliance costs, longer project lead times and greater uncertainty. Evidence shows that these frictions are especially pronounced in services, where intangible outputs, regulatory licensing and face-to-face elements make market access particularly sensitive to procedural barriers. The literature reviewed converges on two key facts. First, services continue to face a sizeable cost premium relative to goods, and at least one quarter of that premium stems directly from regulatory-related factors. Second, adopting a coherent package of GRPs can cut these governance-driven costs by mid-single digit percentages, yielding annual savings well in excess of US$ 100 billion worldwide.

These findings place regulatory reform at the centre of current trade and investment policy debates. Unlike sector-specific market opening, implementation of GRPs tends to operate horizontally, reducing uncertainty across the entire economy while preserving governments' substantive policy objectives. The empirical record suggests that such reforms are not only already happening but are also practically improving the business climate – both for foreign parties as well as domestic businesses that seek to enhance their competitiveness and deepen their participation in GVCs. To sum up, the accumulated evidence shows that transparent and predictable regulatory processes are not merely administrative formalities, but key instruments for reducing the cost of participating in the global economy.

Box 4: Making artificial intelligence work in implementing good regulatory practices in services trade: opportunities, risks, and safeguards

Artificial intelligence (AI) – from rules-based engines to modern machine-learning and large language models (LLMs) – can support both sides of GRPs in the area of services: it can help services businesses find and meet regulatory requirements, and it can help governments design, implement and enforce clearer, more predictable and efficient procedures.

Recent WTO analysis finds that AI can streamline compliance and logistics, improve search and matching and enable automatic verification of documentation – effects that lower trade costs – while also warning that fragmented governance and data regimes risk raising them. These findings align with GRP goals of transparency and predictability.[107] The OECD Regulatory Policy Outlook 2025 shows how AI supports regulatory analysis and public consultation – monitoring regulatory changes, automating routine checks, and even helping process public comments, provided systems are evaluated over time and bias is managed.[108]

Reducing information and compliance costs for services firms

Service suppliers incur significant information and compliance costs locating rules, interpreting them and assembling correct documentation. A joint survey conducted in 2025 by the WTO and the International Chamber of Commerce (ICC), shows that companies already using AI for trade do so to gather market intelligence, ensure regulatory compliance and overcome language barriers.[109] Businesses see the greatest opportunities in the use of AI in enhancing trade efficiency (e.g. faster processing, validating submissions up-front, etc.), reducing trade costs, facilitating market expansion (finding new customers/suppliers), and improving data-driven decisions. These anticipated gains mirror what services businesses need most from the regulatory environment: clearer information at the point of need, predictable steps and timelines, and proportionate effort for low-risk cases.

Speeding up authorizations and approvals

While services businesses can use AI to ease their procedural burden, governments can use it to operationalize GRPs – identifying the right requirements and procedures, and routing clean applications through faster lanes. AI can streamline authorization processes by identifying duplications or outdated requirements and procedures. AI is already improving authorization timelines across border and behind-the-border processes that impact services trade – from logistics and express delivery to professional certifications linked to service provision.

Box 4: Making artificial intelligence work in implementing good regulatory practices in services trade: opportunities, risks, and safeguards (continued)

Improving transparency and participation

AI can support regulatory transparency in several ways: first, it can convert dense rulebook content into plain language and concise information, support automatic translations in multiple languages, keep enquiry-point guidance consistent, and triage queries 24/7 via virtual assistants. The OECD documents how governments are deploying whole-of-government assistants while stressing the need to evaluate performance and mitigate bias.[110] The OECD reports that AI can be deployed to augment the preparation and conduct of impact assessments and public consultation processes: Various tool, such as the LLMs, can scan legislation, prior to RIAs, evaluation studies and case law, to assemble the baseline for the assessment, and compare options and international benchmarks far faster-than-manual desk research.

These tools can also flag similar measures in other jurisdictions and extract parameters for cost–benefit models (affected populations, compliance steps, frequency, etc.).[111] For example, Germany's Service Centre for Better Regulation (in the Federal Statistical Office) has piloted AI that combs draft legal texts, identifies compliance-relevant passages, and predicts where compliance costs may occur – using high/low estimates to prioritize proposals that need manual, in-depth costing.[112] In public participatory processes (as part or separate from RIAs), AI can help agencies process public comments at scale, by categorizing submissions and eliminating duplicates, identifying key themes and improving the quality and depth of inputs.[113]

Monitoring compliance and fostering accountability

AI expands the toolbox for monitoring compliance and fostering accountability in two complementary ways. On the compliance side, AI systems can be fed live data (documents, transactions, web pages, sensor data streams) to spot anomalies, match licences to operators and target high-risk cases. This allows routine, low-risk parties to face fewer blanket requirements while outliers are flagged early. On the accountability side, these systems can be trained to generate traceable, time-stamped evidence (who did what, when, on what basis), making both businesses and authorities more auditable and enabling ex post evaluation of whether rules work as intended. The OECD documents that a growing share of member countries now use data-driven methods for monitoring/enforcement of commitments and emphasizes that such tools create clear, traceable evidence of compliance or non-compliance of regulatory practices.[114]

Risks and safeguards

The same features that make AI powerful also introduce risk. As the WTO notes, biased AI algorithms could reinforce discrimination, including the kinds that WTO agreements are intended to address. Human supervision remains essential.[115] The OECD underscores that virtual assistants and other AI in consultation and service delivery must be evaluated over time to avoid unforeseen failures such as biased advice or privacy breaches, and that training data and model variables must be understood to mitigate bias.[116]

To use AI successfully in implementing regulatory practices, the OECD identifies the following key safeguards:[117]

- Human-centred and rights-based design: uphold rule of law, human rights and fairness; ensure meaningful human oversight for consequential uses.
- Transparency and disclosure: notify users when they are interacting with AI; provide coherent information about how outcomes were reached and how to challenge them.
- Robustness, security and safety: test and manage risks across the lifecycle; protect against manipulation, failures and cyber threats.
- Accountability: assign clear responsibility for AI outcomes; keep records and traceability so decisions can be audited.

Box 4: Making artificial intelligence work in implementing good regulatory practices in services trade: opportunities, risks, and safeguards (continued)

- Data quality and privacy: use appropriate, high-quality data with safeguards for privacy and data protection.
- Ongoing monitoring and redress: monitor performance post-deployment and enable contestability and effective redress if problems arise.

When used thoughtfully, AI can serve to further strengthen the operationalization of GRPs in services trade – cutting information and compliance costs, speeding up and stabilizing authorizations, and deepening transparency and stakeholder participation – while ensuring that humans remain in charge of regulatory outcomes. The evidence from WTO and OECD analysis points to real-world gains, as well as real risks. The task for regulators is not to automate decisions outright, but to deploy AI to make rules clearer, streamline requirements and processes in a faster and fairer way, and promote accountability.

ENDNOTES

1 World Bank, World Development Indicators, https://databank.worldbank.org/source/world-development-indicators.

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4 WTO (2023a).

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9 Nayyar and Davies (2023), p. 2; World Bank (2024a), pp. 1-12.

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27 OECD (1995); OECD (2012).

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29 Trade-specific concerns with regulatory practices were already addressed under the rubric "non-tariff barriers" in the GATT 1947 (e.g. Articles VIII – Fees and Formalities connected with importation and exportation, and X – Publication and Administration of Trade Regulations), and later in the plurilateral 1979 Tokyo Round Standards and Import Licensing Codes.

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31 APEC-OECD (2005).

32 GATT, Article X.

33 TBT Agreement, Article 2.9.

34 TBT Agreement, Article 2.4.

35 SPS Agreement, Article 3.1.

36 GATS, Article XIX.

37 GATS, Articles XIX and XX.

38 WTO (1998).

39WTO (1997).

40 WTO (2005), paras. 25-27.

41 WTO (2009); WTO (2011).

42 WTO (2017a).

43 Coghi and Jelitto (2023), pp. 361-376.

44 WTO (2017b).

45 WTO (2021). The SDR Disciplines are contained in Sections II and III of the Reference Paper on Services Domestic Regulation (SDR Reference Paper), as set out in WTO official document INF/SDR/2, 26 November 2021. Note that, unless otherwise specified, references to specific paragraphs of the SDR Disciplines refer to paragraphs in Section II of the SDR Reference Paper. For more detail on the Joint Initiative's negotiations, see Coghi and Jelitto (2023).

46 WTO (2000).

47 SDR Reference Paper (WTO, 2021), Section I.

48 SDR Reference Paper (WTO, 2021).

49 SDR Reference Paper (WTO, 2021), para. 3.

50 SDR Reference Paper (WTO, 2021), para. 4.

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52 SDR Reference Paper (WTO, 2021), para. 7.

53 SDR Reference Paper (WTO, 2021), para. 8.

54 SDR Reference Paper (WTO, 2021). The listing of new additional sectors does not entail the undertaking of new market access and national treatment commitments for such sectors.

55 SDR Reference Paper (WTO, 2021), para. 4.

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57 SDR Reference Paper (WTO, 2021), para. 11. To facilitate the designation of transitional periods as close as possible to the graduation from LDC status, LDC participants are required to schedule the disciplines only six months before graduating, and at that time to designate any transitional periods in line with para. 10 of Section I.

58

59 SDR Reference Paper (WTO, 2021), para. 2.

60 SDR Reference Paper (WTO, 2021), para. 20.

61 SDR Reference Paper (WTO, 2021), paras. 14-19.

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63 SDR Reference Paper (WTO, 2021), para. 22(d).

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65 Note that, in this Handbook, references to the Alternative SDR Disciplines refer to Section III of the SDR Reference Paper (WTO, 2021).

66 SDR Disciplines (WTO, 2021), paras. 7(b) and (d).

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68 SDR Disciplines (WTO, 2021), para. 9.

69 SDR Disciplines (WTO, 2021), para. 10.

70 SDR Disciplines (WTO, 2021), para. 12.

71 SDR Disciplines (WTO, 2021), para. 13.

72 SDR Disciplines (WTO, 2021), para. 20.

73 SDR Disciplines (WTO, 2021), para. 22.

74 SDR Disciplines (WTO, 2021), para. 8.

75 SDR Disciplines (WTO, 2021), para. 4.

76 SDR Disciplines (WTO, 2021), para. 5.

77 SDR Disciplines (WTO, 2021), paras (a), (c), (e), and (f).

78 SDR Disciplines (WTO, 2021), paras. 14, 16, 17, and 18.

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82 SDR Disciplines (WTO, 2021), para. 6 (a).

83 SDR Disciplines (WTO, 2021), para. 11.

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87 OECD (2021a).

88 These figures represent updated results of the research contained in WTO Staff Working Paper ERSD-2021-14. See, for reference, Baiker, Bertola and Jelitto (2021).

89 These figures represent updated results of the research contained in WTO Staff Working Paper ERSD-2021-14. See, for reference, Baiker, Bertola and Jelitto (2021).

90 Melo Araujo (2014); Lejárraga and Shepherd (2013).

91 OECD (2023). Case studies can be found in OECD reports, for instance, on Australia, France, the Republic of Korea, Mexico, the United States, etc.

92 The meaning of “ad valorem” is imposed at a rate percent of value.

93 Miroudot, Sauvage and Shepherd (2010).

94 OECD (2017).

95 WTO (2023a).

96 WTO (2023a).

97 World Bank and WTO (2023), pp. 48-49.

98 Rubínová and Sebti (2021).

99 WTO and OECD (2021).

100 OECD (2021b).

101 Bekkers and So (2024).

102 The index was sourced from Baiker, Bertola and Jelitto (2021) using data from 86 WTO members on the implementation of 14 SDR Disciplines in their national regulatory frameworks across 23 services subsectors, primarily sourced from the WTO-World Bank Services Trade Policy Database.

103 Under the GATS, trade in services is defined through four modes of supply. Cross-border supply (Mode 1) exists when a service is supplied from one territory into another territory, without movement of supplier or consumer (e.g. an international telephone call). Consumption abroad (Mode 2)

exists if the service is supplied in the territory of the supplier to a consumer from another member (e.g. tourism); Commercial presence (Mode 3) exists if a service supplier from one member supplies services through a business or professional establishment in the territory of another member (e.g. a foreign insurance company establishes a subsidiary in another territory), and presence of natural persons (Mode 4), where a natural person of one WTO member is present in the territory of another member with respect to the supply of a service (e.g. employees of a foreign insurance company established in the territory of another member).

104 Baiker, Bertola and Jelitto (2021).

105 Gillson, Molinuevo and Sáez (2020).

106 WTO (2023b).

107 WTO (2025b); WTO (2024).

108 OECD (2025).

109 WTO (2025b), pp. 4 and 24; WTO and ICC (2025).

110 OECD (2025), p. 102.

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SECTION 2

Fourteen good regulatory practices to facilitate trade in services

1. Processing of authorization applications
2. Electronic submission of application
3. Online publication of information
4. Single window
5. Authorization fees
6. The governance of regulators: independence and impartiality of decision-making
7. Stakeholder engagement
8. Enquiry points
9. Standards in services
10. Review of administrative decisions
11. Assessment of qualifications
12. Regulatory impact assessment
13. Domestic inter-agency coordination
14. International regulatory cooperation

1 Processing of authorization applications

KEY INSIGHTS

- Clear procedural guarantees for authorization processes underpin transparency and predictability for service suppliers – representing a core area of GRP.
- GATS Article VI:3 provides the baseline of GRPs for authorization procedures: it requires processing of applications within a reasonable period of time, notification of decisions and, upon request, information on an application's status.
- The SDR Disciplines, like many modern PTAs, fill the gaps by providing a comprehensive set of GRPs that cover all of the steps for application: from publishing time frames for processing and providing an opportunity to correct minor application deficiencies, to giving written reasons for rejection, and ensuring timely entry into effect of authorizations.
- Many economies already have GRPs in place to improve the quality of procedures and strengthen authorities' accountability – these include acknowledging receipt of applications and establishing "silent consent" mechanisms. Over 70 per cent of economies covered in the WTO-World Bank STPD require licensing decisions to be made within an established time frame, and more than 76 per cent require competent authorities to explain reasons for rejection of applications.

Key features

A fundamental pillar of GRP is the processing of applications submitted by service suppliers to obtain authorization to offer their services. In this context, GRPs address the various guarantees provided at each step of the procedure: from defining time frames within which competent authorities decide on applications and establishing "silent consent" mechanisms for approvals, to providing applicants the possibility of enquiring about the status of their applications.

Furthermore, GRPs also ensure timely communication of decisions by competent authorities to applicants, as well as guaranteeing opportunities for submission of new applications in case of rejection. Additional GRP aspects relate to this area, such as the possibility to submit applications electronically, including through single entry point mechanisms, the determination of fees associated with the procedure, as well as the right to request the review of decisions taken by competent authorities. As the latter extend beyond the processing of applications *per se*, they will be addressed in subsequent subsections of this Handbook.

For service suppliers seeking authorization, the transparency and predictability of the application process are of paramount importance; business surveys consistently highlight the lack of accessible information regarding the application procedure as the most significant cost factor identified by service suppliers in their efforts to access domestic markets and conduct operations.[1] Uncertainty may discourage trade or re-direct it to other territories.[2] Moreover, service suppliers regularly call for government efforts to reduce multiple layers of bureaucracy and streamline administrative procedures, emphasizing that effective and efficient procedures in line with GRP principles are essential to enable a business-friendly environment.[3]

GATS, SDR Disciplines and other relevant trade agreements

The recognition that application procedures may hinder trade was already evident to the drafters of the GATS in the early 1990s. Under the heading "Domestic Regulation", Article VI:3 of the GATS provides for three key obligations that apply whenever authorization is required for the supply of a service:[4] (i) competent authorities must process applications within a reasonable period of time after the submission of an application that is considered complete; (ii) applicants must be informed of the decision concerning the application;[5] and (iii) at the request of applicants, competent authorities must provide without undue delay information regarding the status of the application.

In addition, Article VI:4 also contains a mandate to negotiate any necessary disciplines to ensure that key regulatory measures relating to licensing requirements and procedures, qualification requirements and procedures, and technical standards, do not constitute unnecessary barriers to trade in services.

Inspired by the extensive body of work undertaken at the WTO under the GATS Article VI:4 mandate on domestic regulation,[6] the SDR Disciplines include an entire section on "Processing of Applications".[7] The GRP principles that are embedded in the obligations related to application procedures are comprehensive and aim to address the entire sequence of the application procedure; they aim to fill those gaps left by GATS Article VI:3 with a view to consolidating GRPs to be followed by competent authorities when dealing with authorization applications, from the setting of time frames for processing to the entry into effect of authorization.

Without prescribing a "one-size-fits-all" approach for implementation and using mainly "best endeavour language", the SDR Disciplines cover the following procedural steps and guarantees (see Figure 1):[8]

- Establishing indicative time frames for processing an application;
- At the request of the applicant, providing information concerning the status of an application, without undue delay;
- Ascertaining, without undue delay, the completeness of an application;
- Ensuring the applicant is informed of the decision concerning the application within a reasonable period of time after its submission (in writing, to the extent possible);
- If an application is incomplete, and at the request of the applicant, identifying the additional information required to complete the application; and providing the applicant with the opportunity to provide the additional information that is needed;

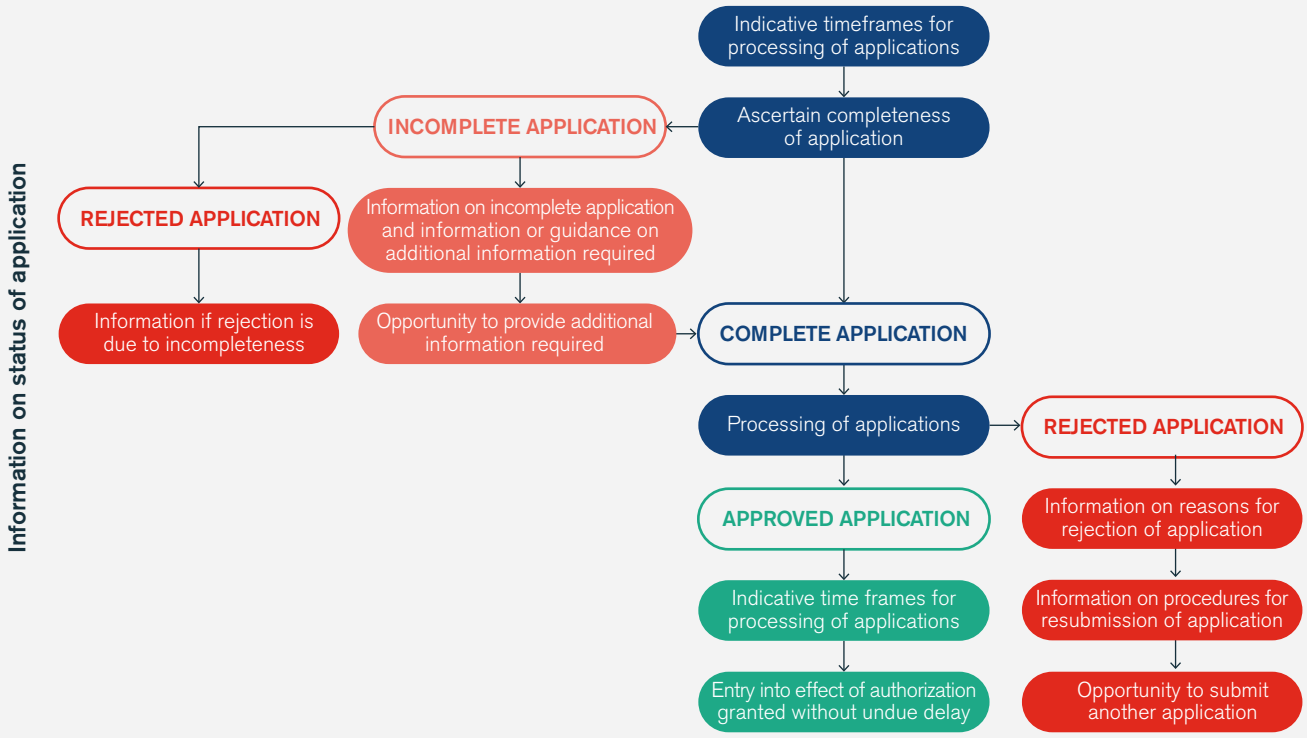
- If an application is rejected, informing the applicant of the reasons thereof and, if applicable, the procedures for resubmission of the application;
- Ensuring that an applicant is not prevented from submitting another application solely on the basis of a previously rejected application;
- Allowing authorization, once granted, to enter into effect without undue delay.

It is worth noting that some of the terms used in the SDR Disciplines have already been elaborated upon in various WTO disputes, since they also appear in other provisions of WTO agreements. With respect to the phrase "without undue delay", WTO panels found that a "delay" is "(a period of) time lost by inaction or inability to proceed on the substance of the application".[9] The term "undue" refers to something "inappropriate, unsuitable, improper, unrightful", or "going beyond what is warranted or natural".[10] In summary, whether applicants shall be informed of the status of their applications, or authorities shall establish the completeness of applications, or authorizations shall enter into effect "without undue delay", these obligations are to be carried out without unjustifiable, excessive, or disproportionate loss of time.

WTO panels also reflected on the types of circumstances that might or might not justify a delay; for example, it was noted that delays attributable to action or inaction of an applicant cannot be held against the authority carrying out the procedure.

In a similar vein, WTO panels considered that what constitutes "a reasonable period of time" must be established on a case-by-case basis, depending on the particular facts and circumstances of each case.[11] Panels noted that "reasonableness can be understood to mean as quickly as legally possible while accepting legitimate reasons for delay".[12] In other words, a period of time would be considered "reasonable" if it is in accordance with generally accepted standards of rationality and sound judgement.[13] In numerous disputes, the term "reasonable" has been interpreted as "in accordance with reason", "not irrational or absurd", "proportionate", "sensible", and "within the limits of reason, not greatly less or more than might be thought likely or appropriate".[14]

Figure 1: GRPs on processing of applications in the SDR Disciplines



Thus, where authorities face delays in informing applicants of the incompleteness or rejection of their applications, these may generally be acceptable, as long as they are based on substantial reasons, such as the amount and complexity of documentation to be reviewed or the resources at the disposal of the authority in charge of the decision.

PTA practice

It is also important to mention that procedural guarantees similar to those set out in the SDR Disciplines can also be found in the text of PTAs, and especially in the most recent "new generation" agreements that have been most recently adopted.[15] More generally, as it has become clear that market access and national treatment[16] commitments alone may not be sufficient to ensure service suppliers can operate effectively in foreign services markets, trade agreements have increasingly been used not only to remove quantitative and discriminatory restrictions, but also to address regulatory obstacles and promote good governance in services markets.

PTAs have evolved considerably with regard to providing procedural guarantees to applicants. Early agreements typically only reproduced the text of GATS Article VI:3 and a commitment to review the results of WTO negotiations under GATS Article VI:4 with a view to bringing any agreed rules into effect between the parties to the agreements.[17] More recently, many of the same economies have agreed to more comprehensive obligations on authorization procedures. For example, the 2015 ASEAN-India Trade in Services Agreement, commits the parties to ensure that applicants are (i) provided with an opportunity to remedy any deficiencies in the applications; and, in case of rejection are (ii) informed in writing of the reasons for such action, as well as (iii) granted a possibility of resubmitting a new application.[18]

It is also worth noting that two of the largest PTAs that have been concluded recently, namely the 2018 CPTPP and the 2022 RCEP, are ambitious when it comes to promoting GRPs to improve the quality of the business environment, including with regard to application procedures. They encompass all elements that are covered in the SDR Disciplines, except the Discipline on ensuring that authorizations enter into effect without undue delay.

It should also be highlighted that certain trade agreements go beyond the level of ambition of the SDR Disciplines, where flexibility has been employed to take account of the significant differences in WTO members' regulatory approaches and capacities. However, some agreements, such as the 2014 Switzerland-China FTA[19] or the 2017 EU–Canada CETA,[20] go beyond this approach: they provide mandatory obligations for competent authorities responsible for processing applications.[21] This may be attributed to the fact that agreements among a limited number of more developed economies which recognize and wish to leverage the benefits of aligning with GRPs make it possible to establish a higher standard of mandatory obligations.

Implementation at the domestic level

Indeed, it appears that an increasing number of economies have already implemented GRPs related to the processing of applications or are actively pursuing regulatory reforms with that objective. Data from the WTO-World Bank STPD shows that around 70 per cent of the economies studied, across different sectors, require licensing decisions to be made within an established time frame, and more than 76 per cent tasked competent authorities with explaining reasons for the rejection of authorization applications.

One interesting example is the EU Services Directive adopted in 2006. This Directive aimed to simplify and modernize administrative procedures and requirements for services suppliers.[22] In 2001-2002, the European Commission conducted an extensive consultation with various European and national business associations and more than 6,000 companies. The results showed that, as EU member states continue to maintain different approaches to services regulation, the key barriers affecting services activities included administrative burdens and the complexity, length and uncertainty of procedures and requirements, which proved especially burdensome for small businesses.[23] To address these issues and build on various community or national level initiatives, the Services Directive was introduced with the primary goal of establishing a framework for the removal of unjustified regulatory and administrative barriers and, thereby, fostering the freedom of establishment and the free movement of services in the internal market.

Articles 9 to 13 of the EU Services Directive establish a set of GRPs for "authorization schemes". These are defined as "any procedure under which a provider or recipient is in effect required to take steps in order to obtain from a competent authority a formal decision, or an implied decision concerning access to a services activity or the exercise thereof" (Article 4). The Directive is designed to be applied horizontally across a wide range of services sectors, encompassing business-related services and most of the regulated professional services, distribution, education and tourism services.

It is worth noting that the principles contained in the SDR Disciplines are in line with those included in the EU Services Directive, although the latter formulates them as mandatory obligations, not foreseeing the typical flexibilities for implementation contained in the SDR Disciplines (e.g. "to the extent practicable", "in a manner consistent with the legal system"). Furthermore, while the SDR Disciplines only require the setting of "indicative time frames" for the processing of applications, Article 13 of the EU Services Directive requires that applications are acknowledged and processed "as quickly as possible" and that the time period for decisions that is fixed and made public may only be extended once, for a limited duration, with a motivated notification by competent authorities.

The EU Services Directive also provides for a silent authorization mechanism, which means that member states must ensure that, if an application has not received any response within the established time frame, the authorization is deemed to have been granted to the applicant concerned. Finally, the Directive establishes that member states ensure that all authorization procedures "may be easily completed, at a distance and by electronic means, through the relevant point of single contact and with the relevant competent authorities".[24]

Following the adoption of the Services Directive, all EU member states were required to review their national regulatory systems with a view to aligning them with the Directive.[25] Several EU member states introduced ambitious reform projects.[26] The European Commission monitored the Directive's implementation with a view to identifying further improvements to the EU single market. An analysis was conducted to assess the impact of measures introduced by EU member states between 2006 and 2017.[27] While progress on the removal of regulatory barriers was found to be slow, the analysis showed that, in line with one of its key objectives, many electronic procedures systems had been introduced across services sectors.[28]

Looking at the broader implementation of the GRPs contained in the EU Services Directive, analysis showed that the removal of barriers in services between 2006 and 2017 would result in discounted cumulative gains of 2.1 per cent of GDP by 2027.[29] Additional reforms that are needed to achieve the overall goals of the Directive are expected to generate an additional growth potential of up to 2.5 per cent of GDP by 2027, resulting in significant total gains in GDP of up to 4.65 per cent by the same year.[30]

Another insightful example is the case of Morocco, which enacted a new law in 2020, aimed at simplifying administrative procedures and formalities (Loi n° 55-19).[31] As part of a broader administrative reform programme, the law sets out the general aspects of administrative procedures and formalities, including those relating to the authorizations required by service suppliers to provide their services in the Moroccan market.

Importantly, the law provides for a set of guiding principles to improve the relationship between the authorities and the users of administrative systems. Among these principles it is worth noting, (i) the transparency and the facilitation of access to information, notably through electronic means; (ii) the simplification and the suppression of unjustified procedures and requirements, including the establishment of maximum time frames and the reduction of fees required for administrative decisions; (iii) the obligation of administrative authorities to require from applicants exclusively those documents foreseen by relevant laws or regulations; and (iv) the progressive digitization of all procedures and formalities within five years from the entry into force of the law.

The Moroccan law goes beyond what is demanded by the SDR Disciplines in several aspects. For example, with respect to the processing of applications, the law instructs administrative authorities to provide applicants with a receipt as soon as applications are received. With this receipt, the authorities are required to specify any additional documents that the applicant must present within a maximum period of 30 days under penalty of rejection of the application. The receipt also activates the time frame for decisions by the authorities, of a maximum of 60 days, with the possibility of a single extension if the application requires specific technical expertise.

Additionally, for certain administrative actions determined by regulation, the law considers administrative silence as an acceptance of the application. This means that, upon the user's request, the administration must approve the action within seven days from the date of submission. Interestingly, the law also introduces the principle of information exchange among different government bodies to gradually eliminate the need for users to provide the same documents to multiple authorities. Moreover, the law provides for the establishment of a national online portal (www.idarati.ma) for all administrative procedures and formalities: launched in 2021, the portal serves as a single access point for users to access all information necessary to obtain administrative approvals.

The Moroccan law sets out an ambitious pathway for the implementation of GRPs. It tasks a national commission with the following responsibilities: (i) developing the national strategy for the simplification of administrative procedures and formalities and ensuring its implementation and

evaluation; (ii) monitoring the progress of the digitalization of procedures and administrative formalities; and (iii) supervising the undertaking of research and studies to measure users' satisfaction with the new law.

Further to its establishment, the commission analysed 3,491 administrative acts to verify their compliance with the obligations and requirements included in the new law and to discontinue those that were unnecessary. The commission is also in charge of communicating with the authorities concerned. This involves organizing thematic workshops and seminars to assist them in making the necessary adjustments to their procedures. To date, more than 2,537 administrative procedures and formalities relevant to service providers, in strict accordance with the law's GRP principles, have been made available on Morocco's national portal. Figure 2 provides a snapshot comparison of the SDR Disciplines on processing of applications with the EU Services Directive and Morocco's Law.

When it comes to application procedures in individual services sectors, it is interesting to consider, for example, Canada's framework for the granting of approvals in the financial sector.[32] In Canada, regulatory approvals of investments in financial institutions are administered by the Office of the Superintendent of Financial Institutions (OSFI) – an independent federal government agency in charge of preserving the soundness of the financial system. One key element of the OSFI system is continuous communication with applicants: from an acknowledgement of receipt of applications, to regular updates and discussions on progress and timely exchanges in case of clarifications needed, as well as prompt notice of final decisions of approval or denial.

The Canadian approach is somehow different from the examples of national practices discussed above; given the prudential and complex nature of the information to be reviewed, the regulations for each specific financial services subsector (e.g. banking, insurance, etc.) do not explicitly establish the timelines envisaged for the processing of applications. Rather, it is the ongoing communication that provides the applicants with the transparency and predictability they need as they move throughout all stages of the process. With over 140 new federally regulated financial institution transactions and business undertakings approved between 2021 and 2022, it appears that the continuous interaction facilitates the resolution of any issues as the review progresses, which results in very few applications being formally rejected.[33]

In conclusion, when it comes to authorizations, procedural steps and guarantees are an essential element of GRPs. On the one hand, they provide service suppliers with the transparency and predictability necessary to obtain authorizations required for their business activities. On the other hand, they represent benchmarks against which competent authorities can be held accountable for their decisions. While in terms of implementation domestic practices vary, and the principles enshrined in the SDR Disciplines, as well as in modern PTAs, represent a widespread reference point for national regulatory systems – especially when it comes to cross-cutting administrative laws and regulations. Beyond the SDR Disciplines, the experience across a large sample of economies shows that governments have put in place regulatory practices which closely resonate with the objective of simplifying and facilitating procedures, notably with respect to the acknowledgment of submission of applications and silent approval mechanisms.

Figure 2: Comparison of GRPs on processing of applications between the SDR Disciplines, the EU Services Directive and Morocco's Law on the Simplification of Administrative Procedures and Formalities

SDR Disciplines	EU Services Directive	Morocco's Law on the simplification of administrative procedures and formalities
• Indicative time frames for processing application • Information on status of application • Ascertaining without undue delay completeness of application • Information on decision on application within reasonable period of time • Incomplete application: information on additional information required • Rejected application: information on reasons for rejection • Ensuring that applicant is not prevented from submitting another application solely on the basis of previously rejected application • Entry into effect of authorization without undue delay	• Guarantee that applications will be dealt with as quickly as possible and, in any event, within a reasonable period • Applications acknowledged as quickly as possible with relevant information • Period for processing of application is fixed and may be extended once for a limited time, when motivated by the complexity of the issue (with notification to applicant) • Silent approval mechanism • Incomplete application: information on additional information required • Rejected application: information on reasons for rejection	• Receipt provided upon submission of application, with identification of any additional documents that applicant must present within 30 days under penalty of rejection of application • Time frame for decision on application fixed at 60 days, with possibility of single extension if application requires specific technical expertise • Silent approval mechanism

Source: WTO/World Bank.

ENDNOTES

1 See, for example, PECC (2016), pp. 51-52.

2 van der Marel and Shepherd (2020), p. 4.

3 IDB, ITC and DIE (2022), p. 11.

4 Note that the obligations contained in GATS Article VI:3 only apply to services sectors for which commitments have been undertaken by the WTO member in their schedule of specific commitments.

5 Article VI:3 of the GATS does not refer explicitly to the processing of applications. However, the paragraph requires the competent authority to "inform the applicant of the decision concerning the application". This obligation presupposes that a decision has been taken, which in turn requires that the application has been assessed or processed.

6 For further information on the Working Party on Domestic Regulation, please refer to https://www.wto.org/english/tratop_e/serv_e/dom_reg_negs_e.htm.

7 SDR Disciplines (WTO, 2021a), paras. 7 and 8.

8 SDR Disciplines (WTO, 2021a), paras. 7 and 8.

9 WTO (2017a), paras. 5.81 to 5.84; WTO (2017b), para. 7.530.

10 WTO (2017a), paras. 5.81 to 5.84; WTO (2017b), para. 7.530.

11 DSU, Article 21.3. See also, WTO (1999), para. 93.

12 WTO (2017b), fn 1008.

13 WTO (2005), para. 7.385.

14 WTO (2012), para. 7.850.

15 The term "new generation agreements" is frequently used for agreements that do not only cover trade in goods, but also services, investment and potentially other aspects such as procurement and intellectual property rights. Such agreements often contain deeper provisions on regulatory issues and GRPs.

16 National treatment refers to the principle of giving others the same treatment as one's own nationals.

17 See, for example, India–Singapore CECA (2005); Pakistan–Malaysia CEPA (2008); Iceland–China FTA (2014).

18 ASEAN-India Trade in Services Agreement (2015), Agreement on Trade in Services, Article 5: Domestic Regulation.

19 China-Switzerland FTA (2014), Annex VI, Article 2.

20 EU–Canada CETA (2017), Chapter 12: Domestic Regulation.

21 For more information on the use of soft and mandatory language in bilateral and regional trade agreements, please see Baiker, Bertola and Jelitto (2021), pp. 24-26.

22 EU, Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market (EU Services Directive), OJ L 376, 27 December 2006, pp. 36–68.

23 European Commission (2002).

24 European Commission, "Implementation of the Services Directive", https://single-market-economy.ec.europa.eu/single-market/services/directive/implementation_en.

25 European Commission, "Implementation of the Services Directive", https://single-market-economy.ec.europa.eu/single-market/services/directive/implementation_en.

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28 European Commission (2021).

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30 European Commission, "Implementation of the Services Directive", https://single-market-economy.ec.europa.eu/single-market/services/directive/implementation_en.

31 Government of Morocco, Ministry of Digital Transition and Administrative Reform, "Simplification et digitalisation des parcours usagers", https://www.mmsp.gov.ma/fr/nos-metiers/simplification-et-digitalisation-des-parcours-usagers.

32 Government of Canada, Office of the Superintendent of Financial Institutions (OSFI), "Transaction Instructions", https://www.osfi-bsif.gc.ca/en/data-forms/applications-approvals/transaction-instructions.

33 OSFI (2022); WTO (2021b).

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2 Electronic submission of applications

KEY INSIGHTS

- Electronic submission systems are a core GRP lever to cut transaction costs, speed up decisions, streamline redundant requirements, improve communication between authorities and applicants, and support systems' interoperability.
- While the GATS does not require the use of information technology for authorization procedures, the SDR Disciplines – like several modern PTAs – contain a best-endeavour commitment to accept applications in electronic format, mindful of competing priorities and resource constraints.
- Consistent with a clear domestic trend towards electronification, WTO–World Bank STPD data indicate that about 60 per cent of surveyed economies allow submission of applications electronically.

Key features

Technological advances have revolutionized, among many other things, the submission and processing of authorization applications. Historically, authorization procedures relied on the use of physical infrastructure and documents. The latter implied high costs for both regulators and service suppliers, delays in the processing time for applications, reduced access to information required by different regulatory authorities, as well as a significant environmental impact.[1] Since the 1990s, most governments have started leveraging digital technologies, including for various administrative procedures and government services. Comprehensive digitalization has progressively become more common since the 2010s, and increasingly more so since the COVID-19 pandemic.[2]

A system for the electronic submission of applications (ESA) for authorization presents a multitude of advantages, most notably reduced transactional costs and increased operational efficiency. Despite the clear and multi-faceted benefits, introducing an ESA may, however, entail high implementation costs and technical challenges, including with respect to the availability of internet connectivity and digital technologies, level of digital literacy, and the interoperability of various regulatory systems and databases.[3]

An ESA allows submission of applications for authorization on specially designed application portals or websites. Applicants can typically also upload any necessary documents for competent authorities to review. To sign off on applications, certain systems integrate the use of digital signatures. This requires the ESA to prescribe authentication protocols to verify users and documents.

Moreover, the use of ESAs entails the availability of secure databases to store and retrieve submitted applications, while safeguarding privacy and security of sensitive data. The ESA can also integrate the possibility of paying any associated fees. The ESA allows communication between regulatory authorities and applicants, including with respect to developments during the application process, information about decisions on the applications, and notice on deficiencies in the application or reasons for its rejection. Setting up an ESA would typically require a mapping of existing authorization requirements and procedures. This serves to identify and streamline duplicative elements, ensure interoperability, address data needs and privacy risks, and estimate cost and resource planning for implementation.

GATS, SDR Disciplines and other relevant trade agreements

In the area of trade in services, the GATS does not specifically prescribe the use of information technology for the processing of authorization applications.

Given their more recent adoption, the SDR Disciplines, instead, contain a provision on the submission of applications for authorization through electronic means. As a departure from traditional physical means for the submission of applications, the SDR Disciplines seek to ensure the possibility of allowing electronic applications as an area of GRP.[4] It is noted that this obligation is expressed in best endeavour language, with "competing priorities and resource constraints" recognized as relevant factors that may affect its implementation. It is also worth noting that the acceptance of electronic submissions is also emphasized in the context of assessing qualifications for authorization.[5]

Reflecting the trend towards electronification, the TFA also favours the use of electronic means for procedures related to trade in goods. In particular, it requires that WTO members, as appropriate, lodge documents in electronic format in advance, for pre-arrival processing.[6] Additionally, the TFA mandates that WTO members shall, where appropriate, endeavour to accept paper or electronic copies of supporting documents required for import, export or transit formalities.[7]

PTA practice

Additionally, in recent years, various PTAs have emphasized the significance of using electronic systems for authorization procedures. Two examples are the 2022 RCEP and the 2021 ATISA. These agreements closely mirror the SDR Disciplines, and prescribe that where authorization is required for the supply of services, in accordance with their domestic laws and regulations, the parties "shall endeavour to accept applications in electronic format".[8] However, these agreements go further than the SDR Disciplines to explicitly recognize that such electronic applications are to be accepted "under the equivalent conditions of authenticity as paper submissions"[9] – therefore, suggesting that electronic documents cannot be subject to more onerous requirements relating to authenticity than physical documents.

In the African context, the 2009 COMESA Regulations on Trade in Services are another notable example. Article 33 of the Regulations stipulates that COMESA member states "shall endeavor to ensure that all procedures and formalities relating to access to a service activity and to the exercise thereof may be easily completed, at a distance and by electronic means, through the relevant enquiry point and with the relevant competent authorities".[10] The COMESA Regulations however recognize that the use of electronic means requires significant resources and may not be available in certain areas. In that case, procedures and formalities can be completed by other appropriate means.[11]

Implementation at the domestic level

In recent years, various countries have progressively shifted towards the use of electronic tools for authorization procedures, even in the absence of a legal requirement. Governments across the world have focused their digital transformation activities on service delivery.[12] The WTO-World Bank STPD shows that around 60 per cent of the economies studied allow for the submission of applications electronically – with the highest level of implementation found in computer services (87.5 per cent) and legal services (around 80 per cent), and the lowest level in financial services (around 30 to 40 per cent). Box 1 contains an overview of other databases providing information on electronic portals.

Box 1: Available databases providing information on electronic portals

The United Nations' E-Government Development Index (EGDI)

The UN E-Government Development Index (EGDI) is a combined measure of jurisdictions' readiness for and use of digital government, calculated as the average of three component indices: Online Services Index (OSI), Telecommunications Infrastructure Index (TII), and Human Capital Index (HCI).

The OSI evaluates the scope and sophistication of domestic online public services, organized into five sub-indices: services provision, institutional framework, content provision, technology and e-participation. In 2024, the e-government survey checked the availability of 25 online services and, for 19 of them, whether they are fully digitalized end-to-end. Among the 25 services assessed, several align directly with GRPs for services – e.g. register a business, apply for a business licence, file company/business tax, submit income tax, submit VAT, apply for an environmental permit, apply for a building permit, apply for land-title registration. In 2024, out of 193 jurisdictions analysed, the most prevalent services digitally available were business registration (in 177 jurisdictions) and applying for a business licence (in 173 jurisdictions).

The overall 2024 EGDI results show that e-government development has improved at the global level, with the average EGDI value reaching 0.6382 (on a scale of 0 to 1), up from 0.6102 in 2022. The number of jurisdictions with very high EGDI values has more than tripled over the past 10 years, rising from 25 in 2014 to 76 in 2024 – underscoring governments' efforts in leveraging technology for improved governance and public services delivery. While the TII is the highest component index, the average OSI has also increased by 3.6 per cent in 2024 (since 2022). The most significant regional OSI increase is observed in Africa (5.2 per cent), followed by Asia (4.3 per cent), Oceania (4.2 per cent), the Americas (3.8 per cent), and Europe (1.8 per cent). This suggests that economies are making steady progress in enhancing their online service offerings, albeit at a different pace.

The World Bank GovTech Maturity Index (GTMI)[13]

The GTMI benchmarks public-sector digital transformation across 198 economies using 48 indicators (accompanied by 153 sub-indicators) grouped into four areas: core government systems, public service delivery, digital citizen engagement, and GovTech enablers. It is designed as a baseline, not a performance ranking, and is used to identify gaps and guide reform.

Box 1: Available databases providing information on electronic portals (cont.)

While certain GTMI indicators conceptually overlap with GRPs addressed in this Handbook, the two operate at different levels: GTMI tracks high-level features of a jurisdiction's digital government, such as one-stop portals, e-signature, interoperability, that indicate overall readiness, while the Handbook sets out practices that facilitate authorization in services. GTMI results are indicative rather than conclusive – they suggest whether the enabling environment exists, but do not verify that GRP practices are implemented as described. Where policymakers aim to align their regulatory systems with GRPs, the GTMI is a valuable complementary source for diagnosing system-wide enablers and gaps (e.g. one-stop portals, e-signature, interoperability) and for prioritizing and sequencing reforms.

Three key indicators correspond particularly to the GRPs discussed in the Handbook:

- Online publication: The GTMI tracks open government portals (I-28) and open data portals (I-29), plus whether governments publish engagement statistics (I-32). The 2022 GTMI update shows that 119 economies (around 60 per cent) had an open government portal; 152 (77 per cent) had an open data portal, with update frequency improving (84 updated at least quarterly). Only 60 economies (30 per cent) regularly published citizen-engagement performance. This points to widespread publication channels but uneven depth and upkeep.
- Public engagement: The GTMI looks at public participation platforms (I-30) as well as users' feedback/grievance redress mechanisms (I-31). Overall, 97 economies (49 per cent) reported the existence of public consultation platforms; 68 allowed online questions, but only 40 published government responses. 109 economies (55 per cent) had users' feedback/grievance redress mechanisms; 73 offered universal access and 39 used advanced technological tools (e.g. chatbots). In 2022, the publication of engagement statistics remained low (60 economies). This shows that many jurisdictions have channels akin to enquiry points, yet consistent responsiveness and transparency are still limited.
- Single-window access: The GTMI checks if a national online public service portal (i.e. one-stop shop) exists (informational or transactional) (I-19). Such a portal provides a single entry point for many services, but is not identical to an authorization single window that channels all authorization applications across domestic regulators through one integrated workflow. By 2022, 162 of 198 economies (around 82 per cent) had a national online public service portal; 113 of these supported transactional services, while 49 were for information only. The 2022 GTMI flags that many portals are not yet end-to-end transactional, and interoperability across back-office systems remains uneven.

As mentioned in subsection 2.1, the EU Services Directive and Morocco's Law on the Simplification of Administrative Procedures and Formalities provide the possibility of completing authorization procedures by electronic means. A further example is that of the UK, which has established an Electronic Assistance Facility to consolidate information and enable the submission of various approval applications to provide services within the UK.[14]

In the Electronic Assistance Facility, applicants have the options of navigating to pages "setting up a business" or "Licences and licence applications". These two options connect to pages with details on authorization procedures and requirements. The "setting up a business page" provides information on business operations, including self-employment, establishment of corporations, business registration and applicable taxes. The "Licences and licence applications" page lists different types of licences and, where relevant, the regions they apply to. The Electronic Assistance Facility also guides applicants in following up on the authorizations sought, either directly through the webpage itself or through the websites of the relevant regulatory authorities. Thus, applications can be completed online, including with the possibility of paying any associated fees electronically. Through the platform, applicants can also receive electronic notice on the decision on their applications and are supported in any ensuing relevant actions.

Another useful example is Kenya's eCitizen platform.[15] In response to the Kenyan government's decision to start investing in information and communications

technology (ICT) infrastructure, the Kenya E-Government Secretariat was created in 2004, to galvanize all ICT projects within the government.[16] The eCitizen system was created in 2014 with the goal of streamlining and automating access to government services, and thereby reducing overall operational costs.[17] Through the eCitizen platform, users can navigate requirements and procedures, register business names, and apply for different permits and authorizations without the need to physically visit public offices.[18] The services are provided in collaboration with various ministries and departments (including the Registrar of companies, National Transport and Safety Authority, Department of Immigration) and useful links to their websites are included in the portal to aid users.[19]

Furthermore, the portal offers the possibility to pay electronically for the services requested via mobile money or debit card.[20] Once authorizations are granted, users can download their certificates and access other related services (such as tax registration). From a survey conducted on a sample of users of the eCitizen portal, some limitations of the system were identified. For instance, in its current configuration, the information requires manual updating, entailing high maintenance costs.[21] Nevertheless, its impact on the Kenyan business landscape has already been substantial. By 2018, the platform had over 4 million registered citizens.[22] Among its most significant achievements, the platform allowed a clear reduction in processing times for applications; for example, business name registrations can now be completed within a few hours, instead of days, with notifications sent directly to applicants once their applications are approved.[23]

In conclusion, in today's digital world, the use of information technology represents an important aspect of GRP. Electronic applications can significantly lower costs and reduce delays for the benefit of businesses. At the same time, the establishment of an ESA gives governments the opportunity to review and streamline existing authorization requirements and procedures for service suppliers, as well as to promote coordination among involved government agencies. While the creation of such systems entails substantive resources and evidently relies on the availability of internet connectivity and digital literacy, this is an area where various economies are today increasingly receiving support for technical assistance and capacity building. A progressive implementation of electronic platforms for applications – which integrates additional, more sophisticated, features over time – can help foster the efficiency of the regulatory framework, while helping users get acquainted with a new way of doing business.

ENDNOTES

1 Wirjo, Bayhaqi and Oh (2024); Grava and Wille (2020).

2 World Bank (2022).

3 Ejiaku (2014); Opp (2023).

4 SDR Disciplines (WTO, 2021), para. 6(a).

5 SDR Disciplines (WTO, 2021), para. 10. For more information, please see subsection 2.11 on "Assessment of Qualifications".

6 TFA, Article 7.

7 TFA, Article 10.2.

8 RCEP (2022), Article 8.15.7(h); ATISA (2019), Article 18.9.

9 RCEP (2022), Article 8.15.7(h); ATISA (2019), Article 18.9.

10 COMESA, Regulations on Trade in Services (2009), Article 33.

11 COMESA, Regulations on Trade in Services (2009), Article 33, sentence 2.

12 World Bank (2022).

13 The Index was updated last in 2022. The third edition of the GTMI is currently under preparation.

14 UK Government, "Business and self-employed", https://www.gov.uk/browse/business.

15 Government of Kenya, "eCitizen": https://accounts.ecitizen.go.ke/en.

16 Government of Kenya, National Treasury & Economic Planning, The National Treasury, "Government Digital Payments (eCitizen)", https://www.treasury.go.ke/government-digital-payments-ecitizen/.

17 Government of Kenya, National Treasury & Economic Planning, The National Treasury, "Government Digital Payments (eCitizen)", https://www.treasury.go.ke/government-digital-payments-ecitizen/.

18 Government of Kenya, eCitizen, "About eCitizen", https://ag.ecitizen.go.ke/index.php?id=4.

19 Gitau (2016), pp. 19-20.

20 Gitau (2016), p. 6. See also, Government of Kenya, eCitizen, "Help & Support", https://accounts.ecitizen.go.ke/en/help-and-support.

21 Gitau (2016), p. 21.

22 Wasunna (2018).

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③ Online publication of information

KEY INSIGHTS

- Transparency and the publication of measures (including laws, regulations, requirements, procedures, and beyond) represent a critical area of GRP – notably in trade in services, given its regulatory intensive nature.
- Building on the core objectives of the GATS, Article III requires the prompt publication of all generally applicable, relevant measures affecting trade in services – at the latest by their entry into force – as well as international agreements on services.
- For services authorizations, the SDR Disciplines require that all information needed by service suppliers, or persons seeking to supply a service, be made publicly available. This includes requirements and procedures (including time frames for decisions, fees, review procedures) – where possible consolidated through a single portal. Various services PTAs go further, for example, by requiring online publication, in English, as well as in plain language to support understanding and compliance.
- At the domestic level, the publication of laws and regulations is widespread across all income groups: 96.5 per cent of economies in the WTO–World Bank STPD make authorization requirements and procedures publicly available, and 77.5 per cent consolidate this information in a dedicated portal.

Key features

Access to clear, timely and reliable information on the regulatory environment is an essential aspect of GRP: it assists service suppliers in assessing market opportunities, navigating relevant rules and procedures for obtaining authorizations, and ensuring continuous compliance with applicable laws and regulations during business operations.

Transparency plays a critical role in trade facilitation. It fosters legal certainty and predictability, and it promotes the legitimacy and accountability of policy-making. Considering the highly regulated nature of services sectors, a lack of transparency can increase the complexity of trading services, especially across borders. The publication of regulatory measures is a key aspect of transparency: it reduces the costs of doing business and fosters equal access to market opportunities, especially for small businesses. Transparency is also beneficial for regulatory authorities as it can help reduce the volume of enquiries, prevent misunderstandings about requirements and procedures, and minimize errors in applications for authorizations.

Effective publication means providing businesses with all the information they need to secure authorization and operate within a given market. This typically includes various types of government measures, such as laws, implementing rules and regulations, guidelines, judicial decisions and other administrative acts. Information that should be available includes, for example, existing requirements and procedures, timelines for processing applications, applicable fees, redress mechanisms, contact details of competent authorities for enquiries, as well as any stakeholder engagement mechanisms.

Historically, publication took place via physical platforms, such as in an official journal or gazette. With technological advances, online publication (i.e. through official websites) has become the most common means of dissemination. Moreover, in recent years, a new GRP principle has emerged, which is the consolidation of information in one single location, notably online. A unified and centralized portal to access essential information significantly reduces the burden faced by market actors in searching for, navigating and understanding all the existing requirements and procedures, facilitating compliance. The accessibility of information through multiple channels, both physical locations and online portals, can help minimize information asymmetries and enhance market efficiency.

In this context, various additional GRP principles can play a pivotal role. Firstly, the information published requires regular updates (and ideally timestamps) to ensure maximum accuracy. Obsolete or expired information needs to be identified as such or removed. Effective transparency includes access to past versions of laws and regulations, including the amendment history, to determine which rules were in force at a given time and assess whether a supplier complied with the applicable rules at that moment. This is also necessary to identify liability or rights retroactively, for instance in the context of court disputes, audits, or appeals.

Archiving supports legal certainty, accountability and informed decision-making by ensuring that regulatory changes are publicly traceable over time. Various regulatory portals include version tracking[1], which aids compliance and reinforces trust in the regulatory system.[2] In digital environments, version control[3] further enables integration with automated compliance tools and provides users with reliable alerts and notifications. At the same time, online interfaces sometimes include features to request email alerts for new or amended measures, as well as feeds for consultation openings or closings – a low-cost and high-impact GRP principle that also encourages stakeholder involvement.

In order to facilitate understanding and compliance, information should be provided in clear, plain language, avoiding technical jargon, to the extent possible.[4] With this objective, some portals also contain "plain language" summaries or other documents to facilitate the understanding of legal texts. Additionally, information needs to be made available without cost, whilst the availability of information in accessible languages, notably in English, is a catalyst for attracting foreign service suppliers and foreign direct investment.

Finally, many modern regulatory portals increasingly use machine-readable formats (XML, JSON) to support third-party reuse (e.g. compliance tools that help businesses stay aligned with regulatory requirements by automating tasks like rule-change alerts, or deadline reminders) and enable searchability and accessibility for artificial intelligence (AI) applications.

GATS, SDR Disciplines and other relevant trade agreements

Across the WTO covered agreements, transparency is a key pillar. GATT Article X establishes a foundational

transparency obligation – requiring prompt publication of laws, regulations, judicial decisions and administrative rulings of general application – which other WTO agreements also specify for their respective areas. For services trade, the GATS Preamble recognizes that the objective of establishing a multilateral framework is to support the expansion of trade in services under conditions of transparency.[5] Furthermore, GATS Article III:1 requires WTO members to "publish promptly and, except in emergency situations, at the latest by the time of their entry into force, all relevant measures of general application which pertain to or affect the operation of this Agreement".[6] The publication of international agreements covering trade in services also falls within the scope of this provision.[7]

Article III:1 suggests a broadly applicable publication requirement, covering measures that directly or indirectly impact the functioning or implementation of the GATS. The term "pertain to" suggests a relevance of the measures to the operation of the Agreement. WTO panels found that the use of the term "affecting" reflects the drafters' intent to give the GATS a broad scope of application. It refers to measures which have "an effect on" trade in services and the operation of the Agreement, not only those that directly "regulate" or "govern" services.[8]

In other words, in accordance with GATS Article III:1, different types of measures, including those that may not be addressing a particular service, would be subject to the publication requirement. With respect to the term "measures of general application", this has been interpreted in WTO dispute settlement to cover measures that "apply to a range of situations"[9] and affect "an unidentified number of economic operators".[10] Hence, measures that address specific situations would not fall within the scope of GATS Article III:1.

While the term "promptly" is not defined, Article III:1 requires that publication occurs under normal circumstances prior to the application or enforcement of the relevant measures. Exceptionally, in case of emergency, publication may occur even after entry into force. An emergency that justifies *ex post* publication would be an unexpected and unforeseeable event which impedes, in practical terms, the WTO member from publishing a measure (e.g. measures linked with a sudden financial crisis).[11]

It should be noted that GATS Article III:2 acknowledges that, in contexts where "publication is not practicable", information shall be "made otherwise publicly available". Typically, publication would include both publication in an official journal or gazette as well as on a government website. Publication has been interpreted as not being practicable in cases of administrative burden, lack of human resources, or the costs involved. However, given the relative ease with which information can be made available online, few situations may justify recourse to GATS Article III:2, which in any case requires the public availability of information. When publication proves impracticable, public access can be provided through enquiry points or by making information available upon specific request.

The SDR Disciplines build on the transparency obligations in GATS Article III and provide that:

> If a Member requires authorization for the supply of a service, further to Article III of the Agreement, the Member shall promptly publish,[FN] or otherwise make publicly available in writing, the information necessary for service suppliers or persons seeking to supply a service to comply with the requirements and procedures for obtaining, maintaining, amending and renewing such authorization. Such information shall include, *inter alia*, where it exists:
>
> a. the requirements and procedures;
>
> b. contact information of relevant competent authorities;
>
> c. fees;
>
> d. technical standards;
>
> e. procedures for appeal or review of decisions concerning applications;
>
> f. procedures for monitoring or enforcing compliance with the terms and conditions of licenses or qualifications;
>
> g. opportunities for public involvement, such as through hearings or comments; and
>
> h. indicative timeframes for processing of an application.[12]
>
> [FN]: For purposes of these disciplines, "publish" means to include in an official publication, such as an official journal, or on an official website. Members are encouraged to consolidate electronic publications into a single portal.

The SDR Disciplines have a more limited scope than GATS Article III:1, as they only cover information with respect to "authorization", not with respect to compliance with any type of measures. However, they are overall broader in scope, as rather than addressing "measures", they address "the public availability of information necessary for service suppliers, or persons seeking to supply a service to comply with the requirements and procedures for obtaining, maintaining, amending and renewing the required authorization". Taking this into account, the SDR Disciplines include an illustrative list of information to be made available, where it exists.

The SDR Disciplines combine the terms "publish" and "making publicly available" and clarify that "publish" means, for example, in an official publication, such as an official journal, or on an official website".[13] In the case of electronic means, the SDR Disciplines contain a best endeavor commitment to encourage the consolidation of relevant information for service suppliers into a "single online portal".[14]

Like GATS Article III, the SDR Disciplines require "prompt" publication of information. They further contain a flexible obligation to allow reasonable time between publication of the text of a law or regulation (related to authorization) and the date on which service suppliers must comply with it.[15] Figure 1 provides a comparison of publication-related GRPs covered by the GATS and the SDR Disciplines.

It is worth highlighting that, like the GATS, the SDR Disciplines do not contain an obligation with respect to the language of publication. In this light, it is worth noting that the TFA specifies that "whenever practicable" the information "shall be made available in one of the official languages of the WTO".[16] In addition, the increasingly important GRP related to the use of plain language, to ensure that the information made available is clear and easy to understand for the public, is not reflected in the SDR Disciplines (nor in the TFA).

PTA practice

Requirements related to transparency and publication are a standard feature of PTAs. Typically, these provisions mirror GATS Article III:1 and 2 (e.g. 2005 Singapore–Jordan FTA[17]). More recent agreements add best endeavor commitments to require the publication of such measures on the internet, and in the English language (e.g. 2022 RCEP[18]; 2021 ATISA[19]; 2022 India–Australia ECTA[20]).

Only a few agreements contain more detailed provisions corresponding to the SDR Disciplines. For example, paragraph 8.6 of Chapter 15 of the 2020 USMCA[21] reflects them, albeit without requiring consolidation

Figure 1: Publication-related GRPs in the GATS and the SDR Disciplines

GRPs	GATS	SDR disciplines
SCOPE OF THE PUBLICATION REQUIREMENT		
Publication of measures of general application pertaining to or affecting the operation of the GATS	■	
Publication of information necessary for service suppliers or persons seeking to supply a service to comply with the requirements and procedures for obtaining, maintaining, amending and renewing the required authorization	■	■
TIME FRAME FOR PUBLICATION		
Prompt publication of measures at the latest by the time of entry into force	■	■
Publication prior to the application or enforcement of measures (except in emergency situations)	■	
Provision of reasonable time between publication and the date on which compliance by service suppliers is required		■
MEANS OF PUBLICATION		
Publication through physical means	■	■
Publication through online means	■	■
Consolidation of information in a single online portal	■	■

■ Covered

Source: WTO/World Bank.

of the information in a single online portal. The 2011 Hong Kong, China–New Zealand CEPA[22] contains a detailed Annex on domestic regulation disciplines. Similar to the SDR Disciplines, this agreement requires (albeit as a mandatory obligation) the publication of relevant measures of general application through printed or electronic means. It contains an illustrative list of information that covers the elements of SDR Disciplines. It goes further insofar as it requires that the relevant information in the illustrative list must be produced, whereas the SDR Disciplines only require that such information be made available where it exists.

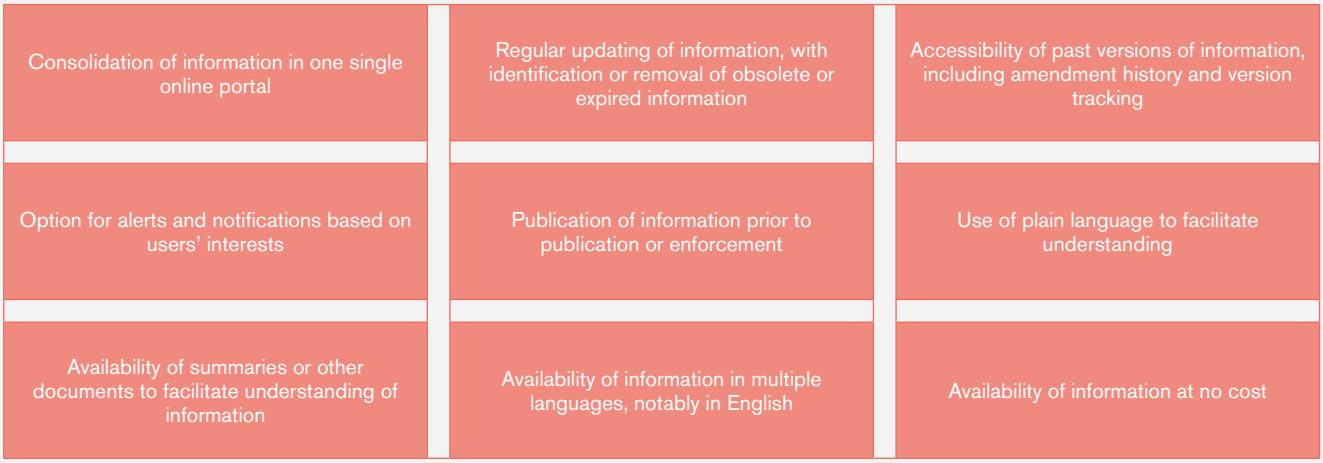
Furthermore, the illustrative list in the 2011 Hong Kong, China–New Zealand CEPA appears to be even more comprehensive, requiring also that information on criteria, terms and conditions of licences is made available, and criteria and procedures for verification and assessment of qualifications, as well as information on exceptions and derogations changes to relevant measures.[23] Another notable example is the 2021 United States–Ecuador Protocol on Trade Rules and Transparency which contains a commitment on the use of plain language to ensure that regulations are clear, concise and easy for the public to understand.[24] Figure 2 provides an overview of emerging GRPs aspects in the area of publication of information.

Implementation at the domestic level

At the domestic level, it appears that the publication of laws and regulations is a common practice across the world and all income groups.[25] The WTO–World Bank STPD shows that, among the economies studied, 96.5 per cent make requirements and procedures related to authorization publicly available; 82.7 per cent provide information about fees; 73.7 per cent publicly set out time frames for decisions on authorization; 92.5 per cent publish appeal procedures; 88.1 per cent provide information about procedures for monitoring and enforcing compliance; and 86.9 per cent make contact information of enquiry points publicly available.

Overall, 77.5 per cent of the economies studied consolidate all information related to licensing and authorizations in a single online portal. Some jurisdictions formally mandate competent authorities to do so.[26] But even in the absence of a legal requirement, the publication of measures is nowadays an established practice – including through the internet – which reflects the importance attached to transparency of regulatory frameworks as a key GRP pillar.[27]

Figure 2: Emerging GRPs aspects in the area of publication



Source: WTO/World Bank.

Typically, public notice includes a wide range of information on the measure. One notable example is the EU Services Directive which addresses the issue of publication and accessibility of information. Article 7 of the Directive requires that EU member states make information available through a single contact point, including with respect to (i) requirements concerning the procedures and formalities to be completed in order to access and exercise service activities; (ii) contact details of the competent authorities; (iii) the means of, and conditions for, accessing public registers and databases on providers and services; (iv) the means of redress which are generally available in the event of dispute between the competent authorities and the provider or the recipient, or between a provider and a recipient or between providers; (v) as well as the contact details of the associations or organizations, from which providers or recipients may obtain practical assistance.[28]

At the EU member state level, Estonia, for example, provides a short summary of the proposed regulation, information on why the regulation is needed and what it intends to change, as well as when it is expected to enter into force.[29] In Lithuania, the information also includes an explanation of the expected positive and negative effects of the regulatory change.[30] In addition to all of these details, Moldova also provides the contact details of civil servants responsible for the measure.[31]

It is also interesting to observe that many jurisdictions have been introducing requirements to ensure that laws and regulations are drafted in clear language.[32] One case in point is Norway which has introduced two main instruments addressing the need for plain language, namely (i) the 2022 Language Act which contains a requirement for all public bodies to communicate in a clear and correct manner adapted to the target group, as well as (ii) a government's communication policy which sets out objectives for people to receive correct and clear information about their rights, duties, opportunities and the state's activities.[33]

In conclusion, transparency is broadly recognized as a key GRP feature of well-functioning regulatory frameworks – leading to productivity growth and higher income levels. For this reason, transparency obligations find an anchor already in the GATS. More recent international trade instruments, such as the SDR Disciplines and services PTAs, contain more advanced commitments in this area. For example, they specify what type of information (e.g. authorization requirements and procedures) must be made publicly available, through what means (e.g. online), and in what format (e.g. using plain language and with supporting documents to facilitate understanding). At the domestic level, the importance of transparency is not underestimated; even when a legal requirement does not exist to publish laws and regulations (including in advanced draft forms), governments tend to do so voluntarily. This is key not just to promote the legitimacy of the institutional framework, but also to enable public engagement in the policy-making process and thereby achieving better regulatory outcomes.

ENDNOTES

1 Version tracking refers to a visible history of changes (with dates, who and which authority changed what, and redlines or change logs) so users can easily understand how a text evolved.

2 See, for example, EUR-Lex, the regulatory portal of the European Union (EU), https://eur-lex.europa.eu; Justice Laws Website (Canada), https://laws-lois.justice.gc.ca; Singapore Statutes Online, https://sso.agc.gov.sg.

3 Version control means that each iteration of a document receives a unique, time-stamped ID and is stored immutably, allowing users and automated tools to compare versions and roll back if needed.

4 OECD (2025).

5 GATS, Preamble.

6 GATS, Article III:1.

7 GATS, Article III:1.

8 WTO (2009), para. 7.971.

9 WTO (2006), para. 7.116.

10 See WTO (1997a), para 7.65; WTO (1997b), p. 21.

11 Delimatsis (2008), p. 99.

12 SDR Disciplines (WTO, 2021), para. 13.

13 SDR Disciplines (WTO, 2021), fn 12 to para. 13.

14 SDR Disciplines (WTO, 2021), fn 12 to para. 13.

15 SDR Disciplines (WTO, 2021), para. 19. For more information, please see also subsection 2.7 on "Stakeholder Engagement".

16 TFA, Article 1.2.2.

17 Singapore–Jordan FTA (2005), Article 4.14.

18 RCEP (2022), Article 8.14.3.

19 ATISA (2021), Article 14.3.

20 India–Australia ECTA (2022), Article 8.13.3.

21 USMCA (2020).

22 Hong Kong, China–New Zealand CEPA (2011).

23 Hong Kong, China–New Zealand CEPA (2011), Chapter 13: Trade in Services, Article 9: Domestic Regulation; Annex III to Chapter 13: Disciplines on Domestic Regulation, paras. 9(c), (d), and (i).

24 United States–Ecuador Protocol on Trade Rules and Transparency (2021), Annex II: Good Regulatory Practices, Article 8: Use of Plain Language.

25 Johns and Saltane (2016).

26 See, for instance, Government of Ukraine, Law of Ukraine on Principles of State Regulatory Policy in the Sphere of Economic Activity, No. 1160-IV, adopted 11 September 2003, as amended, Articles 4, 5; European Union, Directive 2006/123/EC of the European Parliament and of the Council on services in the internal market (EU Services Directive), OJ L 376, 27 December 2006, Articles 7, 13; US Government, Administrative Procedure Act (APA), 5 U.S.C. §§ 552, 553; Government of New Zealand, Official Information Act 1982, as at 5 April 2025, Sections 4(a), 5; Government of Canada, Access to Information Act, R.S.C. 1985, c. A-1, current to 1 September 2025, last amended 1 June 2025, Section 2(1).

27 Johns and Saltane (2016).

28 European Union, Directive 2006/123/EC of the European Parliament and of the Council on services in the internal market (EU Services Directive), OJ L 376, 27 December 2006.

29 European Union, Directive 2006/123/EC of the European Parliament and of the Council on services in the internal market (EU Services Directive), OJ L 376, 27 December 2006.

30 European Union, Directive 2006/123/EC of the European Parliament and of the Council on services in the internal market (EU Services Directive), OJ L 376, 27 December 2006.

31 European Union, Directive 2006/123/EC of the European Parliament and of the Council on services in the internal market (EU Services Directive), OJ L 376, 27 December 2006.

32 European Union, Directive 2006/123/EC of the European Parliament and of the Council on Services in the Internal Market (EU Services Directive), OJ L 376, 27 December 2006.

33 For more information, see Government of Norway, Act Relating to Language, LOV-2021-05-21-42, last consolidated LOV-2022-12-20-115, available at https://lovdata.no/dokument/NLE/lov/2021-05-21-42; Government of Norway, Ministry of Government Administration and Reform, "Central Government Communication Policy", 16 October 2009, https://www.regjeringen.no/en/dokumenter/central-government-communication-policy/id582088.

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4 Single window

KEY INSIGHTS

- Single window mechanisms constitute a core area of GRP that typically serve two functions: (i) as information gateways to facilitate access to and dissemination of information; and/or (ii) as entry points enabling users to submit applications and request different services from the government.
- While the GATS does not contain an obligation for WTO members to establish single windows, the SDR Disciplines, similar to a number of recent PTAs, include commitments aimed at ensuring that applicants are not required to engage with more than one competent authority for each authorization. Similarly, they ensure that applications are consolidated in a single online portal – reflecting recent evolutions in digital technologies.
- The highly flexible nature of international commitments in this area reflects the intention of governments to maintain autonomy in implementing single window mechanisms, ensuring they align with their regulatory systems and resources.
- There is a clear trend towards the establishment of single windows in domestic practice, but scope, functions and features vary significantly – from sector-specific portals to comprehensive entry points for all government services (including services-related authorizations) and from information-only databases to portals supporting status-tracking, secure payments, e-signatures and multilingual interfaces.
- Various available indicators (e.g. UN E-Government Development Index (EGDI), World Bank GovTech Maturity Index (GTMI)) show broad portal availability but variable ability to manage and oversee the transaction process from initiation to completion – end-to-end transaction capability – and interoperability.

Key features

Factors that increase the costs for service suppliers include the accessibility of information related to authorization and the abundance of regulatory authorities involved in the procedures required. For instance, establishing a hospital may require licensing by the health ministry, approvals from the local authority for fire and operational safety, general business licences, compliance with taxation legislation and, where applicable, investment screening authorizations.

To reduce the resulting transaction costs for business, many governments have introduced so-called "single windows" or "one-stop shops".[1] Today, these represent an important GRP area, offering an opportunity to streamline and integrate the delivery of public services, while improving coordination across and within government levels. By facilitating easier access to requirements and procedures, single windows contribute to enhancing competitiveness and promoting overall economic welfare.[2]

A single window is a portal which can generally serve two key purposes: (i) as an information gateway to facilitate access to and dissemination of information, including existing requirements and procedures; and/or (ii) as an entry point enabling users to submit applications and request different services from the government.[3]

Single windows can be either physical or online (Figure 1). A physical single window consists of a network of offices where citizens and businesses can receive guidance and complete various transactions with the administration.[4] In a physical single window, different government agencies can be co-located to provide their respective services or, alternatively, a single office or official may be entrusted to handle all transactions with users comprehensively.[5] In contrast, online single windows can take diverse forms and be adapted to the existing technological infrastructure as well as the specific regulatory and administrative characteristics of a jurisdiction.[6] Compared to physical single windows, online systems include various other features, such as the use of electronic signatures, secure data exchange and coordination of responsibilities among agencies.[7]

In terms of their scope, single window mechanisms can vary from general to specialized.[8] A single window may operate economy wide and consolidate all business procedures into a unified portal. Alternatively, it may focus on a particular sector or set of procedures, such as a business start-up, financial services, or investment.

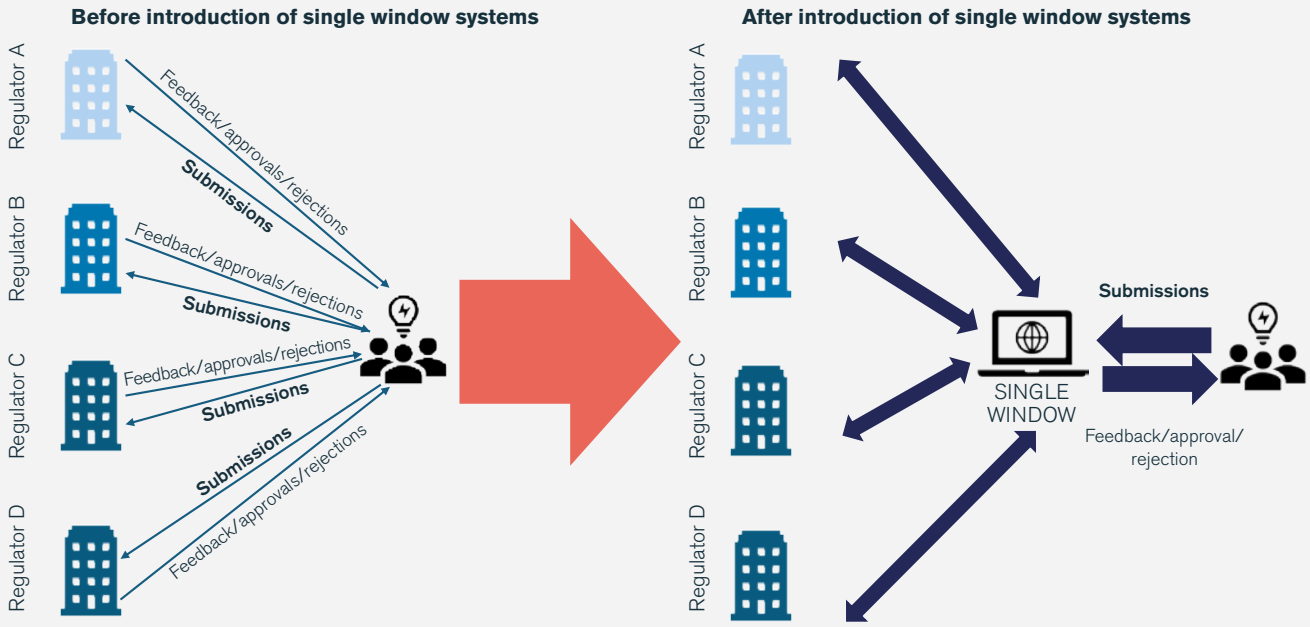
The design of single windows requires that governments undertake a comprehensive diagnostic mapping of existing requirements and procedures in relevant areas. Two overarching principles have been identified for the creation of single windows:

i. Single windows should form part of broader administrative simplification strategies: While single windows constitute an important tool to improve service delivery, reduce transaction costs and enhance societal welfare, they are only one component of broader efforts to reduce administrative burdens and improve the regulatory landscape more broadly.[9]

ii. Single windows should be user-centered: To ensure their effectiveness, single windows should be designed based on concrete "life events" in the business life cycle such as starting a business, obtaining permits, or expanding operations.[10] In this light, gathering users' inputs, including users' feedback on the desirable features of the system's functions, is critical.

There are several GRP principles which are relevant for the implementation of single windows, notably online. The OECD has developed guidance on best practices for single windows (Box 1). A single window may, for example, be leveraged to communicate to applicants information concerning their applications, including tracking the status, final decisions, missing documentation, or reasons for rejection. The single window can also be used to store documentation submitted by applicants to avoid requesting the same information from different agencies or again at a later stage. Additionally, the single window can also be used to contact the agencies responsible for the applications directly in case of questions or need for assistance. Other relevant aspects pertain to the possibility of paying applicable fees as well as the availability of the interface in multiple languages (including in English).

Figure 1: Traditional systems for submission of application v single windows



Source: WTO/World Bank.

Box 1: The 2020 OECD Best Practice Principles for One-Stop Shops for Citizens and Business

In 2020, the OECD *Best Practice Principles for Regulatory Policy: One-Stop Shops for Citizens and Business* was adopted; it sets out practical guidance in the following 10 areas:[11]

- **Political commitment:** One-stop shops require continued support from the broader government as well as continuous communication between political and administrative levels.
- **Leadership:** Governments need to foster a culture of learning by doing.
- **Legal framework:** Establishing one-stop shops requires adjustments to the legal framework to ensure smooth collaboration among agencies and maximize benefits to users.
- **Cooperation and coordination:** One-stop shops rely on solid communication between entities involved in planning and those responsible for implementation.
- **Role clarity:** Designing one-stop shops with clearly defined goals is crucial for managing expectations (both of users and governments) and for assessing results.
- **Governance:** One-stop shops require governance structures in which all government agencies participate at executive level, with operative decisions made by a single leading entity.
- **Public consultation:** Engaging users (i.e. citizens and businesses) is essential to understanding concrete needs and concerns with respect to service delivery from government agencies and to designing adequate and practicable solutions.
- **Communication and technological considerations:** One-stop shops require communication methods that best serve users while also addressing potential accessibility and interoperability issues.
- **Human capital:** Continuous investment and training of the staff responsible for the day-to-day operations of one-stop shops is crucial.
- **Monitoring and evaluation:** Continued assessment of the efficacy of one-stop shops (including through quantitative and qualitative indicators as well as users' feedback) is instrumental in identifying areas for improvement and ensuring ongoing relevance.

GATS, SDR Disciplines and other relevant trade agreements

The obligation to establish a "single window", notably online, does not appear in the GATS. However, over the past 10 to 20 years, and concurrently with the development of digital technologies and the internet, this practice has been developed substantially, and governments have started undertaking commitments in this area at the international level.

While not using the term "single window", the SDR Disciplines contain a commitment as follows[12]:

> Each Member shall, to the extent practicable, avoid requiring an applicant to approach more than one competent authority for each application for authorization. If a service is within the jurisdiction of multiple competent authorities, multiple applications for authorization may be required.[13]

The objective of this paragraph is to minimize the number of competent authorities that applicants need to approach when seeking authorization. However, it does not require authorities that are jointly responsible for granting authorizations under their shared jurisdiction, to collaborate for the purpose of submission of applications and to establish a single entry point. Furthermore, it should be noted that the SDR Disciplines allow WTO members to decide, based on resources and capacity, whether the single window should encompass the entire economy, a particular sector, or a regulatory area.

It is also worth noting that the scope of this commitment is limited to the submission of applications and does not refer specifically to the accessibility of information. With respect to the latter, the SDR Disciplines also contain an encouragement for WTO members to consolidate electronic publications into a single portal.[14]

The only other WTO covered agreement containing an obligation for a single window is the TFA, which has adopted a similar facilitation objective to the SDR Disciplines, but for goods trade. Recognizing the practical value of a single window, Article 10.4.1 of the TFA requires WTO members to establish or maintain a single window with a view to facilitating the expeditious movement of goods across borders.[15] Similarly to the SDR Disciplines, the scope of the single window obligation under the TFA is limited to the submission of applications and does not address the publication of information which is covered in Article 1.2 (Information available through the internet). Furthermore, the TFA requires that the single window is used to communicate final decisions on applications to applicants in a timely manner.[16]

It should also be noted that Article 10.4.2 of the TFA reflects an additional GRP principle, which may also be relevant for the establishment of single windows in the services context, although not reflected in the SDR Disciplines. This paragraph states that "where documentation and/or data requirements have already been received through the single window, the same documentation and/or data requirements shall not be requested" by regulatory authorities except in limited circumstances.

Finally, in the context of the TFA, WTO members are required to use information technology to support the single window.[17] While the obligation is set out as "to the extent possible and practicable", a preference is suggested for fully digitized single windows, rather than physical systems.

PTA practice

The obligation to establish single windows is still relatively rare in PTAs compared to obligations relating to transparency or legal certainty, and predictability of authorization procedures. In line with the SDR Disciplines, obligations relating to the establishment of single windows in services PTAs are mostly drafted in flexible language, which suggests a general hesitance to be fully bound in this area *vis-à-vis* other trading partners. Overall, it appears that governments have a preference to maintain significant discretion for the implementation of single windows at the domestic level.

Nevertheless, flexible obligations can still provide important guidance regarding the main GRP principles and the direction to follow to improve the effectiveness and efficiency of domestic authorization processes. For instance, the EU–Mexico Modernized Global Agreement[18] and the 2020 USMCA[19] mirror the SDR Disciplines by requiring adoption of single windows "to the extent practicable". The 2020 Hong Kong, China–Australia FTA, however, merely requires the parties to endeavour to avoid requiring an applicant to approach more than one competent authority for each application for authorization.[20] One exception is the 2020 Peru–Australia FTA, which omits the flexibility language ("to the extent practicable") and thus contains a mandatory obligation.[21]

Implementation at the domestic level

While single windows are certainly an important GRP dimension across the economy, their establishment entails significant investment of financial, human, institutional and infrastructure resources, at least in the initial establishment phase (for more information on technical assistance projects on the establishment of single windows, see Box 2). Nevertheless, various indicators point to the fact that, today, single windows systems have become increasingly more widespread at the domestic level.

One example of an online single window is India's National Single Window System (NSWS) – a digital platform that guides the identification and application for approvals according to different requirements applicable across India, including at the sub-national level. Introduced in September 2021, the NSWS serves as a one-stop shop for businesses, integrating services provided by various ministries, departments and state governments.[22] The project was part of a broader effort to streamline compliance processes in India, under which the Department for Promotion of Industry and Internal Trade eliminated more than 22,000 compliances at both federal and state levels.[23]

The NSWS goes well beyond the area of services and offers several key functionalities that benefit business operators more broadly. It provides a centralized "Know Your Approvals" feature, which helps users, through a questionnaire, to identify necessary authorizations. The system also includes a dashboard for managing approvals, allowing users to track their application status, and upload and store documents. These features significantly enhance transparency and reduce the time and effort required to obtain approvals by eliminating the need for multiple applications across various portals or physical visits to government offices.[24] Additionally, the NSWS integrates the possibility of asking direct questions to a technical team by connecting through video conferencing tools.

The implementation of the NSWS has been phased over the years. At its launch in 2021, it covered 18 central government departments and nine states. The platform has since expanded significantly and now hosts applications for approvals from 32 central departments and 29 state governments.[25] While detailed data on the number of applications received and approvals granted are limited, the NSWS website reports some significant statistics, with over 67,000 approvals being granted through the system.[26] The system's continued expansion and adoption across states and union territories is expected to further enhance its effectiveness in facilitating business operations and attracting investment.

Another interesting case is Singapore.[27] In the late 1990s, Singapore recognized the need to streamline its business registration and licensing processes. Responding to feedback from the business community, the government initiated the Online Business Licensing Service (OBLS) project to create a one-stop solution for business registration and licensing, simplifying what was previously a complex, multi-agency process. The project was executed in three stages: conceptualization, policy review and business process re-engineering, and automation. Initially, the agency task force bundled licences based on sectors, prioritizing industries where licensing was more complex. The second step involved reviewing policies and processes for each licence. Among the 156 licences undergoing the initial comprehensive review, several opportunities for streamlining were identified. Some licences were deemed redundant and eliminated, while others were combined where overlap or duplication was found. In certain cases, licences were converted into less onerous instruments (e.g. notification instead of approval).

The OBLS was a fully-fledged one-stop shop online portal which allowed end-users to customize their searches based on their specific business activities. When the end user completed the application, the system would automatically route the request to the relevant government agencies for processing. Apart from consolidating all the information in one portal, the OBLS application also enabled businesses to track the status of their applications and receive automatic messages or email notifications as soon as their applications were processed. The OBLS also enabled successful applicants to pay fees for all required licences in a single consolidated online payment.

The success of the OBLS was evident early on, with notable improvements for both the private sector and the government. The average approval processing time was reduced by 65 per cent, with some cases showing even more dramatic improvements. A cost-benefit analysis conducted after 18 months of operation revealed that businesses benefited from an estimated cost savings of US$ 27 million due to the OBLS project. Following this success, Singapore further modernized its business licensing system by introducing the GoBusiness portal, which offered additional features and integrated even more approvals for starting, running and growing a business.[28]

Box 2: UNCTAD digital government programme

United Nations Trade and Development (UNCTAD) has established a programme to support governments in leveraging technology to deliver public services quickly and successfully, without requiring IT assistance (i.e. through a no-code platform that allows civil servants to configure without the need for advanced programming skills). Among others, UNCTAD supports the establishment of digital single windows which are based on its eRegistrations system[29] – a user-centric solution that digitizes administrative procedures.

The system can be adapted to various processes, such as company registration, construction permits, licences and authorizations. It can handle operations involving only one government agency (such as registering at the business registry) as well as simultaneous multi-agency operations based on a single form (such as registering a company at the tax office, with the municipal council, with social security, at the labour department and also at the business registry). The eRegistrations system ensures interoperability between agencies and offers access to its centralized database where agencies can automatically extract the required information. Additionally, users' data are stored on secure servers, with protected connections and support for electronic signatures, to guarantee data integrity and confidentiality.

The programme also includes digital information and trade portals, digital fiscal and social security services, digital residency and digital documents, plus advisory and training to advance implementation.

For an example of an UNCTAD project to establish a digital single window for starting a business in Benin, see the information sheet below:

CASE STUDY **Starting a business in Benin**	
BEFORE Before the Benin digital single window was installed	TODAY Today with the Benin digital single window, marketed by APIEx as monentreprise.bj
Queue at the APIEx development agency, fill in 5 paper forms and hand in up to 12 documents, including prior notarized copies.	✓ Use any mobile phone to fill in an online form and scan 3 to 5 documents.
Pay fee in cash after queuing at the bank.	✓ Use the same mobile to pay the fee with mobile money or credit card.
Collect certificates 5 days later from APIEx.	✓ Receive certificates 2 hours later by email (fastest in the world).
28,800 companies registered in 2019.	✓ Company registration doubled in the two years following installation, one third by women, half by under 30s, half from outside the capital city. Project costs covered by additional fees.

Source: UNCTAD website.

For more information: Digital Government World - Digital Single Windows

Notably, the GoBusiness portal also offers personalized help and recommendations for business with "e-advisers" to find information about the licences required.

Mexico is an example of a jurisdiction that has introduced multiple single windows for different purposes. As part of the 2007-2012 National Development Plan, the *Ventanilla Única de Comercio Exterior Mexicana* (Mexican Foreign Trade Single Window) (VUCEM) was established in 2011 with a specific focus on foreign trade. In partnership with a number of ministries and agencies, the VUCEM digitizes customs and non-tariff measures to simplify imports and exports of goods and services and allows users to electronically submit information to comply with applicable regulations.[30] Subsequently, in 2016, Mexico also introduced the *Ventanilla Única Nacional* (National Single Window) (VUN) which serves as a platform for communication between government agencies and enterprises, allowing citizens to find and request government services in one place.[31]

Most recently, in 2023, Mexico created the *Ventanilla Única para Inversionistas* (One-Stop Shop for Investors) (VUI) to attract foreign and national investment by providing a simplified and centralized system.[32] The VUI provides interested businesses with access to relevant information, such as contacts of competent authorities, requirements and costs, response times, and other relevant information, to invest in Mexico.

In conclusion, single windows have become a core GRP to improve the ease of doing business and reduce compliance costs for service suppliers. However, single windows are an enabler, not a panacea. When the GATS was concluded in the 1990s, it did not include a requirement to establish single window mechanisms, as business activities mainly took place on paper and through physical interactions. In contrast, the more recent SDR Disciplines (and several services PTAs) encourage minimizing the number of competent authorities involved in authorization processes and consolidating information within a single online portal. The widespread use of flexible language reflects the intention of governments to preserve autonomy for implementation in accordance with legal systems and available resources. Domestic practice indeed varies by scope, function and depth – from sector-specific portals to economy-wide entry points that combine information and electronic submission. Various international benchmarks (e.g. UN EGDI and World Bank GTMI) suggest widespread portal availability but uneven end-to-end digital processing and interoperability. Accordingly, effective single windows are user-centred and integrated within broader administrative simplification strategies: they map procedures, eliminate duplications, enable secure identity/e-signatures and payments, avoid repeat requests for data already provided, and offer status-tracking, clear reasons for rejection and channels for assistance. Framed this way, single windows work *in tandem* with related GRPs – publication, electronic submission, enquiry points and review of decisions – to produce measurable improvements in authorization performance.

ENDNOTES

1 The terms are considered interchangeable. In this chapter, we will refer to the term single window for consistency purposes. OECD (2020), p. 10.

2 OECD (2020), p. 12.

3 OECD (2020), p. 12.

4 OECD (2020), p. 12.

5 OECD (2020), p. 12.

6 OECD (2020), p. 13.

7 OECD (2020), p. 27.

8 OECD (2020), p. 13.

9 OECD (2020), pp. 16-17.

10 OECD (2020), pp. 16-17.

11 OECD (2020), pp. 18-19.

12 SDR Disciplines (WTO, 2021), para. 4.

13 SDR Disciplines (WTO, 2021), para. 4.

14 SDR Disciplines (WTO, 2021), fn 12 to para. 13. See also subsection 2.3 on "Online publication of information".

15 TFA, Article 10.4.1: "Members shall endeavor to establish or maintain a single window, enabling traders to submit documentation and/or data requirements for importation, exportation, or transit of goods through a single entry point to the participating authorities or agencies." For further information, see ITC (2020).

16 TFA, Article 10.4.1.

17 TFA, Article 10.4.4.

18 EU–Mexico Modernized Global Agreement, Title on Investment and Trade in Services, Chapter V: Regulatory Framework, Section A: Domestic Regulation (as published on its political conclusion in April 2018 and updated in April 2020 and January 2025), Article 5.2, https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/mexico/eu-mexico-agreement/text-agreement_en.

19 USMCA (2020), Chapter 15: Cross-border Trade in Services, Article 15.8: Development and Administration of Measures.

20 Hong Kong, China–Australia FTA (2020), Chapter 7: Cross-border Trade in Services, Article 7.8: Domestic Regulation.

21 Peru-Australia FTA (2020), Article 9.8.4. It should be noted that this obligation does not apply to sectors or measures listed as non-conforming measures or reserved sectors, similar to the SDR Disciplines, which only apply to sectors included in members' GATS schedule.

22 Government of India, National Single Window System, "About NSWS", https://www.nsws.gov.in/about-us.

23 Bhardwaj (2021).

24 Government of India, "National Single Window System", https://www.nsws.gov.in.

25 Government of India, "National Single Window System", https://www.nsws.gov.in.

26 Government of India, "National Single Window System", https://www.nsws.gov.in.

27 Molfetas (2019).

28 Government of Singapore, GoBusiness portal, "Government e-services for your business", https://www.gobusiness.gov.sg/.

29 UNCTAD, "UNCTAD digital government platform", https://www.eregistrations.org/.

30 Government of Mexico, "Ventanilla Única de Comercio Exterior Mexicana (VUCEM)", https://www.ventanillaunica.gob.mx/vucem/index.html.

31 Government of Mexico, "Ventanilla Única Nacional (VUN)", https://www.gob.mx/gobiernoslocales?tab=VUN.

32 Government of Mexico, "Ventanilla Única para Inversionistas (VUI)", https://www.inversiones.gob.mx/ventanilla.

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5 Authorization fees

KEY INSIGHTS

- Various GRP principles are relevant for the determination and levying of fees for services authorizations. The aim is to ensure that these fees do not present unnecessary obstacles to market entry, and contribute to a fair, predictable and accessible regulatory environment for obtaining permission to supply services.
- While the GATS does not address the issue, the SDR Disciplines – like many recent services PTAs – require that authorization fees be "reasonable, transparent, based on authority set out in a measure, and do not in themselves restrict the supply of the relevant service".
- At the domestic level, fees vary significantly by sector and authorization type, and various common GRP aspects can be observed across sectors. These include the transparency of fees, referring to whether amounts are clearly published, including with an indication of their legal basis, their rationale and modifications over time (ideally online); their reasonableness; and ensuring that fees reflect actual regulatory costs rather than acting as *de facto* market barriers. The availability of electronic payment methods is also significant.

Key features

Fees and charges levied in connection with the supply of services impact the cost of doing business and may affect how easily new or smaller firms can enter, compete, and exit without facing undue barriers. While there is significant variation at the domestic level across sectors, a number of GRP principles guide the determination and levying of fees for services authorizations.[1]

Firstly, it is a recognized element of GRP that authorization fees be transparent. Publication of fees, or their methods for calculation – alongside an explanation of their legal basis – provide service suppliers with greater predictability in their expenses, which is crucial for planning and cost forecasting of business operations. Particularly important for new suppliers or small enterprises, high fees and/or lack of clarity around their amount can constitute a barrier to entry, thereby reducing competition and limiting the diversity of the services on offer.

Another GRP principle relates to how reasonable authorization fees are, particularly in relation to the cost of processing applications or other regulatory activities. In this respect, the objective is to ensure that suppliers are paying for the actual administrative service rendered. This principle of proportionality helps prevent fees from being set at excessively high levels that could restrict market entry, while recognizing that administrations retain the right to levy taxes on service suppliers.

Furthermore, with the increasing reliance on electronic tools for authorization procedures, the possibility to pay applicable fees electronically is, nowadays, also progressively emerging as a GRP principle.

GATS, SDR Disciplines and other relevant trade agreements

The GATS does not specifically include an obligation on fees in relation to authorization for service suppliers. Nevertheless, Article VI:1 requires that, in sectors with commitments, "measures of general application are administered in a reasonable, objective, and impartial manner". While this obligation influences how fees are administered, it is questionable whether the determination of fees also falls within its scope.

The SDR Disciplines, on the other hand, contain substantive obligations regarding authorization fees for service suppliers:[2]

> Each Member shall ensure that the authorization fee[FN] charged by its competent authorities are reasonable, transparent, based on authority set out in a measure, and do not in themselves restrict the supply of the relevant service.
>
> [FN]: Authorization fees do not include fees for the use of natural resources, payments for auction, tendering or other non-discriminatory means of awarding concessions, or mandated contributions to universal service provision.

It should be noted that the SDR Disciplines do not positively define the phrase "authorization fee". Rather, the footnote to this paragraph excludes certain fees from the scope of application of this obligation, namely, fees linked to the use of natural resources, payments for auction, tendering or other non-discriminatory means of awarding concessions, as well as mandated contributions to universal service provision.

Moreover, the SDR Disciplines do not distinguish between an authorization fee and fees charged for processing of applications. Authorization fees, as they may include application fees, have a broader scope: application fees include fees for the costs of issuing and maintaining the authorization, as well as any ongoing monitoring or compliance activities required by the regulatory authority, such as supervision, inspections, or annual compliance reviews.

Thus, the scope of authorization fees does not exclude fees that are paid after an application for authorization has been processed and granted, when those fees serve the purpose of paying for costs incurred in the context of maintaining or renewing such authorization. Additionally, based on the broad definition of authorization in the SDR Disciplines, authorization fees would also include fees that are charged to fulfil certain preconditions to obtain authorization, e.g. fees charged by professional associations to which membership is a continuing requisite for maintaining a license to exercise a profession in the country.

One key obligation set out in the SDR Disciplines relates to the transparency of authorization fees. Transparent fees bring consistency and predictability, as service suppliers need to know in advance what they

will be charged, so that the fees can be factored into business plans without unexpected changes or hidden increases or charges.

In light of this, there are various transparency-related aspects that come into play, such as ensuring that the process for setting and applying fees is clear, accessible and understandable for all stakeholders, including service providers, the general public and other regulatory authorities; providing a detailed explanation of how authorization fees are calculated, including what specific costs they cover; disseminating to the public information about the rationale behind the fee structure; and communicating any changes to fee structures, including in advance, with a clear explanation for the changes.

With respect to transparency, the SDR Disciplines also generally require that information regarding fees is published promptly, or otherwise made publicly available in writing.[3] In this context, it is interesting to note that, with respect to goods trade, Article 6.1 of the TFA goes further and specifies that: "this information shall include the fees and charges that will be applied, the reason for such fees and charges, the responsible authority and when and how payment is to be made." It also provides that "an adequate time period shall be accorded between the publication of new or amended fees and charges and their entry into force, except in urgent circumstances. Such fees and charges shall not be applied until information on them has been published."[4] Last but not least, Article 6.1 requires that there is a periodic review of fees and charges, with a view to reducing their number and diversity.[5]

Furthermore, the SDR Disciplines require authorization fees to be "reasonable". However, it is noteworthy that the reasonability of fees is not benchmarked against costs. Indeed, the SDR Disciplines do not refer to fees being "limited in amount to the approximate cost of services rendered", as in the corresponding provision of Article VIII:1(a) GATT and Article 3.2 of the TFA. In WTO dispute settlement, the term "reasonable" that appears in other provisions of the agreements has been understood to refer to notions such as "in accordance with reason", "not irrational or absurd", "proportionate", "having sound judgement", "sensible", "not asking for too much", "within the limits of reason, not greatly less or more than might be thought likely or appropriate", "articulate",[6] and not ignoring obvious facts and standard practice.[7]

The use of the reasonability requirement in the SDR Disciplines might be read as allowing for more discretion in fee-setting and providing room for regulatory authorities to depart from a strict linkage to cost, as long as fees remain fair and not excessive. Reasonable fees could also provide coverage for broader cost considerations, such as indirect costs or costs related to future improvements in regulatory oversight.

Another requirement set out in the SDR Disciplines is that fees be "based on authority set out in a measure"[8]; this obligation aims to guarantee that fees have a clearly defined regulatory foundation. It requires a formal specification that the competent authority has the right to levy authorization fees and should ideally also set out the conditions or criteria under which such fees are imposed. The requirement ensures that authorization fees are established through a legitimate process, are consistent with the legal framework, and are therefore subject to review or oversight.

The SDR Disciplines also stipulate that the fees must not in themselves restrict the supply of the relevant service. In a similar vein, it should be highlighted that the SDR Disciplines require that authorization procedures "do not in themselves unjustifiably prevent the fulfilment of requirements".[9] The concept that procedures may "in themselves" restrict the supply of a service is already embedded in GATS Article VI:4 (c). The latter sets out that the disciplines on domestic regulation to be developed by WTO members shall ensure, *inter alia*, that "[..] licensing procedures, [be] not in themselves a restriction on the supply of the service".

In the specific context of fees, such a requirement seeks to ensure that fees do not act as *de facto* market access barriers. This implies that fees should not be excessively high, or fee collection methods overly cumbersome, so that they discourage service suppliers from entering the market or make it financially burdensome for existing suppliers to continue providing their services. In practice, it can be argued that authorization fees that are "reasonable" typically also meet the requirement that they do not in themselves restrict the supply of the relevant service.

It is worth noting that, in the case of financial services, the SDR Disciplines address the matter of authorization fees differently. The provision contained in the Alternative SDR Disciplines differs from the horizontal obligation outlined above and provides that:

> Each Member shall ensure that its competent authorities, with respect to authorization fees they charge, provide applicants with a schedule of fees or information on how fee amounts are determined.[10]

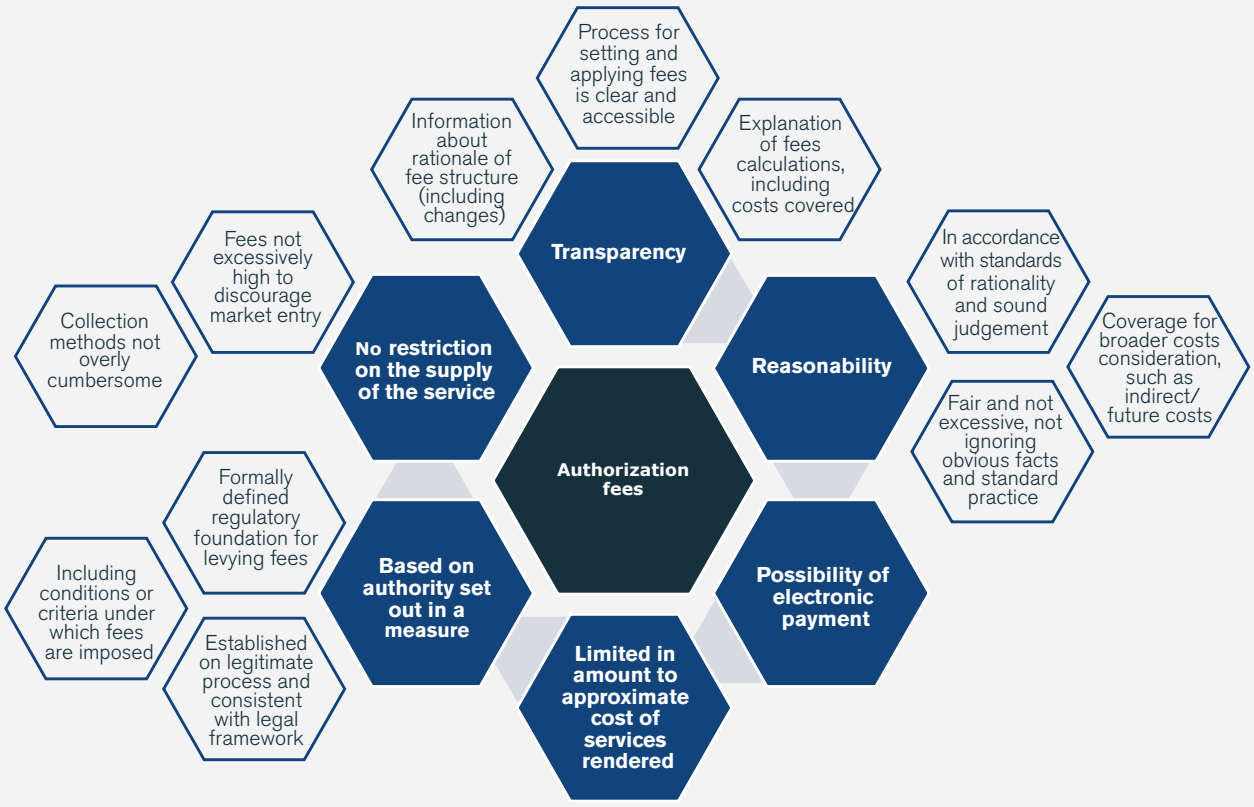
For financial services, therefore, the obligation is limited to a very specific transparency requirement, namely the provision of fee schedules or information of how fees are determined. This type of milder obligation aims to preserve even greater flexibility for financial regulators in the process of determining fees.

The SDR Disciplines do not require competent authorities to provide applicants with the possibility of paying authorization fees electronically. In contrast, such an obligation appears, albeit as a best endeavour commitment, in Article 7.2 of the TFA which says that "each Member shall, to the extent practicable, adopt or maintain procedures allowing the option of electronic payment for duties, taxes, fees, and charges collected by customs incurred upon importation and exportation."[11] Figure 1 provides an overview of the various GRPs in the area of authorization fees.

PTA practice

The majority of PTAs also contain obligations with regard to authorization fees.[12] In contrast to the SDR Disciplines, several of these agreements explicitly limit the obligation of authorization fees to the application stage only, by providing that the fees at issue are those that are "charged for the completion of relevant application procedures" (for example, Article 8.15.7 of 2022 RCEP) or are those "which the applicants may incur from their application" (for example, Article 8.31.2 of 2019 EU–Japan EPA). These agreements frequently replicate the key elements of the SDR Disciplines, meaning that fees are to be reasonable, transparent and do not restrict in themselves the supply of the relevant service.[13] They also mirror the SDR Disciplines in stipulating that authorization fees "do not include fees for the use of natural resources, payments for auction, tendering or other non-discriminatory means of awarding concessions, or mandated contributions to universal service provision".[14]

Figure 1: GRPs in the area of authorization fees



Source: WTO/World Bank.

Some PTAs, however, reflect a more closely cost-oriented focus. For example, the 2017 EU–Canada CETA provides that "an authorization fee that an applicant may incur in relation to its application for an authorization shall be reasonable and commensurate with the costs incurred."[15] It is also seen, for example, in the case of the 2016 EU–Georgia Association Agreement (Article 95), the 2014 Switzerland–China FTA (Annex VI, Article 2) and the 2011 Hong Kong, China–New Zealand CEPA (Annex III to Chapter 13).

With respect to transparency, several PTAs contain specific provisions requiring the publication of authorization fees, such as the 2023 UK-Iceland, Liechtenstein and Norway FTA, the 2021 EU–UK TCA, the 2020 PACER Plus, and the 2020 USMCA.[16]

It is also worth noting that most PTAs maintain the same obligations on authorization fees across all services sectors, i.e. also including financial services. This means that even those agreements which have separate chapters on financial services (for example, 2017 EU–Canada CETA, 2022 RCEP, 2019 EU–Japan EPA) do not contain a different obligation for fees in this area. One exception is the 2020 USMCA "Financial Services", whose Article 17:13:7(k) is in line with the obligation contained in the Alternative SDR Disciplines: "financial regulatory authorities provide applicants with a schedule of fees or information on how fee amounts are calculated". Additionally, the provision sets out the additional safeguard that parties are not to "use the fees as a means of avoiding the Party's commitments or obligations under [the Financial Services] Chapter".

Implementation at the domestic level

At the domestic level, governments regulate the issue of fees related to authorization in various ways, depending on the specific characteristics of each sector. An analysis of WTO–World Bank STPD data shows significant diversity in how authorization fees are regulated in terms of amount and structure, reflecting differences in regulatory objectives in different sectors and the intensity of oversight required. Nevertheless, there are various GRP aspects that are common in guiding the determination and levying of fees across sectors. These include, for example, ensuring that fees are transparent, proportionate to regulatory effort and non-discriminatory, that information on fee schedules is published, and that periodic reviews of fee amounts are carried out, including in consultation with stakeholders.

As an example, financial services often involve higher and more complex fee structures due to the sector's systemic importance, requiring intensive supervision, risk mitigation and prudential oversight. Authorization fees for locally established suppliers typically include fees to cover administrative review costs and license issuance fees payable upon approval, which may vary based on the scope of financial activities. Annual supervision fees may also apply and are calculated either as a flat rate or based on institutional size or risk profile.

A transparent and reason-based approach to regulating authorization fees is exemplified by New Zealand's Financial Markets Conduct (Fees) Regulations of 2014.[17] In New Zealand, a financial institution license is required for any registered bank, licensed insurer, or licensed non-bank deposit taker in the business of providing one or more relevant financial service, if that service is received by a consumer in New Zealand.[18] The licensing fees are calculated on a cost-recovery basis as the charges are directly linked to the estimated time and resources required by the regulator to assess each application.

In 2024, the basic application fee for a financial institution licence was NZD 1,024.93[19] based on 5.75 hours of estimated time to assess a standard application.[20] The fee for each authorized body included in the licence was NZD 614.95[21] based on an estimated assessment time of 3.45 hours.[22] If the assessment time exceeds 6.75 hours, the Financial Markets Authority (FMA) is authorized to charge an additional hourly fee of NZD 178.25, or *pro rata per part-hour.*[23] Furthermore, applications to vary licence conditions are subject to a base fee of NZD 115, plus the same hourly rate of NZD 178.25.[24] These fees are clearly outlined on the FMA's official website,[25] and applicants are informed in advance of any additional charges, along with the reasons for those charges.[26] License fees[27] can be paid online by credit card, debit card, or real time debit at the time of application submission via the FMA website.[28]

Insofar as professional services are concerned, fees are typically generally administrative in nature and linked to discrete steps in the qualification/authorization process: (i) assessing foreign qualification and recognition, (ii) undertaking examinations and any required bridging or practical training, (iii) admission/licensing/registration, and (iv) ongoing annual fees to maintain the right to practice and ensuring compliance with ethical standards. Such charges are typically framed as cost-oriented,

funding credential checks, assessment delivery, admission processing and regulatory supervision, rather than serving as revenue-raising instruments.

In the specific case of legal services, authorization fees for foreign professionals typically include charges for recognition of foreign qualifications, professional licensing or bar registration fees, as well as fees for local examinations and mandatory training. Additionally, annual fees may also be required for maintaining active licensure. For example, both in England and Wales as well as in Singapore, the authorization pathway for foreign-trained lawyers follows the same basic pattern: (i) assessment/exam fees (Solicitors Qualifying Examination, or SQE, in England and Wales; Part A in Singapore) to cover the delivery of national assessments; (ii) an admission/registration fee payable on being admitted; and (iii) an annual practising-certificate fee to fund ongoing regulation.[29]

These fees are published online, payable electronically and are framed as cost-oriented administrative fees rather than revenue-raising instruments. Exam fees fund assessment delivery; admission fees cover processing; and practice fees are set to recover the regulator's approved costs (including mandated levies), rather than to generate surplus income.[30] In Singapore, the practising-certificate fee is prescribed under the legal framework and supports regulatory and professional functions.

Overall, the structure splits non-refundable processing/assessment charges from post-grant and ongoing fees, aligning payment points with the underlying regulatory costs. In addition to fees related to the individual qualification process, competent authorities in many jurisdictions also levy company-level authorizations and levies. Looking at other professional services, in auditing, audit-firm registration and inspection fees are widespread, while in many jurisdictions, engineering and architecture firms require certificates of authorization.

When it comes to telecommunication services, common licensing objectives include regulating the provision of an essential public service, expanding service networks, establishing a level playing field for competition, supporting consumer protection, generating government revenues, and ensuring the efficient allocation of radio spectrum (i.e. frequencies for various forms of communication such as radio and television) in the public interest.[31] Correspondingly, fee frameworks in this sector usually comprise two elements: (i) licence/authorization fees, which are typically cost-recovery (covering regulatory processing and compliance oversight); and (ii) spectrum-related charges, which include one-off spectrum assignment payments (e.g. auction receipts where mobile operators bid for frequency blocks and the highest bidders pay an upfront price to secure usage rights, or administered incentive pricing where regulator sets a fee that reflects the economic value of the spectrum to encourage efficient use, and which, in practice, often generate substantial public revenues) and recurring spectrum management/usage fees, aimed at covering the costs of ongoing spectrum administration and encouraging efficient use.

Framed this way, the mix of licence fees and spectrum charges is a means of achieving the policy objectives above, with cost-recovery applying to regulatory and spectrum-management activities, and assignment payments reflecting the value and efficient use of the spectrum. Authorization fees to establish in the local market typically include payments to the competent authority for the right to operate and offer services, administrative charges to cover the regulator costs associated with managing and supervising use of radio spectrum, and administrative charges to compensate the authority's costs for overseeing other regulatory functions, such as licensing and ensuring compliance with license terms.

The International Telecommunication Union (ITU) considers a best practice to distinguish between different types of fees to help improve transparency, cost-based structure, and efficiency.[32] Fees should not impose unnecessary burdens on the sector and should be proportionate to the operational size of the service provider.[33] Furthermore, spectrum fees should be applied on an equitable basis and, ideally, be accompanied by published fee schedules developed in consultation with stakeholders.[34]

Singapore exemplifies certain GRP aspects in this area. Administered by the Infocomm Media Development Authority (IMDA), Singapore's licensing framework distinguishes between service-based operators (SBOs) and facilities-based operators (FBOs) and applies differentiated and proportionate fees. Foreign and domestic investors seeking to provide telecom services without deploying infrastructure can obtain an SBO (class) licence for a modest one-time application fee of SGD 200.[35] For FBOs, which deploy and operate their own telecom infrastructure, Singapore employs a tiered

annual fee model based on the operator's annual gross turnover (AGTO), with fees starting at SGD 80,000 and scaling up to 1 per cent of AGTO for larger operators.[36]

In addition to licensing fees, the IMDA adopts a cost-recovery approach to spectrum fees. According to IMDA's *Spectrum Management Handbook,* spectrum fees include a one-time application and processing fee, which covers the cost of evaluating the suitability of the assigned frequency, and an annual frequency management fee, which recovers the cost of ongoing regulatory oversight to safeguard frequency use.[37] In terms of value, the spectrum application and processing fee is SGD 100 per frequency for commonly assigned frequencies used temporarily or occasionally, and SGD 300 per frequency for all other types, including satellite downlink frequencies.[38]

An annual frequency management fee is determined based on bandwidth and service type, with clearly defined rates; for instance, SGD 400 for small-band private mobile use[39] and up to SGD 29,800 for 10–20 MHz of spectrum.[40] For high-demand spectrum bands, such as those used for 5G services, Singapore employs transparent and market-based auctions – competitive bidding with published rules and reserve prices so that bidders reveal how much they value each frequency block, and licenses go to the highest-valuing users.[41] All of these prescribed fees and auction details are published online on the IMDA's website.[42]

In conclusion, fees are a critical component of authorization processes, and how they are determined and communicated to the public strongly influences the accessibility and predictability of services markets. Domestic fee structures necessarily vary depending on sector-specific regulatory needs and the type of authorization required. Nevertheless, several GRP principles are broadly recognized for the determination and levying of authorization fees – which are also reflected in the SDR Disciplines and various recent services PTAs. These include transparency of fees, namely whether fee amounts are clearly published, including with a legal basis, their rationale and notice of changes (ideally online); their reasonableness and cost-oriented nature, ensuring that fees reflect actual regulatory costs rather than acting as *de facto* market barriers; and the availability of electronic payment methods. Together, these practices help ensure that authorization fees do not become unnecessary obstacles to market entry, and contribute to a fair, predictable and accessible regulatory environment for obtaining permission to supply services.

ENDNOTES

1 For the purpose of this Handbook, and to reflect the scope of authorization fees addressed in the SDR Disciplines, "authorization fees do not include fees for the use of natural resources, payments for auction, tendering or other non-discriminatory means of awarding concessions, or mandated contributions to universal service provision".

2 SDR Disciplines (WTO, 2021), para. 9. Note that in the Alternative SDR Disciplines, the authorization fee obligation is different, and will be discussed further below.

3 SDR Disciplines (WTO, 2021), para. 13 (c).

4 TFA, Article 6.1.

5 TFA, Article 6.1.

6 WTO (2005), para. 7.385.

7 WTO (2005), paras. 7.378-388; WTO (2001), paras. 11.67-68.

8 SDR Disciplines (WTO, 2021), para. 9.

9 SDR Disciplines (WTO, 2021), para. 22(c).

10 Alternative SDR Disciplines (WTO, 2021), para. 8. Consistent with the horizontal SDR Disciplines, the footnote adds that "[a]uthorization fees do not include fees for the use of natural resources, payments for auction, tendering or other non-discriminatory means of awarding concessions, or mandated contributions to universal service provision."

11 It should be noted that an equivalent provision has recently been added to the WTO Agreement on Investment Facilitation for Development (IFD) (Article 18.2), official document INF/IFD/W/55, for application on foreign direct investment in all economic sectors, including services sectors. However, discussions on the incorporation of the IFD Agreement in the WTO rulebook are still ongoing among WTO members and, therefore, the Agreement is not yet in force.

12 CPTPP (2018), Article 10.8.5; USMCA (2020), Article 15.8.4.

13 See, for example, RCEP (2022), Article 8.15; Pacific Alliance Additional Protocol (2016), Article 9.9(4); EU-Japan EPA (2019), Article 8.31.2; UK-Japan CEPA (2021), Article 8.31.2; Indonesia-Republic of Korea CEPA, Article 6.10.3(a).

14 See, for example, UK-Australia FTA (2023), fn 19 to Article 8.8.8; UK-New Zealand FTA (2023), fn 8 to Article 10.9; UK-Iceland, Liechtenstein and Norway FTA (2023), fn 38 to Article 3.36; EU-UK TCA (2021), Article 151.3; ATISA (2021), fn 9 to Article 16.10; RCEP (2022), Article 8.15.7(a); USMCA (2020), Article 15.8.4; and CPTPP (2018), fn 7 to Article 10.8.5.

15 EU-Canada CETA (2017), Article 12.3.8.

16 UK-Iceland, Liechtenstein and Norway FTA (2023), Art. 3.38: Publication and Information Available; EU-UK TCA (2021), Article 153: Publication and information available; PACER Plus (2020), Chapter 7, Art. 17.3.c; USMCA (2020), Article 15.8.6(a).

17 Government of New Zealand, *Financial Markets Conduct (Fees) Regulations 2014*, LI 2014/110 (version as at 1 January 2024), https://www.legislation.govt.nz/regulation/public/2014/0110/latest/whole.html#DLM6001542.

18 Government of New Zealand, Financial Markets Authority (FMA), "Financial Institution Licensing" (22 January 2024), https://www.fma.govt.nz/business/services/financial-institutions/financial-institution-licensing/.

19 Government of New Zealand, *Financial Markets Conduct (Fees) Regulations 2014*, LI 2014/110 (version as at 1 January 2024), Schedule 1, Part 1.1, https://www.legislation.govt.nz/regulation/public/2014/0110/latest/whole.html#DLM6001542.

20 Government of New Zealand, Financial Markets Authority (FMA), *Financial Institution Licence Guide*, Version 3 (2025), p. 6, https://www.fma.govt.nz/assets/Licensing-guides/Financial-institution-licence-guide.pdf.

21 Government of New Zealand, *Financial Markets Conduct (Fees) Regulations 2014*, LI 2014/110 (version as at 1 January 2024), Schedule 1, Part 1.1, https://www.legislation.govt.nz/regulation/public/2014/0110/latest/whole.html#DLM6001542.

22 Government of New Zealand, FMA, *Financial Institution Licence Guide*, p. 6, https://www.fma.govt.nz/assets/Licensing-guides/Financial-institution-licence-guide.pdf.

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25 Government of New Zealand, Financial Markets Authority (FMA), "Financial Institution Licensing" (22 January 2024), https://www.fma.govt.nz/business/services/financial-institutions/financial-institution-licensing/.

26 Government of New Zealand, Financial Markets Authority (FMA), *Financial Institution Licence Guide*, Version 3 (2025), p. 6, https://www.fma.govt.nz/assets/Licensing-guides/Financial-institution-licence-guide.pdf.

27 This payment is to apply for a financial institution licence and does not include any annual levies or fees to register on the Financial Service Providers Register.

28 Government of New Zealand, Financial Markets Authority (FMA), *Financial Institution Licence Guide*, Version 3 (2025), p. 6, https://www.fma.govt.nz/assets/Licensing-guides/Financial-institution-licence-guide.pdf.

29 For England and Wales, see: Solicitors Regulation Authority, "How much does the SQE cost?", https://sqe.sra.org.uk/about/cost; "Fee policy 2025/26" (Updated 30 September 2025), https://www.sra.org.uk/mysra/fees/current-fees/. For Singapore, see: Singapore Institute of Legal Education, "Part A of The Singapore Bar Examination", https://www.sile.edu.sg/the-singapore-bar-admission/part-a/; The Law Society of Singapore, "PC Application", https://www.lawsociety.org.sg/for-lawyers/pc-application/.

30 In England and Wales, the practising-certificate fee is collected alongside earmarked levies (e.g. contributions to the oversight bodies and a separate Compensation Fund contribution), which are ring-fenced for regulatory/consumer-protection purposes.

31 Intven, Oliver and Sepulveda (2000), pp. 2-4; Blackman and Srivastava (2011), p. 65.

32 Intven, Oliver and Sepulveda (2000), pp. 17-18; ITU (2016), p. 10.

33 Intven, Oliver and Sepulveda (2000), p. 18.

34 ITU (2016), pp. 25-27.

35 Government of Singapore, Infocomm Media Development Authority (IMDA), *Guidelines for Submission of Application for Services-based Operations Licence*, Version 5b (2022), p. 6, https://www.imda.gov.sg/-/media/imda/files/regulations-and-licensing/licensing/telecommunication/services-based-operations/sboguidelines.pdf.

36 Government of Singapore, Infocomm Media Development Authority (IMDA), *Guidelines on Submission of Application for Facilities-based Operations Licence*, Version 7 (2025), pp. 6-7, https://www.imda.gov.sg/-/media/imda/files/regulations-and-licensing/licensing/telecommunication/facilities-based-operations/fboguidelines.pdf.

37 Government of Singapore, Infocomm Media Development Authority (IMDA), *Spectrum Management Handbook*, Issue 1 Rev 2.16 (2022), p. 35, https://www.imda.gov.sg/-/media/imda/files/regulation-licensing-and-consultations/frameworks-and-policies/spectrum-management-and-coordination/spectrummgmthb.pdf.

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6 The governance of regulators: independence and impartiality of decision-making

KEY INSIGHTS

- Given the existence of increasingly complex and dynamic regulatory environments, the governance of regulators sets out core GRP areas that support effective regulatory outcomes. High quality governance underpins innovation and investment and ensures that safety and security standards are met, sending a clear signal that the economy is a predictable and reliable place to do business.
- Independence guarantees how regulators arrive at and administer decisions free from undue political or supplier influence. It can be ensured structurally (through institutional separation) or functionally (conflict-of-interest policies, reasoned actions, and review of decisions). Impartiality requires even-handed, requirements-based administration and fit-for-purpose procedures.
- GATS VI:1 addresses the conduct of administration (reasonable, objective, impartial) while the Reference Paper on Basic Telecommunications requires structural separation and impartial decision-making of regulators in a given sector. The SDR Disciplines extend this concept across sectoral authorization systems: decisions should be reached and administered independently from suppliers, and procedures should be impartial, adequate, and non-obstructive. They also include a WTO first provision on non-discrimination between men and women in authorization measures.
- Recent PTAs increasingly mirror the SDR Disciplines by requiring the independent arrival at and administration of decisions and the impartiality, transparency and adequacy of authorization procedures (often with telecom reference paper-style references to legal separation from suppliers), creating an external coherence benchmark for domestic frameworks across services sectors.
- Many jurisdictions have moved towards independent regulators, pairing autonomy with accountability through appointment and tenure rules, predictable funding, transparency, consultation, explanation of reasons, and independent review. Where full structural separation is not feasible or where powers are delegated to professional bodies, robust functional safeguards are essential.

Key features

Quality laws and regulations depend on regulators that can apply them in an effective and efficient manner, free from potential undue influence.

Regulators are the public interface between regulatory frameworks and citizens and businesses.[1] They are tasked with implementing and enforcing regulatory frameworks – to keep markets functioning and to pursue a variety of social, economic and environmental policy objectives.

For this reason, the governance arrangements of regulators – their legal basis, functions and accountability mechanisms – are critical to their ability to discharge their mandate in an effective and transparent manner and ensure their legitimacy in the eyes of the public.

The governance of regulators highlights several GRP-related aspects which can serve to promote public trust and reduce discretionary and unpredictable decision-making-driven risk, thereby enhancing the quality of regulatory outcome. *The 2012 OECD Recommendation of the Council on Regulatory Policy and Governance* suggests that OECD Member countries:

> Develop a consistent policy covering the role and functions of regulatory agencies in order to provide greater confidence that regulatory decisions are made on an objective, impartial and consistent basis, without conflict of interest, bias or improper influence.[2]

Two main aspects of governance for regulators can be distinguished[3]: (i) external governance (how the regulator interacts with its external environment) – the functions, relationships and distribution of powers between regulatory bodies and regulated entities; and (ii) internal governance (how the regulator is structured and operates internally) – the regulator's organizational design, conduct, responsibilities, accountability and oversight mechanism.[4] Evidence shows that more consistent and predictable regulatory decision-making can foster investment.[5] Fair treatment can encourage innovation by reducing uncertainty and risks associated with new products or technologies. Furthermore, it is essential to guarantee that safety and efficacy standards of regulated products or activities are met, and that any potential exceptions are based on objective and justifiable criteria (such as differences in the nature of the products or activities being regulated).

In support of this aim, the OECD organizes governance guidance in relation to seven areas: clear definition of roles; preventing undue influence and maintaining trust; decision-making and governing body structure; accountability and transparency; engagement; funding; and performance evaluation (see Box 1).

A well-governed regulator aligns their policy design, their operational delivery, and their review and learning functions so that each stage informs and strengthens the overall regulatory cycle.[6] Policies are designed with implementation in mind; operations generate data on timeliness, quality and outcomes; and periodic review that uses evidence to adjust rules, guidance and processes. As the OECD frames it, policy-making is a whole-of-government activity which relies on the support of various institutions with a view to driving coherence, improvement and predictability for citizens and businesses.[7]

An initial GRP principle for the governance of regulators relates to the definition of roles and transparency: a quality regulator has a defined purpose, an established structure and set of functions, decision-making methods, as well as coordination mechanisms with other authorities to avoid duplication, gaps or conflicting actions. With this in mind, the regulatory powers should be clearly and transparently specified in the establishing legislation and be appropriate and sufficient to achieving the objectives.[8] In addition, governments should compile and maintain a public record of all existing regulators and the functions they are entrusted with.[9] The extent to which regulators prescribe specific activities depends on the specificity of each case; principle-based legislation, which leaves regulators with more discretion in selecting the appropriate tools to pursue their functions, is likely to be the most appropriate in complex or rapidly changing fields.[10]

Additionally, a regulator should not be assigned conflicting competing functions or objectives; a framework, at least, should be provided to guide the regulator in assigning priorities and making trade-offs between assigned functions, while at the same time protecting the interests of the public.[11] Clarity also applies with respect to the requirements and procedures of the appointment of regulators' staff, as well as behavioural codes, and policies regarding conflicts of interest. Transparency also extends to regulators' rules and processes. Key instruments, including compliance and enforcement policies, inspection protocols and sanctioning criteria should

Box 1: The OECD best practice principles for regulatory policy: the governance of regulators

The OECD has developed seven principles of good governance:

- **A clear definition of roles is essential for a regulator to fulfil their function effectively:** a sound regulator has clear objectives, with defined and structured functions and established mechanisms to coordinate with other relevant regulatory bodies to achieve the desired regulatory outcomes.
- **Preventing undue influence and maintaining trust:** it is critical that regulatory functions and decisions are undertaken with integrity and independence to maintain public confidence in the regulatory system. This is even more important for encouraging trade and investment and fostering an enabling environment for inclusive economic growth and development.
- **Defining the governing body and decision-making structure:** regulators require governance arrangements to ensure their effective functioning, preserve regulatory integrity and support the pursuit of the established regulatory objectives.
- **Accountability and transparency:** the expectations for each regulator should be clearly outlined and published by the appropriate oversight body. Key operational policies and other guidance material, including with respect to compliance and enforcement, should be publicly available, together with information about available review mechanisms.
- **Engagement:** a quality regulator establishes mechanisms for stakeholder engagement with a view to collecting the knowledge and experience of the regulated sector, as well as the businesses and citizens affected by regulatory action.
- **Funding:** funding should be adequate and predictable to enable the regulator to operate efficiently and effectively to fulfil the established objectives. Funding processes should be transparent, efficient and as simple as possible.
- **Performance evaluation:** regular independent (external) evaluation is key to fostering awareness of the impacts of regulatory actions and decisions. This helps ensure accountability and to drive continuous improvements within the regulatory system.

Source: OECD, 2012.

be published in plain language, together with available guidance to facilitate understanding. Lastly, to prevent or reduce potential overlap and regulatory burden, regulators should be required to coordinate across levels with a view to supporting each other in the pursuit of their common objectives.[12]

To sustain progressive learning, a regulator should engage with regulated entities and the wider public in ways that are regular, meaningful, and fit-for-purpose, while guarding against undue industry or political influence that skews decisions away from the public interest.[13] To strengthen accountability and public confidence, the regulator should set measurable performance indicators (e.g. timeliness, reversal/error rates, compliance outcomes and stakeholder satisfaction), provide regular reports on them and commission independent evaluations at appropriate intervals. To ensure that engagement reflects the full range of affected interests, the regulator needs to give attention to providing accessible formats and multiple channels for engagement as well as targeted outreach where participation barriers exist.

In addition, regulators should report periodically on the performance of GRP tools. This should cover inter alia (i) how consultations were conducted and what changed as a result of the input received; (ii) the use of RIA in the development of measures and review of existing ones, as well as (iii) information on timeliness of acknowledgements and decisions, backlog levels, review outcomes, and compliance trends. Taken together, these practices create a transparent feedback loop between operations and periodic review and support continuous improvement.

Accountability concerns regulators' oversight structure. Reporting lines should be explicit (e.g. parliament, minister, board). Regulators should issue reasoned, reviewable decisions, setting out the criteria and evidence applied, so that oversight bodies and affected parties can understand, scrutinize, and, where appropriate, appeal them. Review mechanisms of both individual decisions and, where relevant, the regulator's instruments, should be transparently accessible, together with information about timelines for review and available remedies.[14]

The regulator's budget is also relevant to GRP. Funding should be appropriate to enable the regulator to effectively and efficiently pursue the established objectives and to reduce risks that may undermine its independence and impartiality.[15] The regulator's budget should be clear, understandable, accessible and, above all, transparent.[16] Some forms of regulatory decisions require the imposition of fees and charges, notably for issuing authorizations or licences or other types of approvals. For regulators funded through fees, the cost-recovery scheme should not be at risk of setting unnecessary or inefficient administrative burdens; similarly, compliance costs on regulated entities should be able to be justified through a cost-benefit analysis.[17] The relevant ministry may consider developing a proposed fee schedule (or a calculation method) in consultation with the regulator, regulated entities and other relevant stakeholders – with a view to ensuring fairness and maintaining the trust of the regulated entities.[18]

Finally, another aspect of GRP is how to guarantee a regulator's freedom to reach and administer decisions without undue influence from (i) the government and (ii) the interests of the regulated. Independence from the government is not an end in itself. Rather, it is a tool to protect technical and requirement-based decision-making where political incentives may conflict with the regulator's mandate. This is important when short-term political pressure could distort long-term objectives (e.g. safety, service quality, financial soundness, network investment), or decisions have significant distributional effects (e.g. prices, access to services, market entry). Similarly, where the government is itself an operator in the market, lack of independent regulators raises competitiveness and neutrality concerns. To this end, at the EU level, for example, national energy regulators must be independent of government and market participants to ensure competitive neutrality in access, tariffs and unbundling. Comparable separation principles appear in many jurisdictions in the telecoms sector.

In addition, it is key to ensure that regulators' decisions are taken and administered free from influence where regulatory powers are delegated to non-governmental bodies that may also be composed of service suppliers (including, for example, bar councils/law societies, medical councils, engineers' or architects' associations). In these situations, independence is generally ensured through functional measures such as conflict-of-interest and recusal policies, separation of investigative, prosecutorial and adjudicative functions, and external review. In sum, the actual or perceived risks of undue influence determines which institutional arrangement is most appropriate for the regulator's activities and objectives.[19]

GATS, SDR Disciplines and other relevant trade agreements

While certain WTO agreements require particular institutional functions (such as SPS and TBT enquiry points, and independent tribunals for review under GATT Article X:3(b)), the WTO does not mandate the organizational design of regulators.[20] Rather, the WTO focus is on how laws and regulations are applied – with a view to promoting decision-making that is transparent and free from undue influence (especially from domestic producers or higher political pressure). In other words, WTO rules aim to build a good governance "infrastructure" in which regulators operate and provide checks on their actions, but they stop short of dictating how internal structure should function (for example, rules on appointments, funding systems, board structure, and so forth).

GATS Article VI:1 requires that, in sectors where WTO members have undertaken specific commitments, measures of general application affecting trade in services "are administered in a reasonable, objective and impartial manner". This provision sets a due-process baseline for how regulators apply rules in practice. These terms have been elaborated upon in WTO dispute settlement in the context of GATT Article X:3(a). "Reasonable" has been interpreted to mean "in accordance with reason", "not irrational or absurd", "proportionate", "sensible", and "within the limits of reason, not greatly less or more than might be thought likely or appropriate".[21] In essence, it signals an administration that is coherent and proportionate to the regulatory aim – not arbitrary, irrational, or excessive. In practice, this points to measures being applied with sensible justification, consistency, and without burdens that are clearly out of balance with the stated objective. "Objective" refers to fact-based, criteria-driven administration rather than personal preferences or *ad hoc* judgement.

Decisions should, therefore, rest on verifiable requirements and evidence, be applied consistently across similar cases, and recorded appropriately so

they can be explained and reviewed. The meaning of "impartial" has been discussed in the context of Article X:3(a) of the GATT. It requires even-handed application, i.e., simply put, no favouritism or prejudice in how rules are administered. Similar cases must be treated alike, and authorities must avoid conflicts of interest and improper influence in day-to-day administration.[22]

Notably, Article VI:1 does not prescribe an institutional model for regulators. Rather, it governs how administration is carried out. Many of the GRPs identified in this Handbook make "reasonable, objective and impartial" administration concrete, for example, through published criteria and forms, time limits for decision, status tracking, written reasons and access to review mechanisms.

The requirement of impartiality and independence is further elaborated in the Reference Paper on Basic Telecommunications Services.[23] Paragraph 5 on "Independent regulators" provides that "the regulatory body is separate from, and not accountable to, any supplier of basic telecommunications services. The decisions of and the procedures used by regulators shall be impartial with respect to all market participants". This links independence to two distinct requirements. First, the regulator must be structurally distinct from service suppliers and not answerable to them. This means the regulator's authority does not derive from or answer to those regulated. Their organizational and institutional reporting lines are to be independent of any operator of telecommunication services (i.e. the regulator is not housed within, overseen by, or financially or politically dependent on a supplier). Secondly, procedures must treat all market participants even-handedly and be applied consistently.

The SDR Disciplines extend the concept of independence beyond the telecommunications sector and provide that:

> If a Member adopts or maintains measures relating to the authorization for the supply of a service, the Member shall ensure that its competent authorities reach and administer their decisions in a manner independent from any supplier of the service for which authorization is required.[24]

In the context of independent review of customs-related actions under GATT Article X:3, WTO dispute settlement has defined the term "independent" as "not subject to the control or influence of another; not associated with another (often larger) entity".[25] Accordingly, regulators must be provided with the necessary freedom in institutional and practical terms from interference by other agencies.[26] It should be noted, however, that SDR Disciplines, which demand independence from suppliers rather than from governmental agencies, clarify in a footnote that the independence of regulators "does not mandate a particular administrative structure", rather, "it refers to the decision-making process and administering of decisions".[27] This approach has likely been adopted because the SDR disciplines apply across different levels of government and all service sectors, including those where structural separation between regulators and service suppliers may be difficult to achieve.

In practice, governments may consider a combination of safeguards to be put in place to protect and insulate the decision-making process, such as (i) non direction clauses that prohibit instructions in individual cases; (ii) publication of eligibility criteria and evaluation checklists that guide and bind the handling of cases; and (iii) random case allocation combined with conflict-of-interest declarations and recusal rules. Operational GRPs discussed in this Handbook, such as the publication of information, processing of applications and review of decisions, support functional independence.

The SDR Disciplines further add to the GATS Article VI:1 obligation to administer measures of general application in an impartial manner. They provide that if a WTO member adopts or maintains measures relating to the authorization for the supply of a service, the WTO member shall ensure that the procedures are "impartial and that the procedures are adequate for applicants to demonstrate whether they meet the requirements".[28] The SDR Disciplines also require that WTO members ensure that "the procedures do not in themselves unjustifiably prevent the fulfilment of requirements".[29]

Read together with the requirement on objective and transparent authorization criteria, the SDR Disciplines seek to ensure that procedures must genuinely enable applicants to demonstrate compliance with those stated requirements.[30] They also set out a design constraint: even if criteria are lawful and transparent, the procedures themselves must not unjustifiably prevent their fulfilment, namely, they should avoid features that add friction without a legitimate purpose (for example, opaque documentary demands, arbitrary scheduling slots, or duplicative filings). Overall, the SDR Disciplines

aim to ensure that authorization must follow neutral, criteria-based, and reviewable procedures that work in practice and are not structured so that they obstruct qualified applicants (e.g. by opaque evidence demands, arbitrary scheduling, or excessive formalities).

Moreover, for the first time in WTO history, the SDR Disciplines require that authorization measures do not discriminate between men and women.[31] This obligation aims to embed gender neutrality into what applicants must show and how their authorization requests are assessed. It may be seen as a concrete representation of the requirement to ensure that authorization measures are based on objective and transparent criteria (such as, according to GATS Article VI, the competence and the ability to supply a service). The provision seeks to ensure that gender-based exclusions or quotas; gender-specific eligibility conditions (e.g. marital status); documentation requests only for women (e.g. pregnancy tests, proof of childcare) or only for men (e.g. military status); different experience/education thresholds by gender; or dress standards that impose unequal burdens without a legitimate aim, do not apply. It would also prohibit systematic differential treatment during authorization procedures (including regarding authorization fees, application time frames, submission of applications, or response time for enquiries), with a view to ensuring the fairness and uniformity of treatment of all applicants.

The footnote to this obligation specifies two categories of differential treatment that do not constitute discrimination: (i) measures that are reasonable and objective and pursue a legitimate purpose (and are proportionate to that purpose), and (ii) temporary special measures aimed at accelerating *de facto* equality between men and women. In practical terms, compliant design will ordinarily focus on removing procedural impediments and improving access to the authorization system, rather than altering the substantive threshold of competence. Lowering qualification standards by gender might also be seen as incompatible with other elements of the SDR Disciplines – particularly the objectivity of criteria and the requirement to ensure that procedures are adequate for applicants to demonstrate whether they meet the same requirements. Temporary special measures should be transparent, time-limited, and ideally subject to periodic review, so that they can be phased out once the underlying participation gap has been addressed.

PTA practice

Requirements on regulatory governance similar to those contained in the SDR Disciplines have progressively found entry in PTAs. Several PTAs merely replicate the GATS obligation to administer measures affecting services trade in a reasonable, objective and impartial manner. It is, for example, the case of the 2018 CPTPP,[32] the 2021 ATISA[33] and the 2022 RCEP.[34]

In the area of authorization procedures for services, some recent agreements also expand obligations in line with those of the SDR Disciplines. This is the case, for instance, of the 2020 Peru-Australia FTA and the 2024 ASEAN Services Facilitation Framework (although not binding) which set out that where authorizations are required, regulators' decisions are to be reached and administered in an independent manner and that procedures are to be impartial towards all applicants.[35] The 2020 USMCA contains the same obligation, but also adds that decision-making procedures should not in themselves prevent the fulfilment of requirements.[36]

Similarly, a number of recent EU Agreements (including the 2019 EU-Japan EPA,[37] 2020 EU-Viet Nam FTA,[38] 2021 EU-Armenia CEPA[39]) establish, alongside the impartiality of procedures, that competent authorities should reach their decisions in an independent manner and not be accountable to any person supplying the services or carrying out the economic activities for which the licence or authorization is required.[40]

The 2014 Switzerland-China FTA provides, instead, in the Annex dedicated to trade in services, that "in sectors where specific commitments are undertaken, relevant regulatory authorities of each Party shall be separate from, and not accountable to, any service suppliers they regulate".[41] Hence, along the lines of the Reference Paper on Basic Telecommunications, the concept of structural separation between regulators and regulated entities is extended across sectors, with the only exceptions of postal, courier and railway transportation services.[42] While applying across sectors, the 2011 Hong Kong, China-New Zealand CEPA stipulates that licensing procedures are to be impartial with respect to all applicants and that "the competent authority should be operationally independent of and not accountable to any supplier of the services for which the licence is required".[43]

Implementation at the domestic level

At the domestic level, there has been a clear, decades-long shift towards independent regulators across jurisdictions and sectors. Comparative datasets show the model diffused globally from the 1980s onward, moving from a handful of cases to widespread adoption.[44] They originally appeared where governments sought credible commitment and insulation from short-term political or supplier pressures, especially as markets were liberalized and network industries opened to competition and where new investment was needed, with an independent body helping make reforms acceptable to the public. As the OECD puts it, while some arrangements were conceived as interim steps pending competition, regulators have remained present in multiple markets, with a political rationale that is twofold: protecting consumers and attracting investment on efficient terms; and helping mitigate political risk perceived by private investors.[45]

The WTO-World Bank STPD shows that, on average, almost 77 per cent of the economies analysed legally guarantee the independence of regulators from services suppliers. The highest levels of implementation can be observed in financial services (commercial banking, 97.8 per cent; insurance services, 94.9 per cent) and telecommunication services (mobile telecommunication services 92.6 per cent) – indicating the relevance of this GRP in these sectors. However, where a regulator exists, only 47.8 per cent of the economies covered have regulators independent (i.e. structurally separate) from the sector ministry.

One example is Austria where the Financial Market Authority (FMA) was established as an independent legal entity by the 2001 Financial Market Authority Act.[46] The Act expressly provides that the FMA "shall not be bound by any instructions in the performance of its duties", thereby establishing operational independence from the federal government in supervising the banking, insurance, securities and pension sectors.[47] The Federal Minister of Finance retains oversight focused on lawfulness and remit but cannot direct or influence supervisory decisions in individual cases.[48] The FMA's governance framework is built around a dual-board structure.[49] An executive board is responsible for managing the overall operation and affairs of the FMA and is required to perform its duties "in a legal, expedient, economic, and efficient manner" under its Rules of Procedure.[50] It is required to prepare a Compliance Code, which sets out detailed rules for handling sensitive and compliance-relevant situations, including restrictions on financial transactions with supervised entities, the use of non-public information, as well as procedures for reporting conflicts of interest and maintaining impartiality.[51]

A supervisory board oversees the organization and management of the FMA and approves key instruments such as the Rules of Procedure and Compliance Code of the executive board, as well as the FMA's financial statements and annual reports.[52] The Compliance Code sets rules for conflicts-of-interest, use of non-public information, dealings with supervised entities, and recusal. Appointments to both boards – through established procedures – are for fixed five-year terms with limited removal grounds.

The FMA operates a self-financing model with separate accounting groups (banking, insurance, securities, pensions).[53] The FMA's supervisory costs are primarily recovered from supervised entities through periodic payments, with income from authorization fees – collected for specific licensing or approval procedures – which are also credited to the respective accounting groups to offset their overall costs.[54] The federal government contributes a fixed annual amount.[55] The executive board of the FMA draws up annual financial plans, including investment and staff planning, subject to supervisory board approval.[56] The Authority's financial statements are audited by an independent external auditor and are publicly disclosed on the FMA's website.[57]

As to procedural and decision-making autonomy, the FMA is empowered to enforce the administrative decisions it issues, with the exception of administrative penal decisions.[58] Appeals against administrative decisions of the FMA are heard by the Federal Administrative Court, rather than by the Federal Ministry of Finance.[59] The FMA's annual report summarizes selected proceedings, illustrating the use of independent review in practice.[60] Furthermore, the Act requires that the FMA conduct public consultations on draft regulations, circulars, guidelines and minimum standards, together with relevant explanatory documentation.[61] Overall, the combination of statutory functions, transparent rule-making and consultations, and independent judicial review signals predictability to market participants while maintaining accountability. Potential residual risks are mitigated by fixed term appointments, the dual-board structure, external audit,

and the public nature of consultation outputs and reasoned decisions.

In keeping with common international practice, and the regulation of the accounting profession being assigned to an independent body, Hong Kong, China established the Accounting and Financial Reporting Council (AFRC) under the Financial Reporting Council (Amendment) Ordinance 2021.[62] The AFRC is a full-fledged independent regulator with comprehensive oversight of the accounting profession.[63] This 2021 reform transformed the former Financial Reporting Council, created in 2006 primarily as an investigative body without disciplinary powers, into an authority with expanded regulatory remit.[64] The 2021 reform consolidated under the AFRC key regulatory powers, including the issuance of practising certificates to certified public accountants (CPAs); registration of CPA firms, corporate practices and local Public Interest Entity auditors; and the inspection, investigation and discipline of CPAs and practice units.[65] As stipulated by law, the AFRC is composed of a chairperson, a chief executive officer, and at least seven other non-practitioner members appointed by the Chief Executive of Hong Kong, China.[66] Public officers are expressly excluded from membership to guard against perceived interests or conflicts and to reinforce functional independence from government and supplier interests; furthermore, each appointment by the Chief Executive must be published in the *Gazette.*[67] Members of the AFRC must disclose interests and conflicts, recuse where relevant, and maintain a register of such disclosures available for public inspection.[68]

The regulator's funding model has also evolved to strengthen its financial independence. Under the 2021 reform, the AFRC has expanded its revenue base by collecting fees for issuing practising certificates to CPAs and the registration of practice units since 1 October 2023.[69] While the government provided seed capital to support the transition and cover short-term funding needs, the AFRC indicated that it would work with the government to explore ways to achieve the "user-pays" principle in the long run and to ensure adequate consultation with members and industry before implementing any concrete plans.[70]

To ensure transparency and accountability in the exercise of its regulatory functions, the AFRC operates under a multi-layered oversight framework. Decisions of the AFRC are subject to review by the Public Interest Entities Auditors Review Tribunal and further appeal to the Court of Appeal. The AFRC's annual reports on activities and audited financial statements are tabled before the Legislative Council for scrutiny. In addition, the Process Review Panel for the AFRC, established by the Chief Executive as an independent non-statutory body, reviews the AFRC's cases and internal procedures to ensure that its actions are consistent with established policies and guidelines.[71] The AFRC also publishes step-by-step guidelines for the authorization processes,[72] reports,[73] as well as stakeholder consultation and studies on its website.[74]

In the UK, the Office of Communications (Ofcom) was established as an independent statutory regulator under the Office of Communications Act 2002 to oversee communications services. The Act created Ofcom as an institution distinct from the government, explicitly stipulating that it "shall not be treated for any purposes as a body exercising functions on behalf of the Crown", and that its members and employees are not to be regarded as servants of the Crown.[75] This institutional separation provides the legal foundation for Ofcom's independence from ministerial departments and regulated entities, while ensuring accountability through transparent governance and reporting mechanisms.

Ofcom's governance structure seeks to strike a balance between independence, expertise and public oversight. The regulator comprises a chairman, executive members, and other non-executive members, with the chairman and non-executive members appointed by the Secretary of State. Before and throughout a member's appointment, the Secretary of State must be satisfied that the chairman and each non-executive member has no financial or other interest which may prejudice them in carrying out their functions,[76] and members are required to disclose any potential conflict of interest.[77] The chairman and non-executive members are appointed for fixed terms, and the grounds for removal – such as misbehaviour, bankruptcy, or incapacity – are defined by statute, with any removal decision requiring publication and a written statement of reasons.[78] These provisions collectively embed safeguards against political or commercial influence in the appointment and tenure of Ofcom's members.

Financial arrangements under the Office of Communications Act further strengthen Ofcom's autonomy while maintaining public accountability. The regulator is required to conduct its affairs so that its revenues from statutory charges and fees are sufficient to meet the costs of carrying out its functions, thereby

operating largely on a self-financing basis.[79] Any surplus revenue is managed under the direction of the Secretary of State.[80] This funding model thus ensures financial sustainability while preventing dependence on annual budgetary appropriations that could compromise regulatory impartiality.

Transparency and accountability are reinforced through extensive statutory reporting obligations. Ofcom must submit annual reports, which are audited annually and made publicly available.[81] Moreover, the Act requires Ofcom, in managing its affairs, to align with generally accepted principles of good corporate governance.[82]

In conclusion, independence and impartiality are complementary anchors of regulatory governance; independence protects arrival at and administering of decisions from undue political or supplier influence, while impartiality requires even-handed, requirement-based administration and fair design of procedures. The GATS speaks to the administration of measures (reasonable, objective, impartial), while the subsequently developed Reference Paper on Basic Telecommunications adds the structural separation and impartial decision-making of regulators. The SDR Disciplines extend this across services sectors by requiring, (i) decisions to be reached and administered independently from suppliers and, (ii) impartial, adequate, and non-obstructive authorization procedures; it also contains a first-time WTO obligation on non-discrimination between men and women. Recent PTAs increasingly codify similar commitments – requiring independent arrival at and administration of decisions, and impartial, adequate authorization procedures with a view to creating an external coherence benchmark for domestic frameworks. Domestically, jurisdictions have converged towards independent regulators, with practical safeguards that blend structural and functional tools. The WTO-World Bank STPD shows broad legal guarantees of independence from suppliers, though independence from ministries remains uneven. Evidence illustrates that independence is not an end in itself and can be tailored to the sector's risk profile and balanced with transparency, engagement and effective oversight.

ENDNOTES

1 OECD (2014), p. 9.

2 OECD (2012), Principle 7.

3 OECD (2014), p. 19.

4 OECD (2014), p. 19.

5 OECD (2014), p. 51.

6 OECD (2014), p. 26.

7 OECD (2012).

8 OECD (2014), p. 30.

9 OECD (2012), Principle 7.

10 OECD (2014), p. 31.

11 OECD (2014), p. 30.

12 OECD (2014), p. 30. For more information, please see subsection 2.13 on "Domestic Inter-agency Coordination".

13 For more information, please see subsection 2.7 on "Stakeholder Engagement".

14 For more information, please see subsection 2.10 on "Review of Administrative Decisions".

15 OECD (2014), p. 98.

16 OECD (2014), p. 98.

17 OECD (2016), p. 30.

18 OECD (2014), p. 100.

19 OECD (2014), p. 50.

20 For independence in the context of review of administrative decisions, see subsection 2.10 on "Review of administrative decisions". Note also that the Agreement on Government Procurement obliges its parties to maintain an independent and impartial domestic review body for bid challenges (Article XVIII:4).

21 WTO (2012b), para. 7.850.

22 WTO (2012a), para. 7.694.

23 The Reference Paper on Basic Telecommunications Services was adopted on 24 April 1996 and establishes a set of pro-competition principles that over 100 WTO members have incorporated as additional commitments under GATS Article XVIII in their schedules of specific commitments, making these regulatory principles binding for their basic telecom markets. See https://www.wto.org/english/tratop_e/serv_e/telecom_e/tel23_e.htm.

24 SDR Disciplines (WTO, 2021), para. 12.

25 WTO (2006), para. 7.520.

26 WTO (2006), para. 7.520.

27 SDR Disciplines (WTO, 2021), fn 11 to para. 12.

28 SDR Disciplines (WTO, 2021), para. 22(b).

29 SDR Disciplines (WTO, 2021), para. 22(c).

30 SDR Disciplines (WTO, 2021), paras. 22(a) and (b).

31 SDR Disciplines (WTO, 2021), para. 22(d).

32 CPTPP (2018), Article 10.8.1.

33 ATISA (2021), Article 16.1.

34 RCEP (2022), Article 8.15.1.

35 Peru-Australia FTA (2020), Article 9.8.4; ASEAN Services Facilitation Framework (2024), para. 5.

36 USMCA (2020), Article 15.8.2. The USMCA, like the SDR Disciplines, also requires that authorization requirements and procedures are based on criteria that are objective and transparent.

37 EU-Japan EPA (2019), Article 8.31.

38 EU-Viet Nam FTA (2020), Article 8.20.

39 EU-Armenia CEPA (2021), Article 160.

40 EU-Viet Nam FTA (2020), Article 8.20.

41 Switzerland-China FTA (2014), Annex VI, Article II.

42 Switzerland-China FTA (2014), Annex VI, Article II.

43 Hong Kong, China-New Zealand CEPA (2011), Annex III to Chapter 13.

44 Jordana, Levi-Faur and Fernández i Marín (2011).

45 OECD (2016).

46 Government of Austria, *Financial Market Authority Act* (as amended), https://www.fma.gv.at/wp-content/plugins/dw-fma/download.php?d=2144&nonce=e4abc3aa1f1baa14, Article 1.

47 Government of Austria, *Financial Market Authority Act* (as amended), https://www.fma.gv.at/wp-content/plugins/dw-fma/download.php?d=2144&nonce=e4abc3aa1f1baa14, Article 1.

48 Government of Austria, *Financial Market Authority Act* (as amended), https://www.fma.gv.at/wp-content/plugins/dw-fma/download.php?d=2144&nonce=e4abc3aa1f1baa14, Article 16.

49 Government of Austria, *Financial Market Authority Act* (as amended), https://www.fma.gv.at/wp-content/plugins/dw-fma/download.php?d=2144&nonce=e4abc3aa1f1baa14, Article 4.

50 Government of Austria, *Financial Market Authority Act* (as amended), https://www.fma.gv.at/wp-content/plugins/dw-fma/download.php?d=2144&nonce=e4abc3aa1f1baa14, Articles 6(1) and 6(2).

51 Government of Austria, *Financial Market Authority Act* (as amended), https://www.fma.gv.at/wp-content/plugins/dw-fma/download.php?d=2144&nonce=e4abc3aa1f1baa14, Article 6(4); FMA, Compliance Code of the Austrian Financial Market Authority (FMA), https://www.fma.gv.at/wp-content/plugins/dw-fma/download.php?d=3283&nonce=41c6006630d661ab.

52 Government of Austria, *Financial Market Authority Act* (as amended), https://www.fma.gv.at/wp-content/plugins/dw-fma/download.php?d=2144&nonce=e4abc3aa1f1baa14, Article 10.

53 Government of Austria, *Financial Market Authority Act* (as amended), https://www.fma.gv.at/wp-content/plugins/dw-fma/download.php?d=2144&nonce=e4abc3aa1f1baa14, Articles 19(1)-(3).

54 Government of Austria, *Financial Market Authority Act* (as amended), https://www.fma.gv.at/wp-content/plugins/dw-fma/download.php?d=2144&nonce=e4abc3aa1f1baa14, Articles 19(4) and 19(10).

55 Government of Austria, *Financial Market Authority Act* (as amended), https://www.fma.gv.at/wp-content/plugins/dw-fma/download.php?d=2144&nonce=e4abc3aa1f1baa14, Article 19(4).

56 Government of Austria, *Financial Market Authority Act* (as amended), https://www.fma.gv.at/wp-content/plugins/dw-fma/download.php?d=2144&nonce=e4abc3aa1f1baa14, Article 17.

57 Government of Austria, *Financial Market Authority Act* (as amended), https://www.fma.gv.at/wp-content/plugins/dw-fma/download.php?d=2144&nonce=e4abc3aa1f1baa14, Article 18.

58 Government of Austria, *Financial Market Authority Act* (as amended), https://www.fma.gv.at/wp-content/plugins/dw-fma/download.php?d=2144&nonce=e4abc3aa1f1baa14, Article 22(1).

59 Government of Austria, *Financial Market Authority Act* (as amended), https://www.fma.gv.at/wp-content/plugins/dw-fma/download.php?d=2144&nonce=e4abc3aa1f1baa14, Article 22(2).

60 FMA), (2023).

61 Government of Austria, *Financial Market Authority Act* (as amended), https://www.fma.gv.at/wp-content/plugins/dw-fma/download.php?d=2144&nonce=e4abc3aa1f1baa14, Articles 22(3) and 22(3a). See FMA consultation portal at https://www.fma.gv.at/en/category/news-en/information-en/.

62 Hong Kong, China, Accounting and Financial Reporting Council Ordinance, Cap. 588, Hong Kong e-Legislation, https://www.elegislation.gov.hk/hk/cap588.

63 Hong Kong, China, *Accounting and Financial Reporting Council Ordinance*, Cap. 588, Hong Kong e-Legislation, available at https://www.elegislation.gov.hk/hk/cap588.

64 Hong Kong, China, Legislative Council, *Background Brief on the Work of the Accounting and Financial Reporting Council*, LC Paper No. CB(1)117/2025(06), Ref: CB1/PL/FA, Panel on Financial Affairs Meeting, 3 February 2025, https://www.legco.gov.hk/yr2025/english/panels/fa/papers/fa20250203cb1-117-6-e.pdf.

65 Hong Kong, China, Legislative Council, *Background Brief on the Work of the Accounting and Financial Reporting Council*, LC Paper No. CB(1)117/2025(06), Ref: CB1/PL/FA, Panel on Financial Affairs Meeting, 3 February 2025, https://www.legco.gov.hk/yr2025/english/panels/fa/papers/fa20250203cb1-117-6-e.pdf.

66 Hong Kong, China, *Accounting and Financial Reporting Council Ordinance*, Cap. 588, Hong Kong e-Legislation, available at https://www.elegislation.gov.hk/hk/cap588, Section 7. As of January 2025, the Board of the AFRC consists of a chairman, a chief executive officer and 15 other non-executive directors (Hong Kong, China, Legislative Council, Background Brief on the Work of the Accounting and Financial Reporting Council, LC Paper No. CB(1)117/2025(06), Ref: CB1/PL/FA, Panel on Financial Affairs Meeting, 3 February 2025, https://www.legco.gov.hk/yr2025/english/panels/fa/papers/fa20250203cb1-117-6-e.pdf).

67 Hong Kong, China, *Accounting and Financial Reporting Council Ordinance*, Cap. 588, Hong Kong e-Legislation, available at https://www.elegislation.gov.hk/hk/cap588, Section 7.

68 Hong Kong, China, *Accounting and Financial Reporting Council Ordinance*, Cap. 588, Hong Kong e-Legislation, available at https://www.elegislation.gov.hk/hk/cap588, Section 53.

69 Hong Kong, China, Legislative Council, *Background Brief on the Work of the Accounting and Financial Reporting Council*, LC Paper No. CB(1)117/2025(06), Ref: CB1/PL/FA, Panel on Financial Affairs Meeting, 3 February 2025, https://www.legco.gov.hk/yr2025/english/panels/fa/papers/fa20250203cb1-117-6-e.pdf.

70 Hong Kong, China, Legislative Council, *Background Brief on the Work of the Accounting and Financial Reporting Council*, LC Paper No. CB(1)117/2025(06), Ref: CB1/PL/FA, Panel on Financial Affairs Meeting, 3 February 2025, https://www.legco.gov.hk/yr2025/english/panels/fa/papers/fa20250203cb1-117-6-e.pdf.

71 Hong Kong, China, Financial Services and the Treasury Bureau, "Process Review Panel for the Accounting and Financial Reporting Council", https://www.fstb.gov.hk/fsb/en/business/prp/afrcprp.html.

72 See, for example, AFRC, "Registration", https://www.afrc.org.hk/en-hk/publications/guidelines/registration/.

73 See, for example, AFRC, "Annual Reports", https://www.afrc.org.hk/en-hk/publications/annual-reports/.

74 See AFRC, "Consultation and Studies", https://www.afrc.org.hk/en-hk/publications/consultation-and-studies/consultation-and-studies/.

75 Government of the UK, *Office of Communications Act 2002* (as amended), https://www.legislation.gov.uk/ukpga/2002/11/contents, Sections 1(1) and 1(9).

76 Government of the UK, *Office of Communications Act 2002* (as amended), https://www.legislation.gov.uk/ukpga/2002/11/contents, Schedule, para. 1.

77 Government of the UK, *Office of Communications Act 2002* (as amended), https://www.legislation.gov.uk/ukpga/2002/11/contents, Schedule, para. 17.

78 Government of the UK, *Office of Communications Act 2002* (as amended), https://www.legislation.gov.uk/ukpga/2002/11/contents, Schedule, para. 2.

79 Government of the UK, *Office of Communications Act 2002* (as amended), https://www.legislation.gov.uk/ukpga/2002/11/contents, Schedule, para. 8(1).

80 Government of the UK, *Office of Communications Act 2002* (as amended), https://www.legislation.gov.uk/ukpga/2002/11/contents, Schedule, para. 8(2).

81 Government of the UK, *Office of Communications Act 2002* (as amended), https://www.legislation.gov.uk/ukpga/2002/11/contents, Schedule, paras. 11, 12, 22 and 23.

82 Government of the UK, *Office of Communications Act 2002* (as amended), https://www.legislation.gov.uk/ukpga/2002/11/contents, Section 3.

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7 Stakeholder engagement

KEY INSIGHTS

- Stakeholder engagement is a critical area of GRP which is intrinsically linked to transparency, enhancing legitimacy and trust in government action.
- While the GATS does not cover stakeholder engagement, the SDR Disciplines – similar to many PTAs – contain a defined set of GRPs in this area. These range from publishing draft laws and regulations (or detailed summaries); guaranteeing an opportunity for comments by interested persons; considering the comments collected; publishing final measures with their purpose and rationale; and establishing a reasonable time between the publication of final measures and the date on which compliance is required by services suppliers.
- WTO-World Bank STPD data indicate that 45.6 per cent of surveyed economies legally require publication of draft measures and an opportunity to comment, and 52.7 per cent of these also require the consideration of input collected. However, even in the absence of a legal requirement, many jurisdictions today consult as a matter of policy. Such mechanisms – whether by law or in practice – embed various GRP principles, including leveraging a mix of consultation tools (also online), using plain and concise language, establishing minimum consultation periods, and establishing clear reporting-back systems.

Key features

A high-quality regulatory framework engages all materially affected stakeholders, including services suppliers, consumers, workers and civil society, and gives them meaningful opportunities to contribute to the design and implementation of laws and regulations. A key tool for achieving this objective is well-structured public consultation procedures which strengthen transparency, improve the evidence base, and enhance the legitimacy and compliance of regulatory systems.

"Stakeholder engagement", as it is often referred to, therefore represents an important area of GRP; it is the process of involving various categories of persons who have an interest in a specific initiative, decision, or action. In the context of services regulation, stakeholders might include services suppliers, investors, government agencies and community members, amongst others – both domestic and foreign alike. The objective of stakeholder engagement mechanisms is to include affected parties in the development of regulation, notably by seeking their inputs, addressing their concerns, and updating them about relevant regulatory developments.

By factoring in different perspectives and interests, stakeholder engagement helps to inform and improve decision-making, delimit expectations, identify risks and consequently achieve higher quality outcomes.[1] The involvement of relevant stakeholders has also been found to encourage innovation and build mutual trust between regulators and those subject to regulation – conferring a greater sense of understanding to regulatory outcomes, thereby also promoting public acceptance and compliance.[2]

This subsection focuses on stakeholder engagement in the specific context of the drafting and adoption of regulations affecting trade in services. While stakeholder engagement is an important element of and contributes to the objectives of RIA[3], it is addressed separately here as it constitutes a participation practice with its own objectives, legal underpinnings and toolset, such as open and targeted consultations, plain language materials, online channels and reporting-back duties; it is often also used in the absence of or outside of RIA. Furthermore, stakeholder engagement also complements the internal coordination among governmental agencies.[4]

Stakeholder engagement involves several elements which are frequently but not always separated in time. It can start at an early pre-drafting stage, to inform regulators of the various concerns and continue throughout the policy development stage. Typically, the following nine elements are part of stakeholder engagement[5]:

- Identifying stakeholders: Determine the relevant stakeholders who will be affected by or have an interest in the proposed regulation. Consultations require the involvement of a variety of stakeholders, with sufficient safeguards to limit undue influence.[6]
- Planning consultations: Develop a plan outlining how stakeholders will be engaged, including how information will be shared, groups involved, consultation periods, methods and types of consultation (surveys, meetings, etc.) to be used, as well as objectives. To be effective, engagement will need to take place as early as possible in the policy-making process.[7]
- Disseminating information: Publish information (including through gazettes, newspapers, and websites) with respect to (i) the proposed regulation (including objectives and rationale, relevant background materials, etc.); (ii) opportunities and procedures for stakeholder engagement (including which stakeholders can participate, duration of consultation period, managing and consideration of comments, publication and access to comments submitted, etc.); as well as (iii) the authority responsible for the proposed regulation that may be contacted in case of queries. To ensure meaningful participation, information should be provided in a clear and plain way.[8]
- Gathering input from stakeholders: Collect comments, feedback, opinions and suggestions from stakeholders. The most common mechanisms for conducting consultations are websites of relevant ministries or regulators, online surveys and polls, focus groups and workshops, public hearings, as well as targeted outreach to specific stakeholder groups (such as business associations). In some instances, consultations are conducted through unified websites where all ministries post their draft regulations, and which provide a platform for stakeholders to submit their comments. It should be noted that highly technical or specialized regulatory areas, such as sectoral regulations, may require more selectivity in consultation than regulatory regimes of wider public interest and impact. In the same way, more contentious areas of regulation (e.g. taxation) may require formal mechanisms for public engagement and maximum transparency.[9]

- Analysing input received from stakeholders: Review and analyse the input gathered from stakeholders to understand views, concerns, interests and potential impacts of the proposed regulation.
- Drafting or adapting regulation based on input collected: Based on the feedback collected, create or modify the proposed regulation.
- Providing feedback to stakeholders: Respond to inputs received by stakeholders, including through consolidated responses; make all comments received publicly accessible and report on the overall result of consultations.
- Publishing final regulation: Finalize the regulation and communicate it to the general public, together with an explanation of its purpose and rationale.[10]
- Allowing time frame between publication of regulation and date of required compliance: Establish a transition period prior to entry into force of a regulation, to allow those affected to prepare and adapt to its provisions accordingly.

GATS, SDR Disciplines and other relevant trade agreements

Stakeholder engagement has emerged as a GRP in recent years. Indeed, the GATS does not contain any requirements on advance publication of laws and regulations before their adoption nor on consultations with stakeholders on proposed measures. Article III:1 merely requires final measures of general application that pertain to or affect the Agreement's operation to be published promptly, and at the latest by their time of entry into force.

Recognizing the value of improving the legitimacy and quality of regulatory outcomes, the SDR Disciplines contain a dedicated set of GRPs on stakeholder engagement.[11] While the latter encompass contact and dialogue with stakeholders throughout the rule-making process, the SDR Disciplines focus on the stage at which draft laws or regulations have already been formulated. In other words, they do not require an iterative approach to consultations, with multiple rounds of consultations, including with a view to assessing the ongoing need to initiate new regulatory proposals or modifications to existing laws and regulations.

Out of the nine GRP aspects described above, five are reflected in the SDR Disciplines, namely (i) advance publication of relevant laws and regulations; (ii) reasonable opportunity for comments; (iii) consideration of comments received; (iv) publication of final measures, together with an explanation of their purpose and rationale; and (v) reasonable time between publication of measures and date of required compliance (see Figure 1).

Advance publication of relevant laws and regulations

The SDR Disciplines require WTO members to publish the following elements in advance:

- Their laws and regulations of general application proposed for adoption, and which relate to covered areas (i.e. measures related to licensing and qualification requirements and procedures, and technical standards); or
- Documents that provide sufficient details about such a possible new law or regulation to allow interested persons and other WTO members to assess whether and how their interests might be significantly affected.[12]

Beyond measures of general application, WTO members are also encouraged to publish in advance relevant procedures and administrative rulings of general application.[13]

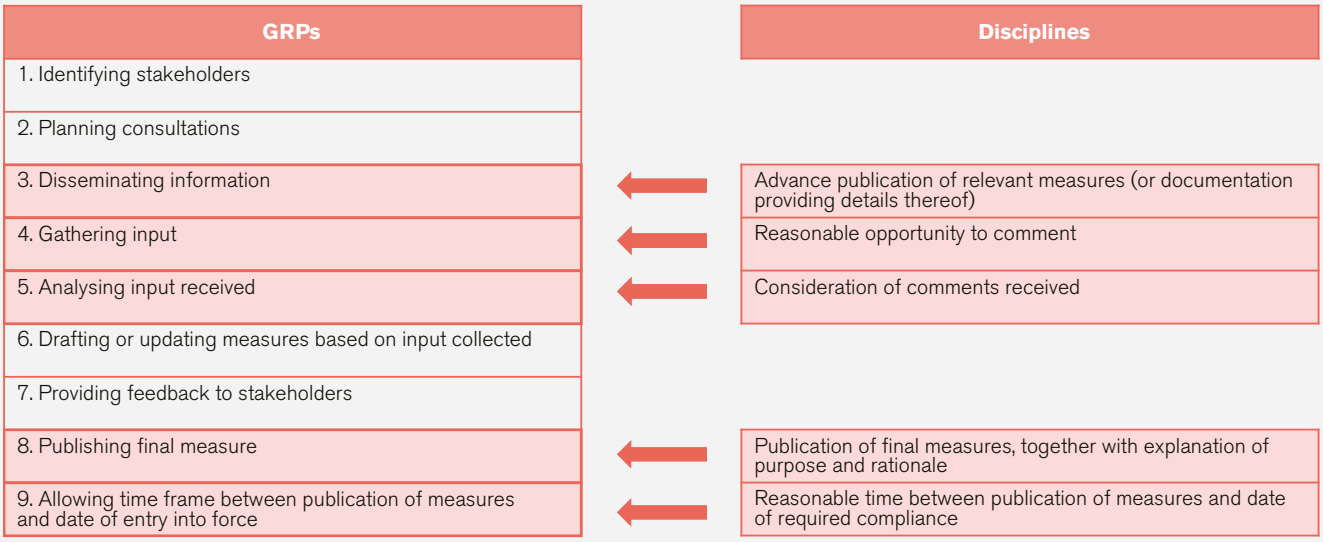
It is also worth noting that, alongside publishing draft texts of laws or regulations, WTO members are encouraged to explain their purpose and rationale.[14] In this context, the term "publish" is defined as "to include in an official publication, such as an official journal, or on an official website".[15] Overall, the publication requirement is meant to lead to the broad availability of measures, so as to allow all interested persons to consult and get acquainted with them.

Reasonable opportunity to comment

The SDR Disciplines require that WTO members provide a reasonable opportunity to interested persons and other WTO members to comment on proposed laws and regulations, or documents providing details on those measures.[16]

The beneficiaries of the stakeholder engagement are identified as "interested persons and other members". This encompasses both natural and juridical persons[17] which may be affected by a measure. "Interested" persons denominate a broader group than "affected" persons, and includes individuals, groups, or entities

Figure 1: Linkages between GRPs on stakeholder engagement and the SDR Disciplines



Source: WTO/World Bank.

that have a stake, concern, or interest in a regulation, regardless of whether they are directly impacted by it. In addition to services suppliers, it would encompass industry associations, advocacy groups, or academics. It should be noted that, in contrast to most domestic stakeholder engagement processes, the SDR Disciplines also explicitly include foreign governments ("other WTO members") among the beneficiaries of the public comment procedures.[18]

The process for providing "reasonable opportunity" to comment would require authorities to demonstrate a general openness to receiving such comments.[19] This would encompass a reasonable time frame for interested persons to review the proposed measures and prepare and submit their inputs through the established channels. Whether a time frame is reasonable would critically depend on the length and complexity of the proposed regulation; other factors, such as the urgency of the regulatory proposal, and the user-friendliness of response mechanisms may also play a role. A common minimum time frame would be between 30 to 60 days, but shorter or longer periods may be appropriate depending on urgency or on the breadth of impact. Notably, in trade in goods, a Decision adopted by WTO members in the Technical Barriers to Trade Committee (TBT Committee) recommends granting a period of no less than 60 days – and whenever possible even longer (such as 90 days) – for the presentation of comments on proposed technical regulation and conformity assessment procedures.[20]

Reasonable opportunity for comment would also require the establishment of easy and accessible methods for submitting comments, such as submitting comments online, via email, or by mail. The possibility of holding focus group discussions and oral public hearings may also be envisaged, depending on the subject matter and level of technicality of the regulation under consideration.

In order to obtain comments from marginalized or under-represented groups, as well as foreign suppliers, authorities may also consider making relevant documents and consultation procedures available in multiple languages, provide accessible formats for individuals with disabilities (e.g. braille, large print, or audio formats), and provide simplified language versions for the public, especially where technical jargon is prevalent.[21]

Consideration of comments received

The SDR Disciplines require the consideration of comments received on proposed laws and regulations or the documents providing details on those measures.[22] "Consideration" means that the comments

should have some sort of influence on the final decision. The regulatory authority would not have to adopt specific suggestions, but it should review and factor comments into the analysis. Decision makers should weigh up the pros and cons raised by the public or stakeholders before finalizing the law or regulation.

The SDR Disciplines do not explicitly require authorities to take any outward actions that demonstrate that the comments received have been given due consideration, for example, by requiring authorities to respond to the comments. Neither do they require the publication of the comments, the preparation and publication of summaries, or replies to them.

For a competent authority to consider the comments received would nonetheless require an internal process to:

- Analyse the comments in detail, ensuring that they are understood;
- Assess the relevance and substance of the comments, and consider whether the feedback provides useful information, suggestions, or objections that could improve, adjust, or refine the proposed measure;
- Balance differing opinions and decide which course best aligns with the policy objectives, while taking into consideration the strength of evidence or reasoning behind different viewpoints.

Throughout the process, internal documentation or records should be kept that demonstrate that comments have been considered. This could include notes or reports summarizing the comments received and explaining how they were evaluated.

To allow space for different types of stakeholder engagement mechanisms, the SDR Disciplines provide special flexibilities for such obligations, set out in the terms "to the extent practicable and in a manner consistent with its legal system for adopting measures".[23] The latter element ensures that the method and process of implementing the obligation must align with the specific domestic legal framework and established procedures for creating laws and regulations. This flexible obligation recognizes WTO members' varying levels of economic development, administrative frameworks, or resources that may pose challenges to uniform implementation of stakeholder engagement processes.

Publication of final measures, together with an explanation of their purpose and rationale

The SDR Disciplines contain two additional obligations with the objective of ensuring the informed and effective participation of stakeholders in regulatory processes and decisions.

Building on GATS Article III:1 which requires the prompt publication of final measures at the latest by their entry into force, the SDR Disciplines encourage WTO members to explain the purpose and rationale of laws or regulations.[24]

Reasonable time frame between publication of measures and date of required compliance

Furthermore, the SDR Disciplines provide that reasonable time must be allowed between publication of the text of a law or regulation and the date on which services suppliers must comply with it.[25] The objective is to balance regulatory needs for change with legitimate interests of predictability and business continuity for suppliers. What constitutes a reasonable period may differ from case to case, depending on the difficulty and time needed by services suppliers to adapt to the mandated regulatory change. Notably, in the area of trade in goods, the TBT Committee agreed that a "reasonable" period is to be understood to normally mean a period of no less than six months for the entry into force of technical regulations and conformity assessment procedures so producers and exporters can adapt their products to the new requirements, except where such a delay would be ineffective for the measure's legitimate objective.[26]

PTA practice

A requirement to have mechanisms in place for stakeholder engagement is incorporated in a good number of PTAs. The elements of (i) advance publication of information on laws and regulations of proposed measures for adoption and (ii) opportunity for interested persons to comment, appear in several PTAs, even predating the SDR Disciplines.

For example, a PTA that embodies these two elements is the 2011 Malaysia-India CECA. This agreement incorporates the requirement for the parties to (i) publish laws, regulations, procedures, and administrative rulings of general application before their

adoption; and (ii) provide a reasonable opportunity, where appropriate, to interested persons and the other party to comment on such proposed measures.[27]

An agreement which goes further than the SDR Disciplines is the 2018 CPTPP. In the "Transparency" Chapter, Article 26.2 requires the parties to endeavour to (i) publish the proposed measure no less than 60 days in advance of the date when comments can be submitted; and (ii) set out a period which provides sufficient time for an interested person to evaluate the proposed regulation and formulate and submit comments.

Several other PTAs contain obligations that go beyond these two key elements and include a commitment on the "consideration of comments received".[28] In many PTAs, like in the SDR Disciplines, this element is expressed as a best endeavour commitment, such as in the case of the 2020 Indonesia-Australia CEPA,[29] the 2020 EU–Vietnam FTA,[30] and the 2009 United States–Oman FTA.[31] Instead, other agreements impose hard obligations on the parties to consider the comments received by interested stakeholders. Examples are found in the EU-Mexico Modernized Global Agreement,[32] the 2020 USMCA,[33] and the 2018 CPTPP.[34]

In contrast to the above agreements, the more recent 2021 United States-Ecuador Protocol has more extensive commitments on stakeholder engagement and goes further than the elements envisaged by the SDR Disciplines. The Protocol recognizes the role of GRPs to support the development of compatible regulatory approaches among the parties, as well as to reduce or eliminate unnecessarily burdensome, duplicative, or divergent regulatory requirements, thereby promoting international trade, investment and economic development.[35]

The Protocol encapsulates the following elements of stakeholder engagement: (i) online publication of draft regulations, including (ii) an explanation of their objective and rationale; (iii) an opportunity to comment for interested stakeholders; and (iv) appropriate consideration of comments received on draft regulations by interested persons.[36] Going beyond the SDR Disciplines, the Protocol further envisages (v) obligations to conduct RIA before and after adoption of measures; (vi) disclosure of the data, other information, and scientific and technical analyses it relied on in support of the regulation, including any risk assessment; (vii) explanation of the data, other information, and analyses that the regulatory authority relied on as a basis for the regulation; as well as (viii) the name and contact information of an individual official from the regulatory authority responsible for developing the regulation that may be contacted regarding questions before the entry into force of the regulation.[37] With respect to the SDR Disciplines, the Protocol is missing only one key aspect of stakeholder engagement, namely allowing reasonable time between the date of publication of a new measure and the required date of compliance by services suppliers.

Several PTAs also incorporate the obligation to allow a reasonable period of time between publication and entry into force of laws and regulations, in line with the SDR Disciplines. For example, Article 26.2 of Chapter 26 of the 2018 CPTPP, as well as Article 14.6 of the 2021 ATISA require, to the extent possible, that reasonable time is provided between publication of regulations and the date on which they enter into effect.

Implementation at the domestic level

At the domestic level, numerous jurisdictions have set up different stakeholder engagement mechanisms. The latter are either set out in a legal instrument – either the constitution or a primary or secondary legislation – or carried out as a common practice. The WTO-World Bank STPD data show that 45.6 per cent of the economies surveyed legally require the publication of measures in draft form and opportunities for comments for interested persons, of which 52.7 per cent also require the consideration of such comments, either in their respective constitutions or in primary or secondary legislations (for another source of data on stakeholder engagement, see Box 1).[38] However, elsewhere, such as in Canada or the UK, stakeholder engagement does not exist under a legal mandate. Rather, it constitutes a common practice built on codes of conduct or policy guidance frameworks.[39]

Across the board, two key trends appear to be developing. First, in recent years, there has been an increase in the use of digital technologies to call for and receive stakeholders' input, including through online centralized portals. For example, Canada has introduced an online platform to allow stakeholders to engage on regulatory issues, including by participating in polls and surveys, and reacting to comments by other stakeholders as well as consultation administrators.[40] Furthermore, it appears that governments are expanding consultation periods with a view to enhancing participation.

Box 1: Public engagement in policy making in the World Bank GovTech Maturity Index (GTMI)

Under the GTMI,[41] the Digital Citizen Engagement Index (DCEI) covers various aspects related to public engagement in policymaking. In particular, the GTMI survey asks the following three questions (I-30 to I-32):

- Are there national platforms that allow citizens to participate in policy decision-making?
- Are there government platforms that allow citizens to provide feedback on service delivery?
- Does the government publish its citizen engagement statistics and performance regularly?

The 2022 GTMI update shows that, in recent years, more than 150 governments (out of 198) have worked on their interaction with citizens and have progressively improved their engagement systems. Furthermore, around 50 per cent of jurisdictions have implemented mechanisms or digital platforms to enable citizen feedback. The average DCEI index appears highest in the South Asian region, followed by East Asia and the Pacific and the Middle East and North African economies. However, only about 30 per cent of the economies publish information or data about the performance of their public engagement platforms, showing that there is room for improvement, especially with respect to transparency and reporting-back procedures.

In light of this, the 2025 *OECD Regulatory Policy Outlook* highlights that over 75 per cent of OECD member countries are progressively introducing minimum consultation periods, with 49 per cent providing at least four weeks.[42] However, the Policy Outlook notes that, across OECD member countries, there is still some space for improvement, notably with respect to better planning of consultations; this includes making information about upcoming consultations more timely and widely available, as well as providing feedback to stakeholders on a more systematic basis, about how their input has been considered. In fact, currently, only 33 per cent of OECD member countries provide direct feedback to stakeholders, potentially dissuading them from participating and making the exercise more meaningful.[43]

Across OECD member countries, there is also space to make stakeholder engagement more inclusive by diversifying communication channels and involving under-represented groups, thereby avoiding potential undue influence from more resourced stakeholders.[44]

One instructive example is Spain, through its Law 40/2015, which mandates regulatory bodies to conduct consultations through the web portals of competent authorities, even prior to making a regulatory proposal. Article 26 of the Law stipulates that a consultation procedure shall address (i) the problems that are intended to be solved with the new rule; (ii) the need and opportunity for comments; (iii) the objectives of the rule; and (iv) possible regulatory and non-regulatory alternative solutions. The consultation procedure is aimed at giving potentially affected persons or entities the opportunity to comment on the need for a regulation, how they may be impacted, and whether a solution may be developed without adopting a regulation.

The results of this procedure shape the way an eventual regulatory proposal, if considered appropriate, would be worded and presented to the public. The Law mandates competent authorities to give interested persons sufficient time to comment during consultations, i.e. a minimum of 15 days. The requirements established for the consultation procedure can only be waived in specific circumstances, including where (i) there are serious reasons related to public interest to justify it; or (ii) the proposed regulation does not have a significant impact on economic activity; or (iii) it does not impose relevant obligations on the addressees; as well as (iv) in case of an urgent need to process a regulatory initiative.

Another notable example is Mexico. Pursuant to Articles 69-H and 69-J of Mexico's Federal Law on Administrative Procedures (*Ley Federal de Procedimiento Administrativo*), the government is required to collect comments and feedback on proposed regulations. To this end, Mexico has established a dedicated regulatory oversight body known as the National Commission for Regulatory Improvement (*Comisión Nacional de Mejora Regulatoria* – CONAMER).[45] CONAMER publishes all regulatory proposals on its website[46] and provides the opportunity for interested stakeholders and the general public to comment.

This practice ensures that the regulatory authority receives impartial advice on proposed regulations, thereby contributing to improved regulatory quality in Mexico. Over the years, this system has been effective in enhancing transparency, reducing regulatory burdens and fostering a collaborative environment between the government and stakeholders. For instance, the consultation process contributed to reducing regulatory costs from 4.25 per cent to 2.71 per cent of Mexico's GDP between 2012 and 2016.[47]

In South Africa, it is the constitution itself that mandates both the National Assembly and provincial legislature to involve relevant stakeholders in their legislative processes.[48] As a result, the government has, over the years, set up various mechanisms of public consultation run by State or independent organizations. One such mechanism is instituted by the National Economic Development and Labour Council which provides a platform for stakeholders to negotiate policies affecting labour and the economy, and facilitates consultations between business, trade unions, civil society and the government through its ministries.

A similar role is played in the environmental policy sphere by the National Environmental Management Act. This Act mandates the participation of all interested and affected persons in environmental governance. It requires the government to take into account the interests, needs and values of such persons in decision-making.[49] For large-scale projects that require environmental impact assessments, the following is required before approval of any measures: (i) conducting a public participation process; (ii) creating a register of interested and affected persons; and (iii) recording the comments of interested and affected persons in reports and plans.[50]

Aside from these statutory and government-enabled channels of stakeholder engagement, non-governmental organizations also play a key role in fostering stakeholder engagement in South Africa. One such organization that has been operating since 1995 is the Parliamentary Monitoring Group.[51] The Group provides a platform for interested persons to write directly to parliamentary committees on topical issues and other policy and legislative matters. These committees, consisting of relevant ministries and departments, consider the comments which may become a critical source, with influence on national policies.

In conclusion, public engagement in policymaking is integral to trust in government action and a strong signal of good governance. Transparency only delivers its benefits when stakeholders have the opportunity to act on the information made publicly available – not merely view it. For this reason, the SDR Disciplines, like many modern PTAs, include core GRP commitments in this area, notably with respect to publishing draft laws and regulations, guaranteeing the opportunity for comment, considering comments collected, publishing final measures together with their purpose and rationale, and establishing a reasonable time frame between the publication of final measures and the date on which compliance is required by services suppliers. Building on international commitments, many jurisdictions have institutionalized public consultation mechanisms and implemented various other practices, such as using online tools and plain language, establishing minimum consultation periods, and providing a reasonable time period before the entry into force of new laws and regulations. To strengthen this practice further, authorities can engage early in the policy cycle; tailor engagement to different stakeholder groups and improve inclusivity by using a mix of consultation channels and formats (including online portals); establish clear reporting-back procedures showing how input was considered; and keep transparent records of the analysis. Implementing and tracking these steps in a consistent way enhances accountability and improves the quality and effectiveness of regulatory outcomes.

ENDNOTES

1 World Bank (2017), pp. 3, 10.

2 Johns and Saltane (2016).

3 For more information, see subsection 2.12 on "Regulatory Impact Assessment".

4 For more information, see subsection 2.13 on "Domestic Inter-agency coordination".

5 These elements are identified including based on the indicators utilized by the World Bank's Global Indicators of Regulatory Governance in the area of public consultation.

6 OECD (2025).

7 OECD (2025).

8 OECD (2025). For the requirement to use plain and concise language, see also subsection 2.3 on "Online Publication of Information".

9 OECD (2020), p. 46.

10 See AccountAbility (2015), Section 4: Stakeholder Engagement Process.

11 SDR Disciplines (WTO, 2021), paras. 14-18.

12 SDR Disciplines (WTO, 2021), para. 14.

13 SDR Disciplines (WTO, 2021), para. 15.

14 SDR Disciplines (WTO, 2021), para. 18.

15 SDR Disciplines (WTO, 2021), fn 12 to para. 13.

16 SDR Disciplines (WTO, 2021), para. 16.

17 The term "person" is defined in GATS Article XXVIII(j) as either a natural or juridical person.

18 SDR Disciplines (WTO, 2021), para. 16.

19 The GATS requires, in the context of recognition measures under Article VII, to "afford adequate opportunity" for other interested WTO members to negotiate their accession to a recognition agreement, or in the case of autonomous recognition, "to demonstrate that education, experience, licenses, or certifications obtained or requirements met in that other member's territory should be recognized". This requirement has been understood to require at least a general willingness to include other members in the recognition process. See Pitschas (2003), 495-564, p. 527, para. 93.

20 WTO (2022).

21 OECD (2025).

22 SDR Disciplines (WTO, 2021), para. 17.

23 SDR Disciplines (WTO, 2021), paras 14-18

24 SDR Disciplines (WTO, 2021), para. 18.

25 SDR Disciplines (WTO, 2021), para. 19.

26 WTO (2022).

27 India-Malaysia CECA (2011), Article 13.2.

28 Note that the agreements cited thereafter may either contain three elements or more of stakeholder engagement.

29 Indonesia-Australia CEPA (2020), Article 19.2.

30 EU–Viet Nam FTA (2020), Article 13.3.

31 United States-Oman FTA (2009), Article 11.8(3).

32 EU-Mexico Modernized Global Agreement, Chapter X, Article X.7 (as published on its political conclusion in April 2018 and updated in April 2020 and January 2025, https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countriesand-regions/mexico/eu-mexico-agreement/text-agreement_en.

33 USMCA (2020), Article 28.9.

34 CPTPP (2018), Article 26.2.

35 United States–Ecuador Protocol on Trade Rules and Transparency (2021), Annex II: Good Regulatory Practices, Article 2.

36 United States–Ecuador Protocol on Trade Rules and Transparency (2021), Annex II: Good Regulatory Practices, Article 9.

37 United States–Ecuador Protocol on Trade Rules and Transparency (2021), Annex II: Good Regulatory Practices, Article 9.

38 Sections 59(1)(a), 72(1)(a), and 118(1)(a) of the Constitution of South Africa mandate both the National Assembly and provincial legislatures to involve the public in their legislative processes, https://www.gov.za/documents/constitution/constitution-republic-south-africa-04-feb-1997; Article 10 of the Constitution of Kenya recognizes public participation in its legislative and policy processes as one of its national values, https://www.parliament.go.ke/sites/default/files/2023-03/The_Constitution_of_Kenya_2010.pdf. Additionally, Kenya adopted a specific Public Participation Bill in 2019 to further regulate public engagement, https://parliament.go.ke/sites/default/files/2019-10/The%20Public%20Participation%20(No.1)%20Bill%202019.pdf.

39 Bteddini (2013); DBT (2023).

40 OECD (2025).

41 For more information on the World Bank GTMI, please refer to the box in subsection 2.4 on "Single windows".

42 OECD (2025).

43 OECD (2025).

44 OECD (2025).

45 CONAMER was established as a result of the reform and enactment of the Regulatory Improvement General Law in 2018; see World Bank (2017).

46 https://www.gob.mx/conamer.

47 Government of Mexico, "COFEMER puts the procedures, services and regulations of the Federal Government up for public consultation" (in Spanish), press release, 21 June 2017, https://www.gob.mx/conamer/prensa/cofemer-pone-a-consulta-publica-los-tramites-servicios-y-regulaciones-del-gobierno-federal?idiom=es.

48 See the Constitution of South Africa (1996), Sections 59(1)(a), 72(1)(a), and 118(1)(a).

49 Government of South Africa, National Environmental Management Act No. 107 of 1998, Sections 2.(4)(f), 2.(4)(g), https://www.saflii.org/za/legis/consol_act/nema1998331/.

50 Government of South Africa, Amendments to the Environmental Impact Assessment Regulations 2014, Chapter 6, https://www.gov.za/documents/national-environmental-management-act-regulations-environmental-impact-assessment-7.

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8 Enquiry points

KEY INSIGHTS

- Enquiry points are recognized across all trade policy areas as a core GRP supporting two-way information flows between governments and stakeholders, both domestic and foreign; they are also known to reduce search and compliance costs.
- The GATS only contains limited obligations to respond to other WTO members' enquiries and (for developed economies) to facilitate access to market information for service suppliers from developing economies.
- The SDR Disciplines – like many modern services PTAs – extend enquiry mechanisms to all service suppliers and persons seeking to supply a service. However, specificities regarding their implementation are left to the discretion of each jurisdiction, in particular based on resource constraints. In contrast, certain agreements on goods trade (notably the TBT and SPS Agreements, as well as the TFA) spell out additional GRP principles for enquiry points, including maximum time-limits for replies, access to documentation, cost-based fee rules and auxiliary functions (such as supporting public consultations).
- At the domestic level, enquiry points are widespread but heterogeneous. Their structures and functions range from sectoral help desks in individual ministries or agencies to centralized portals for enquiries.

Key features

Effective access to reliable information underpins trade, including trade in services. Although most jurisdictions now meet baseline transparency requirements by publishing their laws and regulations,[1] this does not always provide the necessary clarity for businesses about what concrete steps, requirements and documentation, fees, or timelines those rules entail. Because authorization procedures can be fragmented and complex, service suppliers – particularly small businesses – face high search and compliance costs. Well-designed enquiry points can help reduce these hurdles by contextualizing published rules and providing clear, authoritative and timely guidance. For this reason, they are widely recognized as a core GRP element.

An enquiry point is a formally designated office or mechanism responsible for receiving and responding to individual requests for information about laws, regulations, requirements and procedures. Its main purpose is to facilitate communication between the government and interested stakeholders, including foreign governments, businesses and other relevant stakeholders.

Enquiry points ensure that stakeholders receive clear, accurate, complete and up-to-date information, thereby improving transparency and regulatory compliance. Enquiry points are also instrumental in promoting legitimacy and accountability, as well as building trust among relevant parties. Furthermore, by working as an interface between various government agencies and bodies, enquiry points can promote internal coordination and regulatory consistency (Figure 1).

While there exist different possible forms of enquiry points, the practice shows two main models: a single crossgovernment referral centre, and a dedicated help desk operated by each competent authority.[2] While a single referral centre can better serve users' interests and needs, it requires more significant coordination efforts and resources to address questions that may be under the purview of different government bodies.[3] On the other hand, an agency-specific enquiry point can ensure faster and more accurate responses, as the staff responsible for answering are specially trained in this area.[4]

Additionally, a combination of the two models is possible to allow requests that fall outside the knowledge base of the single enquiry point to be transferred to the competent agency.[5] In practice, the functions of an enquiry point are frequently assigned to an existing ministry or regulator.[6] Alternatively, a new and dedicated mechanism, such as a stand-alone unit, can be entrusted with such a task. Furthermore, where a single window mechanism exists, the enquiry point can be integrated directly within it.[7]

An enquiry point's effectiveness hinges on the availability and visibility of accurate and updated contact information and the services it provides.[8] Contact details of the enquiry point typically include the postal address, e-mail address, telephone number and operating hours. When accessing enquiry points, stakeholders also benefit from clarity regarding the scope and processing times of enquiries, the formats in which submissions may be made and the manner and timing in which responses can be expected, as well as any fees charged for processing of enquiries.

Through enquiry points, information can be provided in different ways:

- Orally: by visiting the enquiry point and talking directly to staff; or contacting the enquiry point by telephone.
- Electronically: by e-mail, through specialized online forms, through a dedicated portal, or through an online chat facility, etc.[9]

Figure 1: Enquiry points – Benefits and rationale

Feature	Description	Why does it matter
Transparency and accessibility	Access to all relevant laws, regulations, requirements and procedures	Promotes predictability, lowers search costs and enables compliance
Legitimacy and accountability	Authoritative, documented responses to specific questions	Builds stakeholder trust and reduces regulatory uncertainty
Coordination and consistency	Interface between various government agencies and bodies	Ensures accurate and complete responses; reduces inconsistencies between requirements and procedures

Source: WTO/World Bank.

Information can be provided in the local language, in English, or in multiple languages (including the language of those making the request).

Besides answering questions, enquiry points can also serve as a repository of relevant information and documentation. In addition, they can be set up to provide an entry point for submitting comments on existing or proposed laws and regulations, thereby supporting governments in designing and implementing relevant measures.[10]

GATS, SDR Disciplines and other relevant trade agreements

Considering their key role in enhancing the understanding of and supporting compliance with regulatory frameworks, enquiry points are a standard feature of trade agreements, albeit generally with different scope and beneficiaries.

Article III:4 of the GATS mandates WTO members to establish (within two years from the entry into force of the agreements) enquiry points "to provide specific information to other WTO members, upon request, on (a) all measures of general application and international agreements affecting trade in services, as well as (b) the introduction of any new, or any changes to existing, laws, regulations or administrative guidelines which significantly affect trade in services covered by a member's specific commitments under GATS and that are subject to the notification requirement."[11] In the area of trade in services, enquiry points are not required to be depositories of laws and regulations. Furthermore, to enhance their visibility and effectiveness, WTO members decided that information on the establishment of enquiry points must be notified under the GATS.[12]

Moreover, GATS Article IV:2 establishes an additional requirement specifically for developed economies, and to the extent possible other WTO members. Such a requirement consists of establishing contact points to facilitate the access of service suppliers from developing economies to information, related to their respective markets, concerning (a) commercial and technical aspects of the supply of services; (b) registration, recognition and obtaining professional qualifications; and (c) the availability of services technology.

Thus, for developed WTO members, the GATS already contains a requirement for information for the benefit of service suppliers, albeit only those from developing economies. While enquiry points are clearly intended to respond to specific information requests, there remains ambiguity around what exactly constitutes facilitating access to the types of information set out in GATS Article IV:2. However, it should be noted that, out of the 150 WTO members that submitted notifications to the WTO, only two (Malawi and Sweden) provided different contact details for the enquiry point under Article III:4 and the contact point under Article IV:2. Furthermore, three WTO members notified specific enquiry points for different particular sectors (Niger, Senegal and Uganda). This suggests that WTO members tend to rely on the same mechanisms to address enquiries from other governments as those from service suppliers of developing countries.[13]

Under the SDR Disciplines, the scope of enquiry points has been expanded to provide the following:

> Each Member shall maintain or establish appropriate mechanisms for responding to enquiries from service suppliers or persons seeking to supply a service regarding the measures by Members relating to licensing requirements and procedures, qualification requirements and procedures, and technical standards affecting trade in service.[FN] A Member may choose to address such enquiries through either the enquiry and contact points established under Articles III and IV of the Agreement or any other mechanisms as appropriate.
>
> FN: It is understood that resource constraints may be a factor in determining whether a mechanism for responding to enquiries is appropriate.[14]

The SDR Disciplines go beyond the GATS by requesting that enquiry points also assist service suppliers. This ensures that not only WTO members but also those affected by the laws, i.e. existing or prospective businesses, can directly engage with competent authorities, by asking questions and requesting information.

Notably, the SDR Disciplines refrain from prescribing how enquiries must be addressed. In view of this, each WTO member is allowed to adopt a mechanism within the constraints of its administrative or budgetary resources. Accordingly, a WTO member may establish an enquiry point, contact point or any other mechanism of its choosing provided the mechanism achieves the objective of responding to questions regarding the relevant measures.

For the purposes of comparison, the SPS Agreement (Article 7 and Annex B "Transparency of Sanitary and Phytosanitary Regulations") also requires each WTO member to maintain "one enquiry point […], responsible for the provision of answers to all reasonable questions from interested WTO members […] as well as the provision of relevant documents" regarding a range of sanitary and phytosanitary-related requirements and procedures. In a similar way to GATS Article III:4, the scope of the enquiry point under the SPS Agreement is strictly intergovernmental and does not extend to enquiries from trade operators.

The obligation on enquiry points set out in the TBT Agreement is, however, more detailed and ambitious: Article 10 of the TBT Agreement requires that WTO members ensure that one (or more) enquiry point exists which can answer all reasonable enquiries on technical regulations, standards and conformity assessment procedures. As in the SDR Disciplines, enquiries can come from WTO members as well as from other interested parties. While the TBT Agreement does not provide further guidance with respect to modalities and functioning, it sets out that when for legal or administrative reasons more than one enquiry point is established, the WTO member is required to provide complete and unambiguous information on the scope of responsibility of each of these enquiry points. In addition, it shall ensure that any enquiries addressed to an incorrect enquiry point shall promptly be conveyed to the correct enquiry point.[15]

Unlike the GATS, TBT enquiry points serve as centralized hubs for laws and regulations and are required to provide access to relevant documentation.[16] In particular, Article 10.5 of the TBT Agreement requires that, upon WTO members' request, developed country WTO members shall provide translations of documents in English, French or Spanish.

Under the TFA, WTO members may decide whether to establish or maintain the operation of one or more enquiry points to handle trade-related enquiries in the framework of different border control agencies, including based on their resources and capacity.[17] Furthermore, the task of enquiry points may be assigned to a private sector entity; in this case, government agencies would be required to monitor and assess the performance and the accuracy of the information provided.[18]

In a similar way to the TBT and SPS Agreements, the TFA limits the scope of WTO members' obligation to responses to "reasonable enquiries".[19] In view of this, it has been argued that, under the TFA, enquiry points are about questions of a general nature and not specific to a consignment.[20] Upon traders' request, enquiry points are also tasked with providing documentation and forms required to comply with the existing import, export and transit procedures.[21]

While the TFA does not require specific ways of providing information and documents (in paper or electronic form)

Figure 2: GRPs in the area of enquiry points

Functions

- Responding to enquiries from governments
- Responding to enquiries from interested persons
- Repository of laws and documentation
- Platform for public consultations
- Supporting governments in designing and implementing regulations
- Resolving problems encountered by users

Models

- Single referral centre
- Dedicated help desks within competent authorities
- Integration in single window mechanisms
- Function assigned to private sector with government supervision

Language of the information provision

- Local language(s)
- English
- Multiple languages (including language of users)

Methods for providing information

- Visit to office
- Telephone
- E-mail
- Specialized online form
- Online chat

Other relevant GRPs

- Free of charge / fees commensurate with costs
- Answers provided within reasonable time frames

Source: WTO/World Bank.

nor the language, it provides guidance on two additional GRP elements related to enquiry points:

- Fees: Article 1.3.3 encourages WTO members to not demand payment of a fee for answering enquiries. Should a fee be requested, the TFA requires WTO members to limit the amount and charges to the approximate cost of the service rendered. Following the principle of non-discrimination, fees should be the same for locals and foreigners.[22]
- Time frames for replies: Article 1.3.4 provides that enquiry points shall answer enquiries "within a reasonable time" set by each WTO member. In this light, WTO members can determine a "reasonable period" at their discretion, although this can differ according to the nature or complexity of the request.

Figure 2 provides an overview of GRPs in the area of enquiry points.

PTA practice

The requirement to establish enquiry points is a standard element of modern services PTAs. In many of them, such as the GATS, the right to request information is limited to other governments. For example, Article 8.14.6 of the 2022 RCEP only requires that questions from other parties are responded to regarding any new, or modified existing laws, regulations or administrative guidelines, or international agreements, that affect or pertain to trade in services.

Other agreements, however, largely replicate the obligation contained in the SDR Disciplines by extending the right to request information to service suppliers, while providing similar flexibility for implementation based on available resources. This is the case, for example, of Article 10.11.1 of the 2018 CPTPP and Article 9.11 of the 2020 Peru-Australia FTA. While the 2020 Hong Kong, China-Australia FTA (Article 7.10) and the 2012 United States-Colombia Trade Promotion Agreement (Article 11.8) both contain an obligation on the establishment of appropriate mechanisms to respond to enquiries from interested persons, they also specify requirements for resource and budget capacity – suggesting a higher level of ambition for implementation. Another interesting example is the 2024 EU-Central America Association Agreement. Article 178 mandates the establishment of enquiry points, but, unlike the SDR Disciplines, it does not provide flexibility for implementation. Furthermore, as in the GATS, it specifies that " [e]nquiry points need not be depositories of laws and regulations."

Overall, it is worth noting that none of the PTAs examined determine further GRP principles for enquiry points, like the TBT and SPS Agreements, or the TFA.[23]

Implementation at the domestic level

Looking at domestic practice, while enquiry points exist when it comes to services trade, it appears that no systematic information is available on how they function and what their main features are.

Overall, the majority of WTO members have notified an enquiry or contact point[24], with 136 providing basic information such as an e-mail address (Box 1). Among the latter, however, only 22 have included a reference to a website. It should be noted that in the limited instances where websites have been notified, these

Box 1: Notifications of enquiry points under the GATS

Under the GATS, WTO members have notified the following:

- Six WTO members have provided an e-mail address (either of an individual person or an office);
- 12 WTO members have provided a phone number (either of an individual person or an office);
- 110 WTO members have provided both an e-mail address and a phone number;
- 20 WTO members have provided an e-mail address, a phone number, as well as a website;
- One WTO member has provided an e-mail address and a website;
- One WTO member has provided a phone number and a website.

Source: WTO official document S/ENQ/78/Rev.25, 18 February 2025.

generally are the official websites of relevant ministries, departments, or office (for example, ministry of trade, ministry of foreign trade, ministry of commerce). This is the case also for developed economies, such as the EU which, as enquiry and contact point, notified the office of the Directorate-General for Trade in Brussels.

The EU has also provided a phone number, an e-mail address, as well as the reference to the EU Access2Markets online portal which provides general information relevant for those considering trading services.[25] The portal contains an online web form to contact the authorities.[26] The UK has followed a similar approach; under the GATS, it has notified an enquiry and contact point with an e-mail address, a phone number, and a link to the website of the Department for Business and Trade (trade policy, implementation and negotiations, trade in services).[27] Interestingly, the portal provides further links to dedicated webpages and contacts, particularly on (i) requiring support on setting up and doing business in the UK, as well as (ii) requesting information on export-related issues for UK-based businesses.

While the practice on enquiry points may vary among jurisdictions and different areas of trade, it is worth highlighting that citizens' right to request information from the government is at this time enshrined in the foundational regulatory instruments of certain countries. This is the case, for instance, in Colombia where Article 23 of the 1991 Constitution embodies the "right of petition". Article 23 entitles any interested person to submit a question to the government regardless of the person's nationality, i.e. including foreigners. This includes *inter alia* requesting access to documents or receiving information on laws and regulatory procedures in writing or orally, free of charge. To achieve the Constitution's objectives, Colombia emphasizes the use of any "appropriate mechanism" to submit petitions to any governmental authority or agency, any private entity exercising delegated powers and any private association.[28]

In the specific case of trade in services through commercial presence (mode 3), the practice related to enquiry points is generally more advanced. Investment promotion agencies often function as enquiry points for interested investors. For example, the Guyana Office for Investment (Go-Invest) serves as a primary contact for investors to establish their activity in Guyana and facilitate their operations throughout the business lifecycle.[29] Go-Invest assists in providing information on incentives available to investors and regulations relevant to the sectors of interest. It also develops profiles on various investment opportunities in Guyana as well as supporting investors in obtaining the necessary concessions, authorizations and permits.

Furthermore, Go-Invest works with the government with a view to designing and implementing policies that are adequate to the needs and interests of potential investors. The Go-Invest website contains an online chat facility which allows users to obtain immediate replies to specific questions. The website also contains detailed information on various investment opportunities in the services sectors (including financial, education and health services),[30] as well as an application form for an investment preliminary screening.[31]

In conclusion, enquiry points are now recognized in trade policy as a core GRP that lowers search costs, enables the flow of information between governments and relevant stakeholders, and facilitates access to complete information. In services, however, the binding international baseline remains modest: GATS Article III:4 confines the obligation to respond to other WTO members' requests for information and does not require enquiry points to act as depositories of laws; Article IV:2 adds an obligation for developed WTO members to facilitate access to market information for services suppliers from developing economies. In contrast, the SDR Disciplines extend to all service suppliers' access to enquiry points, but conditions their implementation based on resource constraints. Other WTO agreements offer clearer service-quality cues. The TBT Agreement requires enquiry points to answer all reasonable enquiries and provide access to relevant documents, including translations upon request; the TFA also encourages no-fee or cost-based replies. Likewise, domestic practice ranges significantly from sectoral help desks housed in individual ministries or agencies to the establishment of centralized portals that route enquiries (regardless of the sector) through a fully integrated information system. GATS enquiry-point notifications – although sporadic and often sparse in detail – suggest that enquiry points exist in most, if not all, jurisdictions, and expect competent offices to respond to enquiries. Taken together, GATS notifications confirm that enquiry points are already widespread in services, but that there may also be room to be more ambitious, notably by borrowing from the clearer service-quality benchmarks found in other trade in goods-related deals. Aligning these benchmarks – including on timeliness, cost and language – would enhance the practical value of enquiry points and further reduce compliance costs for service suppliers, especially small ones.

ENDNOTES

1 For more information, see subsection 2.3 on "Online Publication of Information".

2 UNECE (2022), p. 15; WTO (2018), p. 12.

3 UNECE (2022), p. 15.

4 UNECE (2022), p. 15.

5 UNECE (2022), p. 15.

6 WTO (2018), p. 12.

7 For more information, see subsection 2.4 on "Single Window".

8 UNECE (2022), p. 16.

9 UNECE (2022), p. 16.

10 WTO (2018), pp. 54-55. For more information, please see subsections 2.7 on "Stakeholder Engagement" and 2.12 on "Regulatory Impact Assessment".

11 GATS, Article III:4, with modifications based on preceding paragraphs 1 and 3

12 WTO, Council for Trade in Services, Decision on the Notification of the Establishment of Enquiry and Contact Points, official document S/L/23, 27 June 1996.

13 The latest compilation of contact and enquiry points is contained in WTO official document S/ENQ/78/Rev.25, 18 February 2025.

14 SDR Disciplines (WTO, 2021), para. 20.

15 TBT Agreement, Article 10.2.

16 TBT Agreement, Article 10.3.

17 TFA, Article 1.3.1.

18 UNECE (2022), p. 6.

19 TFA, Article 1.3.1.

20 UNECE (2022), p. 6.

21 UNECE (2022), p. 6; TFA, Article 1.3.4.

22 UNECE (2022), p. 6.

23 It should be noted that the recent Agreement on Investment Facilitation for Development (IFD Agreement), for trade in services through commercial presence, requires the establishment or maintenance of one or more focal points or appropriate mechanisms to respond to enquiries from (i) investors seeking to invest and (ii) existing investors, and assist them in obtaining relevant information from competent authorities (Article 22). Enquiries should be responded to "within a reasonable time" and the parties "should not require fees for answering enquiries or assisting investors in obtaining information". Additionally, such mechanisms "may be endowed with additional functions, such as resolving problems encountered by investors or recommending measures to improve the investment."

24 The following WTO members have not notified enquiry points: Benin, Chad, Djibouti, Eswatini, Fiji, Guinea, Guinea-Bissau, Liberia, Papua New Guinea, Sierra Leone, Tanzania, Vanuatu and Yemen. Additionally, Comoros and Timor-Leste have two years to submit their notifications following their accession to the WTO in 2024. See also WTO official document S/ENQ/78/Rev.25, 18 February 2025.

25 European Commission, Access2Markets, "Services", https://trade.ec.europa.eu/access-to-markets/en/content/services. See also WTO official document S/ENQ/78/Rev.25, 18 February 2025.

26 European Commission, Access2Markets, "Contact", https://trade.ec.europa.eu/access-to-markets/en/contact-form.

27 UK Government, "Department for Business and Trade", https://www.gov.uk/government/organisations/department-for-business-and-trade. See also WTO official document S/ENQ/78/Rev.25, 18 February 2025.

28 Note that, under the GATS, Colombia has designated the Ministerio de Comercio, Industria y Turismo, Dirección de Relaciones Comerciales as the enquiry point, and the Ministerio de Comercio, Industria y Turismo, Dirección de Inversión Extranjera, Servicios y Propiedad Intelectual as the contact point. Both ministry offices respond to the same phone number and are located at the same address in Bogotá.

29 Government of Guyana, Guyana Office for Investment (Go-Invest), "Invest & Grow in Guyana", https://www.guyanainvest.gov.gy/invest.

30 Government of Guyana, Guyana Office for Investment (Go-Invest), "Services Investment Portfolio", https://drive.google.com/file/d/1hFGj0qluyy3M3ob_g0NgmkGK71R2amEn/view.

31 Government of Guyana, Guyana Office for Investment (Go-Invest), "Guyana Office for Investment Preliminary Screening Form", https://docs.google.com/forms/d/e/1FAIpQLScgpNlgpMKTxG0DFeZqPQlQzACtu-zu_tDmkq77s30FihtMnA/viewform.

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9 Standards in services

KEY INSIGHTS

- With the evolution of digital technologies and market structures, standards are becoming an increasingly important GRP area for services and services trade – helping reduce transaction costs, promote interoperability, and signal minimum quality in service delivery.
- GATS covers standards to a limited extent only, notably by requiring WTO members to ensure that domestic regulation for services, including with respect to technical standards, is transparent, objective and not more trade-restrictive than necessary.
- The SDR Disciplines – mirrored in some recent services PTAs – address another instrumental GRP aspect when it comes to standards: they encourage open and transparent processes for developing standards, as well as providing technical assistance to help developing economies participate in standard-setting bodies.
- However, learning from the more evolved experience in trade in goods – namely through TBT – there are additional GRP principles which may prove useful in the area of services trade, in particular with respect to the impartiality of standard-setting bodies, the effectiveness and relevance of standards, as well as coherence and non-duplication/conflict with existing international standards.
- Domestic uptake of services standards is expanding. Various jurisdictions are exploring or adopting services standards across sectors (e.g. architecture, engineering and construction industries) as well as in newer areas such as AI, cybersecurity and privacy – including by incorporating by reference, or otherwise giving legal effect, to existing international standards (e.g. International Standards on Auditing).

Key features

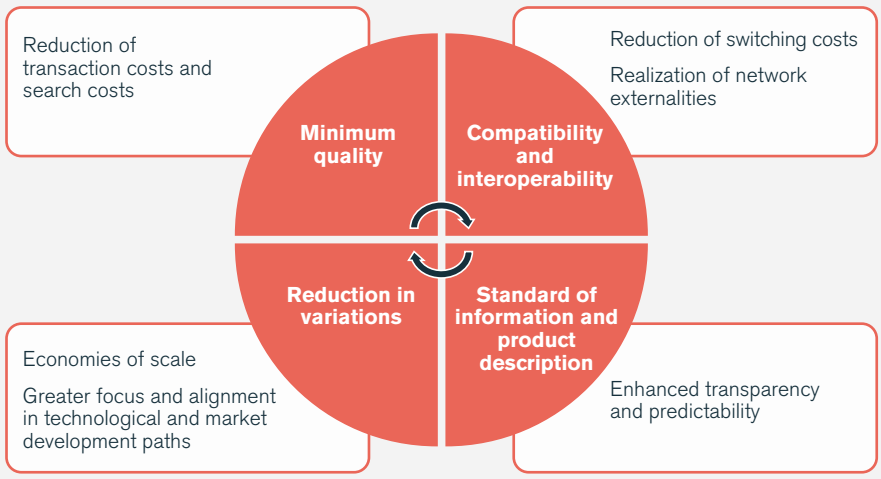
The International Organization for Standardization (ISO), one of the largest independent standard-setting bodies, describes a standard as "the best way of doing something".[1] It defines it as a "document, established by consensus and approved by a recognized body, that provides, for common and repeated use, rules, guidelines or characteristics for activities or their results". The definition continues to clarify the objective of a standard, namely that it is "aimed at the achievement of the optimum degree of order in a given context".[2]

In the field of services, standards are a critical component of regulatory frameworks within which services suppliers operate – they reduce risks, transaction costs and systems incompatibilities, thus enabling trade to take place.[3] Amid rapid technological changes and the deepening of GVCs, standards play an increasingly important role in ensuring the reliability, quality, interoperability and safety of service delivery. They help address common failures in services markets, such as information asymmetries, by making key service attributes more visible and comparable, often through clear specifications, certification and disclosure. For instance, accounting and auditing standards reduce uncertainty about the accuracy of financial reporting; in transport and logistics, safety and security standards assure clients of reliable delivery; and in digital services, common protocols for data protection or cybersecurity provide confidence to users and regulators alike.

In this context, standards provide key information about the service and related processes; they establish benchmarks for minimum quality of performance, clarifying what customers can expect and what suppliers must deliver. They also enable compatibility and interoperability, reducing unnecessary variations and allowing systems, processes and organizations to work seamlessly together across different platforms and regions. Consequently, standards are key to encouraging competitiveness and lowering transaction costs, while at the same time fostering innovation and economies of scale (Figure 1).

Services standards only accounted for 2.2 per cent of new registered ISO standards in 2022.[4] However, a high number of non-services-specific standards have implications for services, such as business management and innovation standards, as well as transport-related standards. Furthermore, there are specialized international standard-setting bodies that deal with specific services sectors, such as the International Air Transport Association (IATA) and International Civil Aviation Organization (ICAO) for air transport, the International Telecommunication Union (ITU) for telecommunications services, the International Maritime Organization (IMO) for maritime transport, and the International Financial Reporting Standards (IFRS) for accounting standards.

Figure 1: Key benefits of standards



Source: WTO/World Bank.

There are different types of standards that may be applicable to services:

- Voluntary vs. mandatory standards: voluntary standards are developed by private standard-setting bodies or market-leading firms setting a *de facto* industry standard. Voluntary standards are self-enforcing and spread through network effects. Mandatory standards, on the other hand, are imposed by governments. They are often based on well-established voluntary standards, and align, where possible, with international standards. It is worth noting that voluntary and mandatory standards can be complementary and mutually reinforcing.[5] In many professional services (e.g. accountancy, architecture), standards drafted by professional bodies start as voluntary but become binding when legislation or licensing rules incorporate them by reference – for example, by requiring adherence to a profession's auditing, ethics, or competence standards as a condition of practice. In these co-regulatory models, a measure establishes the public-interest framework and delegates specific functions to professional bodies (e.g. accreditation for continuing professional development, inspections and discipline), while standards acquire legal effect through that incorporation.
- Process/method vs. product standards: process/method standards, which are most prevalent in services sectors, set out uniform ways of performing specific tasks or undertaking processes. For example, the International Standards on Auditing (ISAs) specify how auditors plan, test, document and report an audit. Regulators often require audits to follow ISAs, which standardizes the process of delivering the audit service and makes quality comparable across borders. Product standards identify the qualities or functions of a product. In services sectors, product standards often govern the tools or outputs used to deliver the service (e.g. Europay, Mastercard and Visa chip and terminal specifications, or health-data formats).

Standard-setting typically proceeds in two complementary ways: demand-driven (bottom-up) and regulation-driven (top-down).[6] In the bottom-up approach, services and suppliers, especially with rapid changes in digital technologies, may initiate business demand for agreeing on a specific way of producing, supplying, or marketing a service. Once demand is established, it is the role of standard-setting bodies, with inputs from relevant stakeholders, to design and adopt standards. In contrast, with a top-down approach, governments establish overarching objectives and guidelines, while allowing private standard-setting bodies to compete in developing and disseminating specific standards, and to provide certifications once these standards are met.

In the area of services, it is also important to distinguish "technical standards" from "regulatory standards". Technical standards, as discussed above, are concerned with the characteristics of a service or the manner/process in which it is supplied. But there also exist standards – often referred to as "regulatory standards" – which set out principles for the regulation and supervision of a service.[7] For example, the Financial Stability Board, established to coordinate national and international financial authorities and standard-setting bodies, identified 12 key standards widely recognized as minimum benchmarks for good practice. These include the "Core Principles for Effective Banking Supervision" by the Basel Committee on Banking Supervision, the "Insurance Core Principles" by the International Association of Insurance Supervisors, and the "Objectives and Principles of Securities Regulation" by the International Organization of Securities Commissions.

GATS, SDR Disciplines and other relevant trade agreements

Under the GATS, obligations related to standards are somewhat rudimentary. Broadly speaking, the GATS aims to ensure that domestic regulation for services, including with respect to technical standards, is transparent, objective and not more trade-restrictive than necessary.[8]

The GATS does not contain definitions for the terms "standard", "technical standard" or "international standard". Nevertheless, the term "standard" is used within the provision on recognition to clarify that a WTO member may recognize education, experience, requirements, licences or certificates of other jurisdictions, to fulfil its own "standards or criteria".[9]

The phrase "technical standard" features only twice in the GATS, and both times in the context of Article VI. The first appearance is under the mandate of Article VI:4, which directs WTO members to develop any necessary disciplines to ensure that "measures relating to … technical standards" do not constitute

unnecessary barriers to trade in services. The second appearance is in Article VI:5 which requires that WTO members, before any such disciplines are developed, do not apply technical standards that nullify or impair specific commitments contained in their schedules of specific commitments.

The phrase "international standards" is, however, used on three occasions. First, in the context of the period before the adoption of domestic regulation disciplines developed under Article VI:4. In view of this, Article VI:5 states that when assessing whether a WTO member complies with the requirement not to apply technical standards that would nullify or impair specific commitments, consideration should be given to the international standards of relevant international organizations applied by that WTO member. The phrase "relevant international organizations" refers here to international bodies whose membership is open to the relevant bodies of at least all WTO members. Importantly, this obligation, therefore, neither provides an obligation to use international standards nor create a presumption of compliance with the principle prescribed in Article VI:4.

The second reference to "international standards" appears in the context of recognition. Article VII:5 provides that recognition should be based on multilaterally agreed criteria in appropriate cases. In light of this, WTO members "shall work in cooperation with relevant intergovernmental and nongovernmental organizations towards the establishment and adoption of common international standards and criteria for recognition and common international standards for the practice of relevant services trades and professions".

The last reference is contained in the Annex on Telecommunications. Specifically for telecommunications services, Section 7(a) provides that WTO members "recognize the importance of international standards for global compatibility and inter-operability of telecommunication networks and services and undertake to promote such standards through the work of relevant international bodies, including the ITU and the ISO." In the telecom sector, the Reference Paper on Basic Telecommunications (incorporated by more than 100 WTO members into their respective schedules of specific commitments) requires that WTO members ensure that interconnection with a major supplier is provided *inter alia* under non-discriminatory terms and conditions and that it should be provided "in a timely fashion, on terms, conditions (including technical standards and specifications) and cost-oriented rates that are transparent, reasonable, having regard to economic feasibility and sufficiently unbundled".[10]

Despite the absence of definitions in the GATS, WTO members – during negotiations in the WPDR – had developed a working definition which provides that "technical standards" are measures that prescribe "the characteristics of a service or the manner in which it is supplied".[11] Furthermore, "technical standards also include the procedures relating to the enforcement of such standards."[12] This definition reflects the distinction between the characteristics of a product and the related production methods. Technical standards could therefore be understood as rules or criteria describing the characteristics of the service (e.g. the format of a financial report), as well as the manner in which it should be performed, namely, the way in which an audit must be conducted, including various checks and reporting. It would cover both mandatory technical requirements for the supply of a service as well as situations where adherence to voluntary standards is accepted as one among several ways of complying with a mandatory requirement.

The SDR Disciplines, likewise, do not contain definitions of these terms. While the SDR Disciplines apply to "measures relating to […] technical standards affecting trade in services"[13], there is no attempt to regulate the substance of technical standards. In encouraging the provision of specific technical assistance and capacity building, WTO members that have adopted the SDR Disciplines have pledged such assistance which shall *inter alia* aim to facilitate "the establishment of technical standards" and facilitate the "participation of developing and in particular least-developed country members facing resource constraints in the relevant international organizations".[14]

It is important to note that the SDR Disciplines focus on the phase of obtaining authorization to supply a service, but do not regulate the post-licensing phase in which services businesses must perform their services in a specific manner or observe a certain level of quality or safety. The only exception relates to the requirement for publication of information not only to obtain, but also to maintain, amend, or renew authorization.[15] This requirement for information explicitly extends to technical standards.[16]

With regard to the substance of technical standards, the SDR Disciplines provide that they are to be

based on "objective and transparent criteria" and "do not discriminate between men and women".[17] Other relevant obligations in the SDR Disciplines relate to the publication of information on technical standards, as well as the procedures that applicants for authorization are required to follow to demonstrate compliance with technical standards.

Furthermore, the SDR Disciplines address in paragraph 21 the development of technical standards as follows:

> Each Member shall encourage its competent authorities, when adopting technical standards, to adopt technical standards developed through open and transparent processes, and shall encourage any body, including relevant international organizations[FN], designated to develop technical standards to use open and transparent processes.
>
> FN: The term "relevant international organizations" refers to international bodies whose membership is open to the relevant bodies of at least all Members of the WTO.

International regulation in the field of trade in goods contains more detailed obligations on GRPs for technical standards which, with time and experience, may be carried over and adapted to the specificities of services trade. In particular, the TBT Agreement aims to balance, on the one hand, the need to implement standards for safety, health, environmental protection and consumer information, with on the other hand, the goal of preventing protectionism and unnecessary obstacles to international trade. It sets out a comprehensive framework for the preparation, adoption and application of technical regulations and standards, and for conformity-assessment procedures (testing, inspection, certification).[18]

The TBT Agreement requires, among other things, that technical regulations, standards and conformity assessment procedures are not more trade-restrictive than necessary to achieve legitimate objectives, such as protecting human health and safety, animal and plant life, or the environment.[19]

Unlike the GATS and the SDR Disciplines, the TBT Agreement determines that where relevant international standards exist (or their completion is imminent), WTO members shall use them, or the relevant parts of them, as a basis for their technical regulations – except when such international standards or relevant parts would be an ineffective or inappropriate means for the fulfilment of the legitimate objectives pursued.[20] Importantly, whenever a technical regulation is prepared, adopted or applied, and is in accordance with relevant international standards, it shall be presumed – unless proven otherwise – not to constitute an unnecessary obstacle to international trade.[21] Such an explicit reference to international standards in the TBT Agreement reflects a more developed experience and, as a consequence, a more frequent use of standardization in the area of trade in goods.

Recognizing the costs for producers and exporters associated with the diversity of regulations and standards across jurisdictions, the TBT Agreement also requires WTO members to play a full part in international standardizing bodies in the development of international standards, with a view to progressively harmonizing technical regulations.[22] Along the same lines, WTO members are also required to give positive consideration to accepting as equivalent, technical regulations of other WTO members, even if these regulations differ from their own, provided that they adequately fulfil the objectives of their own regulations.[23]

To ensure that information related to technical regulations and standards is transparent and made easily available, all WTO members are expected to keep each other informed through the WTO. In practice, around 900 new or modified regulations are notified each year.[24] The TBT Committee is the forum tasked with sharing information and discussing concerns about the regulations and their implementation.

The SPS Agreement requires that measures taken to protect human, animal or plant life or health from specified risks (e.g. food-borne hazards, animal diseases, plant pests) are based on scientific principles and not maintained without sufficient scientific evidence, and that WTO members conduct a risk assessment in line with internationally accepted methods to achieve their chosen appropriate level of protection.[25] However, unlike the TBT Agreement, which does not identify international standard-setting bodies, it explicitly ties domestic measures to three international standard-setting organizations – the Codex Alimentarius (food safety), the World Organisation for Animal Health (animal health) and the International Plant Protection Convention (plant health). When a measure conforms to a relevant international standard, it is deemed necessary and is presumed consistent with the SPS Agreement and the GATT. A WTO member may apply a stricter level of protection than the international

standard only if it can be scientifically justified or is supported by a risk assessment[26] consistent with its chosen appropriate level of protection.

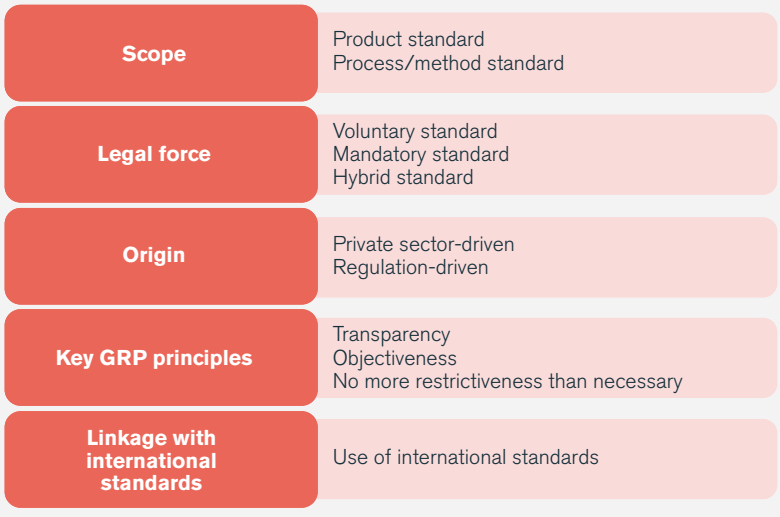
Beyond the scope and core features of standards (Figure 2), there is another relevant GRP aspect, which is that of their development. This issue is addressed both by the SDR Disciplines (for trade in services) as well as by the TBT Agreement (for trade in goods), although by the latter in a more detailed way (for a comparison between the TBT Agreement and the SDR Disciplines, see Figure 3). Annex 3 of the TBT Agreement contains a "Code of Good Practice for the Preparation, Adoption and Application of Standards". This Code sets out key procedural disciplines for governmental and non-governmental standardizing bodies so that standards are prepared and applied coherently and do not create unnecessary obstacles to trade.

In 2000, The TBT Committee adopted "Six Principles" which provide guidance on how to turn the Code's high-level objectives into operational criteria for developing international standards.[27] The Principles address (i) transparency, (ii) openness, (iii) impartiality and consensus, (iv) effectiveness and relevance, (v) coherence, (vi) and the development dimension. These Principles identify several elements that may also prove relevant to trade in services. The Principles, like the SDR Disciplines, underscore the importance of transparency and openness in the development of standards processes. Transparent processes are understood to include the publication of information regarding standard development activities, such as work programmes or draft proposals, so that stakeholders, including standard-setting bodies in other WTO members may be informed.

Closely linked to transparency, open processes facilitate the participation of all materially affected stakeholders – such as SMEs, technical experts, or consumer advocacy groups, whether foreign or domestic – at any stages of the development of a standard. As also set out in the SDR Disciplines, constraints on developing economies to effectively participate in standards development need to be taken into consideration. The openness of any international standardization process requires that no governments are excluded from the process and that tangible ways of facilitating developing country members' participation are sought, including through appropriate technical assistance and capacity building.

Other Principles, although going beyond the scope of the SDR Disciplines, may equally constitute GRP in the field of development of standards for services. For example, there is a call for coherence, to avoid standards being developed in conflict with existing international standards or duplicating the work of international standard-setting bodies. Standard-setting processes should strive for maximum "effectiveness and relevance", with a view to ensuring that standards effectively address regulatory and market needs and reflect advances in technology and science.

Figure 2: Main features of standards



Source: WTO/World Bank.

Figure 3: Development of technical standards – comparison between the TBT Agreement and the SDR Disciplines

GRP	TBT Agreement	SDR Disciplines
Transparency • Publication/availability of information including technical standards. • Make standard-setting activities visible as early as possible, including to other WTO members.	✓	✓
Openness • Participation at all stages to all materially affected stakeholders (SMEs, technical experts, consumers; foreign and local).	✓	✓
Impartiality and consensus • No favouritism toward particular stakeholders. • Decisions reflect balanced input. • Due process safeguards.	✓	
Effectiveness and relevance • Standards address real regulatory/market needs and keep pace with science/technology. • Processes to identify ongoing relevance of standards (remove and review as necessary). • Cohesive use of voluntary and mandatory standards.	✓	
Coherence • Avoid conflict with existing or imminent international standards or duplication of relevant work by international standard-setting bodies.	✓	
Development dimension • Facilitate participation of developing economies in international standard-setting bodies, including through technical assistance and capacity building.	✓	✓

Source: WTO/World Bank.

Standardizing bodies should have procedures to identify whether standards have become obsolete, or ineffective, and review them as required. Additionally, standard-setting bodies should ensure impartiality in activities for standard development, with no favouritism with regard to particular stakeholders. To ensure the continuous implementation of procedural principles, mechanisms for impartial procedural appeals should also be made available. Procedures should actively seek to reconcile differing views and provide fair consideration of all comments throughout the development process.

PTA practice

New generation PTAs dealing with services trade contain numerous references to technical and international standards. Many of these agreements traditionally replicate or recall the mandate of GATS Article VI:4 to develop disciplines that ensure that technical standards do not constitute unnecessary barriers to trade, while some others go further and operationalize this mandate. For example, Article 8.15.5 of the 2022 RCEP stipulates that each party shall endeavour to ensure that any measures relating to technical standards it adopts or maintains are consistent with the objectives set out in GATS Article VI:4, i.e. (i) based on objective and transparent criteria, such as competence and the ability to supply the service; (ii) and not more burdensome than necessary to ensure the quality of the service.[28]

Moreover, Article 8.15.6 specifies that, to determine whether technical standards are based on objective and transparent criteria, international standards of relevant international organizations applied by that party shall be taken into account.[29] Similarly, Article 16.4 of the 2021 ATISA requires that ASEAN member states "maintain measures relating to technical standards as a condition for the supply of a service, to ensure that: a) such measures are based on objective and transparent criteria".[30]

Several PTAs contain references to "international standards" in chapters related to trade in services. For example, the 2021 ATISA uses the term in an obligation equivalent to GATS Article VI:5. In view of this, Article 16.5(b) provides that international standards are to be taken into account to determine whether ASEAN member states are in conformity with the obligation to not apply licensing and qualification requirements and technical standards in a manner that nullify their obligations under the Agreement.[31]

Standards-related obligations also appear in sectoral chapters or annexes of PTAs. For example, when it comes to telecommunications services, numerous PTAs have incorporated the Reference Paper on Basic Telecommunications, with the obligation to provide interconnection with a major supplier under non-discriminatory, timely terms and conditions (including technical standards and specifications), that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled.

This is the case, for instance, of the 2021 ATISA Annex on Telecommunication Services (Article 8),[32] as well as the 2020 USMCA (Article 18.9).[33] Also in the field of telecommunications, some PTAs require enhanced transparency to ensure that relevant information on conditions affecting access to and use of public telecommunications transport networks and services is publicly available, including "information on bodies responsible for the preparation and adoption of standards affecting such access and use".[34]

In the area of professional services, obligations related to standards can also often be encountered. The 2022 RCEP Annex on Professional Services aims to foster cooperation between the parties' professional bodies on issues that relate to the recognition of professional qualifications, licensing, or registration. In this context, each party shall encourage its relevant bodies to work towards the development of mutually acceptable professional standards (paragraph 6); provide information concerning standards and criteria for the licensing and certification of professional service suppliers (paragraph 7); and encourage its relevant bodies to refer to international frameworks, where applicable, in developing common standards and criteria for the relevant professions (paragraph 8).[35]

With regard to financial services, in their respective sector-specific annexes, both the 2022 RCEP and the 2021 ATISA provide that a party may recognize prudential measures of any international standard-setting body, another party, or a non-party in determining how its measures relating to financial services shall be applied.[36]

Additionally, e-commerce chapters in PTAs similarly often reference international standards. For example, in the case of the 2022 RCEP which, in Article 12.8, requires the parties to take into account international standards, principles, guidelines and criteria of relevant international organizations or bodies, in the development of its legal framework for the protection of personal information.[37] Similarly, Article 16.4 of the 2017 EU-Canada CETA states that, when adopting or maintaining measures to protect the personal data of e-commerce users, both the EU and Canada must take into account international standards of data protection set by relevant international organizations to which they both belong.[38]

It should also be noted that, at present, only a very limited number of PTAs address the issue of the development of standards for services. The 2020 USMCA is one of these agreements and which substantially replicates the SDR Disciplines, requiring that "each Party shall encourage its competent authorities, when adopting a technical standard, to adopt technical standards developed through an open and transparent process, and shall encourage a body designated to develop a technical standard to use an open and transparent process."[39]

Furthermore, some agreements address the issue of cooperation on standards-related matters.[40] For instance, the 2017 EU-Canada CETA contains a Chapter on "Regulatory cooperation" which sets out the parties' commitment to cooperate on issues that concern the development, adoption, implementation and maintenance of international standards, guides and recommendations, including in the field of services.[41] The parties are also required to "identify the appropriate approach to reduce adverse effects of existing regulatory differences on bilateral trade and investment in sectors identified by a Party, including, when appropriate, through greater convergence, mutual recognition, minimising the use of trade and investment distorting regulatory instruments, and the use of international standards, including standards and guides for conformity assessment", among others.[42]

Implementation at the domestic level

At the domestic level, various jurisdictions are currently looking at services standards, across sectors as well as in new areas such as AI, cybersecurity and privacy. For example, in the architecture, engineering and construction (AEC) industries, standards – covering qualifications, processes, materials and safety – are critical to protect consumers and ensure service quality.[43]

Further to a business call for standardization initiated in the UK, in 2019 the ISO approved international building

information modeling (BIM) standards (ISO/TC 59/SC 13).[44] BIM provides a shared digital framework that allows public and private actors to collaborate across the project lifecycle. The standard pursues three key objectives: (i) to enable interoperability of information; (ii) to deliver a structured set of standards, specifications and reports to define, describe, exchange, monitor, record and securely handle information, semantics, and processes, with links to geospatial and other built environment information; and (iii) to enable object-related digital information exchange.[45]

Chile was one of the first jurisdictions to adopt BIM standards in Latin America.[46] In collaboration with AEC industry representatives, the government of Chile adopted a national BIM strategy programme in 2016, known as "Planbim".[47] The expected benefits of this plan included better quality; transparency and traceability of project information; greater collaboration around common standards; improved regulatory compliance; faster permit approvals; and enhanced predictability with fewer delays.[48] To promote the implementation, Chile phased BIM requirements into public works, embedded training in the university architecture curriculum and organized free courses for the private sector.[49]

Chile also joined the BIM Global Network to align with international practice.[50] While implementation is ongoing, a number of challenges persist: these include gaps in interoperability for some underlying datasets, the need for significant ICT investment and skills development, and the importance of steady political support and international cooperation as technologies evolve.[51]

The ISAs are developed and issued by the International Auditing and Assurance Standards Board (IAASB) – an independent standard-setting board supported by the International Federation of Accountants, with oversight by the Public Interest Oversight Board. ISAs set out how to plan and perform an audit, what evidence should be obtained and documented, how the engagement is quality-managed, and how to report the results. They also prescribe the form that the auditor's report should take and cover topics such as fraud, estimates and subsequent events.[52] Many jurisdictions make ISAs effectively binding by adopting national versions in laws or regulations. For example, in the UK, the Financial Reporting Council issues national standards based on IAASB ISAs for statutory audits.[53] In Australia, the Auditing and Assurance Standards Board issues Australian Auditing Standards as mandatory legal instruments.[54]

Similarly, in South Africa, the Independent Regulatory Board for Auditors has adopted the ISAs as issued by the IAASB, without modifications, making them mandatory for registered auditors.[55] These examples show how various jurisdictions turn voluntary international benchmarks into binding domestic standards, by directly incorporating them in their regulatory frameworks. This results in audits using consistent procedures and reports, cross-border comparability and improved trust, while also clarifying oversight roles of public authorities and professional bodies.

In conclusion, as technologies and market structures evolve, standards are becoming increasingly important for services and services trade. While the GATS only addresses standards to a very limited extent, several key GRP principles – such as transparency, objectivity, and necessity – can help ensure that these reduce transaction costs, promote interoperability and signal minimum quality in service delivery. GRPs also play an instrumental role when it comes to guiding the development of standards. In this way, the SDR Disciplines already encourage open and transparent processes, as well as the provision of technical assistance to facilitate the participation of developing economies in standard-setting bodies. However, learning from the TBT experience, the adoption of additional GRP principles, including impartiality, effectiveness and relevance, coherence and non-duplication/conflict with international standards, may further strengthen the legitimacy and uptake of services standards and foster their broad adoption across international markets.

ENDNOTES

1 International Organization for Standardization (ISO), "Standards", https://www.iso.org/standards.html.

2 International Organization for Standardization (ISO), "Consumers and Standards: Partnership for a Better World- 1. Standards in our world", https://www.iso.org/sites/ConsumersStandards/1_standards.html.

3 Marchetti (2015), pp. 137-159.

4 APEC (2024), p. 3.

5 APEC (2024), p. 9.

6 APEC (2024), p. 10.

7 Marchetti (2015).

8 GATS, Article VI:1.

9 GATS, Article VII:1.

10 WTO, Reference Paper on Basic Telecommunications, https://www.wto.org/english/tratop_e/serv_e/telecom_e/tel23_e.htm.

11 WTO (2011).

12 WTO (2011).

13 SDR Disciplines (WTO, 2021), para. 1. Note that the Alternative SDR Disciplines exclude technical standards from its scope. Hence, for WTO members that have opted to apply these Alternative SDR Disciplines for their commitments in financial services, there are no obligations with regard to technical standards.

14 SDR Reference Paper (WTO, 2021), Section I, para. 12.

15 SDR Disciplines (WTO, 2021), para. 13.

16 SDR Disciplines (WTO, 2021), para. 13(d).

17 SDR Disciplines (WTO, 2021), para. 22(a) and (d).

18 These terms are defined in Annex 1 of the TBT Agreement. A "technical regulation" refers to a "[d]ocument which lays down product characteristics or their related processes and production methods, including the applicable administrative provisions, with which compliance is mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, process or production method." Additionally, the term "standard" is defined as a "[d]ocument approved by a recognized body, that provides, for common and repeated use, rules, guidelines or characteristics for products or related processes and production methods, with which compliance is not mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, process or production method." Finally, a "conformity assessment procedure" is identified as "[a]ny procedure used, directly or indirectly, to determine that relevant requirements in technical regulations or standards are fulfilled".

19 TBT Agreement, Article 2.2.

20 TBT Agreement, Article 2.4.

21 TBT Agreement, Article 2.5.

22 TBT Agreement, Article 2.6.

23 TBT Agreement, Article 2.7.

24 WTO, "Understanding the WTO: The Agreements - Standards and safety", https://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm4_e.htm#TRS.

25 SPS Agreement, Articles 2 and 5.

26 SPS Agreement, Article 3.

27 WTO, "Principles for the Development of International Standards, Guides and Recommendations", https://www.wto.org/english/tratop_e/tbt_e/principles_standards_tbt_e.htm. See also WTO (2022), Annex 2.

28 RCEP (2022), Article 8.15.5.

29 RCEP (2022), Article 8.15.6.

30 ATISA (2021), Article 16.4.

31 ATISA (2021), Article 16.5(b).

32 ATISA (2021), Annex on Telecommunication Services, Article 8.

33 USMCA (2020), Article 18.9.

34 ATISA (2021), Annex on Telecommunication Services, Article 15; RCEP (2022), Annex 8B: Telecommunications Services, Article 16.

35 RCEP (2022), Annex 8C: Professional Services, paras. 6, 7, and 8.

36 RCEP (2022), Annex 8A: Financial Services, Article 6; ATISA (2021), Annex on Financial Services, Article 5.

37 RCEP (2022), Article 12.8.

38 EU-Canada CETA (2017), Article 16.4.

39 USMCA (2020), Article 15.8.5.

40 For more information, see subsection 2.14 on "International regulatory cooperation".

41 EU-Canada CETA (2017), Article 21.4(h).

42 EU-Canada CETA (2017), Article 21.4(r).

43 APEC (2024).

44 International Organization for Standardization (ISO), "ISO/TC 59/SC 13 – Organization and Digitization of Information about Buildings and Civil Engineering Works (BIM)", https://www.iso.org/committee/49180.html.

45 International Organization for Standardization (ISO), "ISO/TC 59/SC 13 – Organization and Digitization of Information about Buildings and Civil Engineering Works (BIM)", https://www.iso.org/committee/49180.html.

46 APEC (2024), p. 21.

47 Global BIM Network, "What is Planbim", https://globalbim.org/info-collection/what-is-planbim/.

48 APEC (2024), pp. 21-22.

49 APEC (2024), p. 22.

50 APEC (2024), p. 22.

51 APEC (2024), p. 23.

52 International Auditing and Assurance Standards Board (IAASB), "Standards & Pronouncements", https://www.iaasb.org/standards-pronouncements.

53 Financial Reporting Council (UK), "Auditing Standards", https://www.frc.org.uk/library/standards-codes-policy/audit-assurance-and-ethics/auditing-standards/.

54 AUASB (2020).

55 International Federation of Accountants (IFAC), "South Africa", https://www.ifac.org/about-ifac/membership/profile/south-africa.

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10 Review of administrative decisions

KEY INSIGHTS

- The right to review administrative decisions affecting trade in services is key to making authorization systems predictable, impartial and correctable in practice.
- The GATS establishes the right for affected service suppliers to request prompt review of administrative decisions and, where justified, appropriate remedies, through judicial, arbitral, or administrative tribunals or procedures that provide objective and impartial review.
- The SDR Disciplines complement the GATS and require publication of available review procedures. Some recent PTAs go further by guaranteeing suppliers a reasonable opportunity to support their respective claims during the proceedings, as well as guaranteeing the independence of the review bodies.
- At the domestic level, while differing in their structure, review systems are significantly widespread – with 97 per cent of the economies covered in the WTO-World Bank STPD formally providing for the right to review across services sectors, 96.5 per cent having established an independent authority handling the review, and 92.5 per cent making the review procedures publicly available.

Key features

Sector-specific laws and authorization frameworks empower competent authorities to take administrative decisions with legal effect. These decisions apply general measures to specific individual cases with binding legal consequences, such as assessing an authorization application or determining instances of non-compliance. They are based on laws and regulations that set out conditions and criteria for obtaining authorization and requirements for conducting any permitted business activity.[1] They also encompass monitoring of compliance, as well as enforcement of breaches, including through sanctions or punitive costs.[2]

The possibility for individuals adversely affected by administrative decisions to request review is a key tenet of due process. Regulatory frameworks which provide the right to challenge decisions are critical to prevent abuse of discretionary authority and discriminatory treatment, as well as to preserve the validity, integrity and fairness of the regulatory system.[3] In brief, the purpose of the review is to strike a balance between ensuring administrative efficiency and the protection of individuals' interests.

Challenging the validity of administrative decisions may take various forms, often involving multiple levels of review, beginning with an internal appeal within the competent authority itself to address, if necessary, external bodies entrusted with this task, such as administrative tribunals, or the courts. Alternatively, the administrative and judicial procedures could run in parallel. The structure of such review systems depends on the procedures generally prevalent in the legal system to protect individual rights, including the following:

- Constitutional protection for individual rights: Constitutions bestow individual rights, including rights to due process, fairness, equality and protections against arbitrary governmental action. For instance, the Charter of Fundamental Rights of the European Union states that every person is entitled to "the right to have his or her affairs handled impartially, fairly and within a reasonable time by the institutions, bodies, officers and agencies of the Union".[4] In certain instances, constitutions reserve such rights exclusively for citizens, thereby excluding foreign persons.
- Horizontal legislation and sector-specific regulations: Horizontal statutes, such as civil procedure codes, may provide broad rights to individuals to bring a cause of action before a civil court. Similarly, certain jurisdictions have administrative procedural frameworks to ensure efficiency, timeliness and fairness in administrative decision-making. Sector-specific measures, which discipline the actions and responsibilities of regulatory authorities may also guarantee recourse, including to foreigners.
- Implementing measures: Rules framed to implement sectoral legislations often prescribe procedures for application for licences, including requirements and conditions to be fulfilled, grounds for rejection and possible recourse against the regulatory authority.

Providing a review mechanism to challenge administrative decisions is an internationally recognized GRP. It is instrumental to increase regulatory quality and legitimacy of the institutional framework. For this GRP, the OECD recommends that its member countries[5]:

> Ensure the effectiveness of systems for the review of the legality and procedural fairness of regulations, and of decisions made by bodies empowered to issue regulatory sanctions. Ensure that citizens and businesses have access to these systems of review at reasonable cost and receive decisions in a timely manner.

In its commentary, the OECD emphasizes that appeals should be heard by a separate authority other than the body responsible for making the original decision.[6] The right to review should also set out the grounds on which it can be initiated, including procedural fairness and due process, review of facts, and review of law. Other GRP principles play an important role in this area, notably (i) establishing standard time periods within which individuals or businesses can expect a decision to be made when asking for a decision's review[7]; (ii) identifying time frames within which reviews can be requested; (iii) guaranteeing the right to review free of charge; as well as (iv) providing the right to present relevant documentation and arguments for the defence. Additionally, (v) the precise legal effect of the review decisions should be specified,[8] together with the different types of remedies available, and (vi) safeguards to ensure the independence and impartiality of review decisions should be upheld. Box 1 provides for an account of the implementation of the right to challenge decisions in OECD member countries and Figure 1 summarizes the types of review and their legal bases, as well as relevant GRP elements.

Box 1: The right to challenge decisions among OECD member countries

Mechanisms to challenge decisions made in individual cases exist in all OECD member countries. Citizens and businesses can have administrative decisions reviewed by a court (in 38 jurisdictions), and in a majority of them (34 jurisdictions), such decisions can also be reviewed by the body in charge of enforcing the regulation that was the basis for the decision. Some jurisdictions make other mechanisms available to challenge such decisions. For instance, it is possible to appeal an individual decision before an independent body (in 26 jurisdictions), have a ministry review the decision (in 25 jurisdictions) or have the decision reviewed by a specialized administrative body (in 22 jurisdictions). In addition, 24 OECD member countries reported that businesses and citizens may petition the decision-making agency to reconsider its decision.

Source: OECD (2021).

GATS, SDR Disciplines and other relevant trade agreements

In international trade law, the right to request review is enshrined across a range of WTO agreements: Article X:3(b) of the GATT provides for the prompt review and correction of administrative actions related to customs matters by independent tribunals or procedures.[9] The latter action has effectively served as a basis for other WTO agreements, including Article 41.4 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) (opportunity for review of administrative decisions related to the enforcement of intellectual property rights);[10] Article 4 of the TFA (appeal or review of customs and trade-related administrative decisions);[11] Article 13 of the Anti-Dumping Agreement (judicial, arbitral, or administrative review of anti-dumping decisions);[12] and Article 23 of the Subsidies and Countervailing Measures Agreement (SCM Agreement) (judicial, arbitral, or administrative review of countervailing decisions).[13]

In the area of trade in services, GATS Article VI:2(a) provides for the principle of review of administrative decisions for all measures affecting trade in services across all sectors[14]:

Figure 1: Review of administrative decisions

Type of review	Legal basis
▪ Judicial, arbitral, administrative tribunals or procedures ▪ Review authority separate to the body responsible for making the original regulatory decision	▪ Constitution ▪ Horizontal legislation ▪ Sector-specific regulation ▪ Implementing measures

Relevant GRP elements
▪ Publication of review procedures ▪ Time periods for review decisions ("prompt review") ▪ Safeguards to ensure the independence, impartiality, and objectivity of review decisions ▪ Time frames within which review can be initiated ▪ Review procedures free of charge ▪ Right to present relevant documentation and arguments during review ▪ Specification of legal effect of review ▪ Identification of types of remedies available (such as reversal or modification of decisions, reprocessing of requests, compensation, or instructions which the initial deciding authority should comply with)

Source: WTO/World Bank.

> Each Member shall maintain or institute as soon as practicable judicial, arbitral or administrative tribunals or procedures which provide, at the request of an affected service supplier, for the prompt review of, and where justified, appropriate remedies for, administrative decisions affecting trade in services. Where such procedures are not independent of the agency entrusted with the administrative decision concerned, the Member shall ensure that the procedures in fact provide for an objective and impartial review.

Notably, in accordance with Article VI:2(a), administrative decisions are to be reviewed at the request of the affected service supplier, establishing an individual right for both domestic and foreign service suppliers to seek remedy. This provision implies that accessible and effective channels for submitting such requests must be made available.

Article VI:2 does not prescribe the institutional structure of the review process. It allows WTO members to choose between "judicial, arbitral or administrative tribunals or procedures". These terms, in the context of GATT Article X:3(b), have been interpreted to not prescribe a particular type of review or correction of administrative action relating to customs matters.[15] This suggests there may be "a variety of ways in which a WTO member may comply with the obligation of maintaining tribunals or procedures for prompt review and correction".[16] Nonetheless, Article VI:2 of the GATS demands that whatever system is chosen, it must provide "for the prompt review of, and where justified, appropriate remedies" and that the related procedures provide for an "objective and impartial review".

The right of WTO members to choose the most convenient review method is limited insofar as any procedures that are "not independent of the agency entrusted with the administrative decision concerned" shall nonetheless ensure that the "procedures in fact provide for an objective and impartial review". This means that even where the reviewer of the decision is part of the same regulatory authority, it must maintain an unbiased approach to the review of facts and law. This could be ensured through protecting the tenure of the reviewers or judges and insulating them from any retaliatory action from the regulatory authority.

Under the GATS, the terms "prompt review", "objective" and "impartial" are not specifically defined. In this context, regulatory authorities may be guided by the interpretation of similar terms in Article X of the GATT to identify best practices regarding the review of administrative decisions. In the context of GATT Article X:3(b) which deals with the "prompt review and correction of administrative action relating to customs matters," the term "prompt" has been interpreted to mean "in a quick and effective manner and without delay".[17] Whether a review is conducted without delay "depends on the context and particular circumstances, including the nature of the specific type of action to be reviewed and corrected".[18]

The requirement for an "objective" review implies that authorities must not treat suppliers in an arbitrary manner, and that similar situations must be treated in the same way.[19] The impartiality of the reviewing authority and process is also a critical feature; it requires that a review is conducted without giving special consideration or privileges or interest to other equally affected parties.[20] It can also be interpreted to mean that the reviewing authority shall not have any substantial interest in the outcome of the matter. WTO panels have not presumed that regulatory authorities that are part of the government, would *per se* act partially towards state-owned enterprises or domestic traders. In such situations, authorities will have to establish guardrails that ensure the independence and impartiality of authorities with links to the government and domestic traders, including with respect to the publication of the reasons for the decision, conflict of interest rules, as well as other accountability mechanisms.

Importantly, GATS Article VI:2 requires that a review process must be initiated, upon request of the applicant, if the challenged decision has been found to be flawed. Based on the overarching objective to restore fairness and rectify any harm done, authorities have discretion to determine what "appropriate remedies" would be in any given case. This could involve, *inter alia*, the reversal or annulment of the original decision, or its modification and replacement with another decision, the referral to the original authority for a new decision while considering the outcome of the review process. Appropriate remedies could also comprise compensation for damages and losses.

Article VI:2 of the GATS does not specify procedural details of the review. WTO members may therefore identify certain requirements for the review, e.g. that requests are made within specific time frames, in writing, that they clearly identify the administrative decision challenged and the grounds for challenge.

The obligation is generally understood to imply that the parties involved in the proceedings have a fair opportunity to present or defend their claims.

It should also be highlighted that Article VI:2(b) provides for a safeguard from the obligation in sub-paragraph (a). It states that sub-paragraph (a) must not be construed to oblige a WTO member to "institute such tribunals or procedures where this would be inconsistent with its constitutional structure or the nature of its legal system". In practice, most WTO members are able to establish some form of administrative, judicial, or arbitral review, consistent with GATS requirements, given the substantive flexibility in the range of options. However, Article VI:2(b) acknowledges that, for some jurisdictions, structural, constitutional, or practical incompatibilities could prevent implementing any of these options. The safeguard clause ensures that these WTO members are not forced into obligations that would require substantial upheaval of their regulatory frameworks.[21]

The SDR Disciplines do not elaborate on the obligations contained in GATS Article VI:2. However, they require the publication of procedures for appeal and review of administrative decisions on authorization applications.[22] They provide that WTO members promptly publish:

> … the information necessary for service suppliers or persons seeking to supply a service to comply with the requirements and procedures for obtaining, maintaining, amending and renewing such authorization. Such information shall include, *inter alia*, where it exists: (...) (e) procedures for appeal or review of decisions concerning applications;

PTA practice

Many PTAs guarantee the review of administrative decisions in a similar way to that set out in the GATS. This is the case, for example, of the 2018 EFTA-Philippines FTA,[23] the 2018 China-Georgia FTA[24], and the 2020 PACER Plus Agreement.[25] These agreements contain obligations reproducing the content of GATS Article VI:2.

Furthermore, it should be noted that some recent PTAs build on the obligations contained in GATS Article VI:2. For instance, the 2022 India-Australia ECTA includes commitments that are similar to those found in GATS Article VI:2.[26] Moreover, in the chapter dedicated to horizontal transparency issues (Chapter 10), it contains a provision which requires the parties to put in place judicial, arbitral or administrative tribunals or procedures to ensure the prompt review and, where warranted, correction of administrative actions relating to any matter covered by the agreement, i.e. beyond the services trade chapter.[27] The obligation goes further and sets out that:

2. Each Party shall ensure that, in any such tribunals or procedures, the parties to the proceedings are provided with the right to:

a. reasonable opportunity to support or defend their respective positions; and

b. a decision based on the evidence and submissions of record.

A similar approach is adopted, for instance, by the 2011 Hong Kong, China-New Zealand CEPA,[28] and the 2022 RCEP.[29] These agreements, in addition to the obligation to review administrative decisions contained in the services chapter, based on GATS Article VI:2, also provide for a horizontal right to administrative review applicable to all matters within their scope of application. Specifically, the relevant provisions in the horizontal chapters also guarantee that those involved in the proceedings have a fair opportunity to present or defend their positions, and that decisions are based on the evidence and submissions on record. Finally, the horizontal provisions typically ensure that, unless further appealed, the decision will be implemented and will guide the enforcing authority's actions on the matter in question. Moreover, these agreements provide that tribunals in charge of the review shall be impartial and independent of the authority entrusted with administrative enforcement and shall not have any substantial interest in the outcome of the matter.

Another interesting example is the 2020 EU-Viet Nam FTA.[30] Besides containing an obligation to guarantee the prompt review and correction of administrative actions both in the services trade as well as in the horizontal transparency chapters, the agreement goes even further specifically with respect to the resolution of telecommunications disputes. Article 8.37 establishes the right to appeal for any user or supplier of telecommunications services affected by the decision of a regulatory authority.[31] The appeal body is required to (i) be independent from the party involved; (ii) have the appropriate expertise to carry out its functions effectively; (iii) duly take into account the merits of the

case; and (iv) be effective. The provision further sets out that "where the appeal body is not judicial in character, written reasons for its decision shall always be given and its decisions shall also be subject to review by an impartial and independent judicial authority".

It is worth noting that only a few PTAs contain an explicit obligation to publish procedures relating to review of administrative decisions, as set out in the SDR Disciplines. Among these, the 2020 USMCA,[32] in the chapter dedicated to trade in services, where authorization for the supply of a service is required, the party shall provide the necessary information to service suppliers or persons seeking to supply a service, including "any procedure for appeal or review of a decision concerning an application".[33]

Implementation at the domestic level

At the domestic level, the right to seek review of administrative decisions is widely regarded as a fundamental principle of due process and effective remedy – often enshrined in constitutions or core administrative-law statutes – even though its design and functions vary across jurisdictions. The WTO-World Bank STPD shows that, on average, 97 per cent of the economies studied have introduced the right to review across services sectors. Furthermore, 96.5 per cent of them have an independent authority handling the review and 92.5 per cent of them make the review procedures publicly available.

For example, in New Zealand, the right to apply to the High Court for judicial review of decisions exists independently of any statutory appeal rights and is affirmed in the New Zealand Bill of Rights Act 1990 (NZBORA).[34] In 2021, New Zealand adopted a set of legislative guidelines including, among others, on the creation of a system of appeal, review and complaint.[35] The guidelines note that where a public body makes a decision affecting a person's rights or interests, that person should generally be entitled to have the decision reviewed.

The ability to review or appeal decisions helps to ensure that these are in accordance with the law. Also, the prospect of scrutiny encourages first-instance decision makers to produce decisions of the highest possible quality. The guidelines indicate that there are two main processes for decisions to be reconsidered, depending on the nature of the decision and the decision-maker. The two types are (i) judicial review (which is always available regardless of whether a statutory appeal or other complaint mechanism exists) to check whether a decision was made lawfully; and (ii) when provided by law, an appeal to an appellate court or tribunal to reconsider the case and make new findings of fact or law, or both. Interestingly, the guidelines state that the review or appeal procedure "should contain adequate safeguards to protect an individual's rights and interests and be consistent with the right to natural justice affirmed by section 27(1) NZBORA".

Some common procedural protections for appeals include the following:

- independent and impartial decision-makers;
- the opportunity to be heard (whether by oral hearing or in writing);
- ensuring parties are aware of issues that affect their case (such as notice of hearings and impending decisions);
- disclosure of relevant material;
- the availability of legal representation;
- a right to call and cross-examine witnesses;
- a requirement that the decision-maker give reasons;
- the provision of interpreters;
- the provision of a further right of appeal.[36]

Furthermore, the guidelines recommend the inclusion of an internal review process to reassess the merits of a decision, with the goal of identifying and correcting errors (especially those involving factual findings) without the cost or public exposure that an external appeal or judicial review might entail. Internal reviews are regarded as particularly appropriate to ensure quality and consistency of decisions across multiple decision-makers.

Another interesting example is Japan where, in 2014, the government introduced a fundamental revision aimed at simplifying its existing Administrative Complaint Review Act, originally adopted in 1962.[37] This important streamlining reform established a system for allowing citizens to file complaints against administrative decisions through simple, prompt and fair procedures. Prior to this revision, there were three different steps of appeal, namely (i) objection against the acting agency or an agency that has failed to act; (ii) request for review against a reviewing agency; and

(iii) request for a second review against a ruling on a request for review.

With the 2014 updated Act, the filing of an objection has been combined with the request for review, with the aim of improving the fairness of procedures conducted internally within administrative agencies. The procedure provides that the hearing officer, who has not been involved in the original administrative decision, hears the argument of the acting or non-acting agency and the applicant, and on that basis, submits the opinion to the reviewing agency. A group of third-party experts also participate as a consultative body to assist the reviewing agency. To ensure the timely completion of procedures, the Act also requires the reviewing agency to endeavour to establish and publicly share standard time frames typically needed for making a determination from the date a review request is submitted (Article 16).[38]

In conclusion, the right to review is not ancillary to other GRPs for services trade – it is the mechanism that ensures that authorization systems are predictable, impartial and correctable in practice. The right to request review had already been anchored in the GATS: WTO members are mandated to provide for, at the request of an affected service supplier, the prompt review of (and, where justified, appropriate remedies) administrative decisions affecting trade in services, through judicial, arbitral, or administrative tribunals or other procedures that ensure an objective and impartial review. The GATS, however, does not prescribe a specific institutional model for implementing such right. The SDR Disciplines complement this framework by requiring prompt publication of available review routes. Some recent PTAs go further by spelling out due process guarantees, such as a reasonable opportunity to support their respective positions, as well as the independence of the review decisions. Domestic experience suggests review works best under the following conditions: (i) grounds (i.e. law, facts, procedure) are clearly stated; (ii) routes and time limits are transparent, predictable, and low-cost; (iii) reviewers are structurally independent from the original decision maker; (iv) the legal effect and remedies are specified; and (v) reasoned, published decisions and internal review loops drive consistency and learning. Embedding these GRP elements in domestic regulatory frameworks helps limit authorities' discretion, prevent discriminatory practices and promote continuous improvements in regulatory quality.

ENDNOTES

1 Fn 4 to Article 4.1 of the TFA defines "administrative decisions" as "a decision with a legal effect that affects the rights and obligations of a specific person in an individual case. It shall be understood that an administrative decision in this Article covers an administrative action within the meaning of Article X of the GATT 1994 or failure to take an administrative action or decision as provided for in a Member's domestic law and legal system. For addressing such failure, Members may maintain an alternative administrative mechanism or judicial recourse to direct the customs authority to promptly issue an administrative decision in place of the right to appeal or review under subparagraph 1(a)."

2 Administrative decisions may also include internal rulemaking or delegated legislation, such as procedures for submission of applications. However, since rules or their drafts cannot ordinarily be "appealed", this section will only focus on administrative decisions that have some element of adjudicative decision-making, such as accepting or rejecting an application.

3 OECD (2012).

4 EU, Charter of Fundamental Rights of the European Union, OJ C 326/391, 26 October 2012, pp. 391-407, Article 41.

5 OECD (2012), Recommendation 8, p. 18.

6 OECD (2012), Recommendation 8, p. 18.

7 OECD (2012), Recommendation 8, p. 18.

8 Ideally, it should be specified what legal effect a review outcome has and what remedies the reviewer can grant, i.e. whether the review body's decision binds the authority responsible to the original decisions; whether the review body's decision replaces the original decision; whether the original decision is sent back to the authority for reconsideration; whether the review body's decision can be enforced, and by whom.

9 GATT, Article X:3(b).

10 TRIPS Agreement, Article 41.4.

11 TFA, Article 4.

12 Anti-Dumping Agreement, Article 13.

13 SCM Agreement, Article 23.

14 GATS, Article VI:2(a).

15 WTO (2011), para. 205.

16 WTO (2011), para. 205.

17 WTO (2010), para. 7.1074.

18 WTO (2011), para. 203.

19 See WTO (2012), para. 7.876. Note that the related concept of uniform administration of procedures under Article X:3(a) has been construed to mean application of rules that is consistent and predictable, such that persons similarly situated are subject to uniformity of treatment.

20 WTO (2006), paras. 7.123-7.135.

21 Inclusion of the safeguard clause may reflect the multilateral nature of the obligation. Note that the PTAs between a limited number of partners frequently omit this safeguard.

22 SDR Disciplines (WTO, 2021), para. 13.

23 EFTA-Philippines FTA (2018), Article 6.7.2.

24 China-Georgia FTA (2018), Article 8.8.2.

25 PACER Plus (2020), Chapter 7, Article 10.2.

26 India-Australia ECTA (2022), Article 8.14.

27 India-Australia ECTA (2022), Article 10.4. It should be noted that the review obligation is linked in this Article to the issue of impartiality and independence of authorities entrusted with administrative enforcement.

28 Hong Kong, China-New Zealand CEPA (2011), Article 9 of Chapter 13 and Article 4.1 of Chapter 15.

29 RCEP (2022), Article 8.15.2 of Chapter 8 and Article 17.6 of Chapter 17.

30 EU-Viet Nam FTA (2020).

31 EU-Viet Nam FTA (2020), Article 8.37.

32 USMCA (2020).

33 USMCA (2020), Article 15.8.6. Note that the USMCA contains only a horizontal provision on Review and Appeal (Article 29.4), in Chapter 29 on "Publication and Administration", but does not contain provisions specifically set out in the services chapter.

34 Government of New Zealand, Ministry of Justice, "Constitutional Issues & Human Rights", https://www.justice.govt.nz/justice-sector-policy/constitutional-issues-and-human-rights/.

35 Government of New Zealand, Legislation Design and Advisory Committee (LDAC), "Legislation Guidelines 2021 – Chapter 28: Creating a system of appeal, review, and complaint", https://www.ldac.org.nz/guidelines/legislation-guidelines-2021-edition/appeal-and-review-2/chapter-28.

36 Government of New Zealand, Legislation Design and Advisory Committee (LDAC), "Legislation Guidelines 2021 – Chapter 28: Appeal and Review", https://www.ldac.org.nz/guidelines/legislation-guidelines-2021-edition/appeal-and-review-2/chapter-28.

37 Hitomi (2014).

38 Government of Japan, Administrative Complaint Review Act No. 68 of 2014, Japanese Law Translation (Ministry of Justice), https://www.japaneselawtranslation.go.jp/en/laws/view/2984/en.

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11 Assessment of qualifications

KEY INSIGHTS

- GRPs related to the assessment of foreign qualifications are progressively gaining more importance; this enables qualified foreign service suppliers to operate across borders more easily and efficiently, without compromising quality.
- Under the GATS, WTO members are required to provide for adequate procedures to verify the competence of professionals of other jurisdictions. Furthermore, the GATS allows WTO members to recognize various types of qualifications obtained abroad, autonomously or through a mutual arrangement.
- The SDR Disciplines apply GRP principles to qualifications requirements and procedures and require examinations, where used, to be scheduled at fairly frequent intervals with a reasonable period of time to request them; they also encourage receiving requests electronically and using electronic means for other aspects of the examinations. Some recent PTAs align with the SDR Disciplines, while others go beyond, including by encouraging oral examinations and offering exams in the other parties' territories.
- At the domestic level, differences exist among jurisdictions and across sectors, particularly in the application of substantive assessment criteria and procedures. Recent technological advances allow for tools such as digital submission, online examination, as well as remote invigilation – enhancing the accessibility and efficiency of examinations. Other practices are also emerging, including structured paths for recognition via a third jurisdiction, helping to create new opportunities for qualified suppliers to offer their services in other jurisdictions.

Key features

In order to obtain authorization, service suppliers need to comply with a range of substantive requirements. Depending on the specific sector, some of these requirements relate to their competence to supply such a service. This is the case typically in the field of professional services (e.g. law, accounting, engineering) but also in other areas such as education (e.g. teachers), transport (e.g. pilots) and financial services (e.g. insurance agents).

Natural persons typically acquire their qualifications in their home jurisdictions before looking to provide services in foreign ones. In such cases, for natural persons to be able to operate abroad, the host economy must not only be open to foreign-qualified professionals but also assess whether the qualifications obtained abroad are equivalent to those typically required in the host jurisdictions.

Several GRPs exist with regard to the assessment of qualifications, notably with respect to two main aspects: (i) substantive requirements to be fulfilled for admission to the assessment; and (ii) assessment procedures.

GATS, SDR Disciplines and other relevant trade agreements

In addition to the non-discrimination principle set out in GATS Article II (most-favoured-nation treatment) and Article XVII (national treatment), Article VI:6 requires WTO members, where they have undertaken commitments specifically in professional services in their schedules of specific commitments, to "provide for adequate procedures to verify the competence of professionals of any other Member".[1] The obligation concerns the specific situation of persons engaged in the supply of professional services whose competence has been acquired outside the host country jurisdiction. One GRP principle which has emerged in this area concerns giving due consideration to applicants' relevant professional experiences, including by taking into account membership in professional associations or registries in other jurisdictions.[2]

Article VI:6 aims to ensure that where market access is granted, such access is not undercut by lack of adequate verification mechanisms of competence in the host economy. The provision deals with procedures only and does not address the issue of different substantive requirements between foreigners and local professionals. The latter is possible only where national treatment limitations have been entered in schedules of specific commitments, that is to say, limitations allowing WTO members to impose requirements that modify conditions of competition to the advantage of domestic suppliers.

WTO members have provided no further guidance as to what constitutes "adequate procedures" in GATS Article VI:6. Keeping in mind the objective of the provision (namely, to ensure that qualified foreign professionals can engage in the supply of services), the procedures must therefore be appropriate to establish equivalence between foreign and local qualifications and competence. Implementing the provision means ensuring that competent foreign professionals are not unfairly excluded from practising a certain profession, while maintaining the required competence levels that prevail in the domestic market.

An important tool to facilitate the assessment of qualifications is through recognition under GATS Article VII:1. A WTO member may, for the purpose of meeting its standards or criteria for authorization, licensing or certification, recognize education or experience obtained, requirements met, and licences or certifications granted in another jurisdiction.[3] In accordance with the conditions set out in this Article, recognition can be granted autonomously, or through a mutual recognition arrangement (MRA) with other WTO members. In a nutshell, recognition facilitates the realization of market access opportunities compared to a process of verification of competence through Article VI:6.

To ensure that the benefits do not remain exclusive, the GATS requires there to be a degree of openness in recognition regimes. Where a WTO member grants recognition autonomously, it must provide an adequate opportunity for any other WTO member to demonstrate that education, experience, licences or certifications obtained, or requirements met, in the other WTO member's territory be recognized.[4] However, where recognition is accorded based on a mutual agreement, WTO members are required to provide adequate opportunity to other interested WTO members to negotiate their accession to such an arrangement or, alternatively, to negotiate comparable ones.[5] These obligations are complemented with a substantive obligation not to grant recognition

in a manner that would constitute a means of discrimination or a disguised restriction on trade in services.[6]

Furthermore, in accordance with GATS Article VII:5, recognition should, wherever appropriate, be based on multilaterally agreed criteria, and WTO members shall work in appropriate cases towards common international standards and criteria for recognition as well as the practice of relevant services trades and professions.[7]

The SDR Disciplines contain several GRP principles which are relevant in the assessment of competence of foreign service suppliers, through their applicability to qualification requirements and procedures. With respect to substantive requirements, they stipulate that measures, including qualification-related requirements, are based on transparent and objective criteria including the competence to supply a service.[8] Moreover, the SDR Disciplines provide that information, particularly in relation to the procedures for verifying qualifications and competence, is clearly outlined and accessible, including details on how to apply for examinations, what documentation is required, timelines for processing, as well as associated fees.[9]

Appropriate mechanisms (such as help desks or enquiry points) are to be established to guide interested suppliers, including foreign ones who are seeking instructions, with a view to meeting local requirements and requesting examinations.[10] In accordance with the SDR Disciplines, (qualification) procedures are to be impartial and adequate for applicants to demonstrate that they meet any existing qualification requirements.[11] Additionally, procedures are to be conducted within established and reasonable time frames, and applicants are to be informed of the results of their applications (i.e. in this case, examinations), including with reasons in case of failure, and given the opportunity to re-apply.[12] A possibility should be provided to submit applications to demonstrate compliance, including with qualification requirements, to only one competent authority.[13]

Furthermore, the SDR Disciplines address the issue of assessment of qualifications directly and in a manner complementary to the GATS as follows:

> If a Member requires an examination for authorization for the supply of a service, that Member shall ensure that its competent authorities schedule such an examination at reasonably frequent intervals and provide a reasonable period of time to enable applicants to request to take the examination. Having regard to the cost, administrative burden, and the integrity of the procedures involved, Members are encouraged to accept requests in electronic format to take such examinations, and to consider, to the extent practicable, the use of electronic means in other aspects of examination processes.[14]

This provision contains four key elements:

1. **Authorities shall schedule any required examinations at reasonably frequent intervals**

The term "reasonably frequent intervals" refers to the expectation that if a jurisdiction requires examinations, to provide authorization for the supply of a service, such exams should be held often enough to avoid creating unnecessary delays or barriers to market entry. The appropriate frequency may vary depending on factors such as the volume of applicants, the complexity and resource intensity of the examination, and the administrative capacity needed to ensure integrity and fairness of the process. For example, examinations with standardized written formats and high demand may be held continuously or several times per year, while highly specialized or practical assessments requiring expert supervision or specific facilities (e.g. aviation, or clinical tests) may be offered less frequently.

In practice, intervals for professional exams typically range from one to four times per year, depending on the profession and the jurisdiction (Figure 1).

2. **Authorities shall provide a reasonable period of time to enable applicants to request to take the examination**

This requirement seeks to ensure that applicants have sufficient time to submit their applications for examinations, ensuring that they can prepare the necessary documentation, plan logistics and review relevant materials. In practice, application/registration models vary: some exams offer rolling, year-round scheduling, where eligible applicants can reserve dates during a booking window (anecdotal evidence points to booking windows offering dates of 3–6 months in the future). Where fixed examination sittings are offered, application windows commonly open 1–4 months (or more) ahead and close about 2–8 weeks before the exam.[15]

Figure 1: Frequency of examinations in selected WTO members and professions (2025)

Country	Accounting exams	Engineering exams	Medical exams	Nursing exams
United States	▪ CPA: Year-round through private online invigilation services	▪ FE exam: Year-round through private online invigilation services; ▪ Most PE: Year-round	▪ USMLE steps 1, 2, and 3 Year-round	▪ NCLEX: Year-round through private online invigilation services
Canada	▪ CFE: twice per year	▪ Varies by province; multiple sittings per year common	▪ MCCQE Part 1: Year-round through private online invigilation services	▪ NCLEX: Year-round through private online invigilation services
Australia	▪ CPA: Four times per year	▪ No fixed national examination schedule (applications accepted year-round).[16]	▪ Multiple choice year-round through private online invigilation services); ▪ Clinical: in scheduled blocks	▪ NCLEX: Year-round; OSCE held in scheduled blocks
India	▪ CA exam: Three times per year	▪ No single national licensure exam. GATE: Once per year. ▪ IEI AMIE exams: per IEI schedule.	▪ FMGE twice per year	▪ State-specific; multiple sittings per year common
South Africa	▪ Initial test of competence twice per year; ▪ Assessment of professional competence once/ year	▪ Competency assessed on rolling basis without fixed examination schedule	▪ Two to three times per year	▪ Two to three times per year
Brazil	▪ Twice per year	▪ No national exam; ▪ Registration with regional engineering councils based on a ministry-recognized degree.	▪ *Revalida* exam: Twice per year	▪ No national exam; ▪ Registration with state nursing council based on a Brazilian-recognized degree
China	▪ CPA: Once per year	▪ No single, all-discipline licensure exam; ▪ Specialty-specific national qualification exams held once per year	▪ National medical licensing exam: Once per year	▪ National nursing registration exams: Once per year

Glossary of abbreviations in Figure 1:

AMIE — Associate Member of the Institution of Engineers (India)

CA — Chartered Accountant

CFE — Common Final Examination (CPA Canada).

CPA — Certified Public Accountant

FE — Fundamentals of Engineering (US)

FMGE — Foreign Medical Graduate Examination (India).

GATE — Graduate Aptitude Test in Engineering (India).

IEI — Institution of Engineers (India)

MCCQE — Medical Council of Canada Qualifying Examination.

NCLEX — National Council Licensure Examination (nursing).

OSCE — Objective Structured Clinical Examination

PE — Professional Engineer (US licensure)

Revalida — Exame Nacional de Revalidação de Diplomas Médicos (Brazil).

USMLE — United States Medical Licensing Examination.

Source: WTO/World Bank.

3. Authorities are encouraged to accept requests in electronic format to take such examinations

The obligation to accept examination requests in electronic format is to be distinguished from the obligation to accept applications for authorization in electronic format. The former obligation serves to facilitate one distinct step in the authorization process (the sitting of examinations), whereas the latter facilitates the permission to supply the service altogether.

The shift towards electronic submission of applications for professional and equivalence examinations has become widespread across both developed and developing countries. The benefits of electronic systems – such as lower costs, faster processing times and ease of access – have driven many regulatory bodies to move away from paper-based procedures.[17] However, there are still some countries or professional bodies that maintain paper-based systems, either due to technical limitations or other concerns or preferences. Many jurisdictions have adopted hybrid models where portions of the process are handled electronically, but some verification steps still require manual submission of documents.[18]

4. Authorities are encouraged to consider the use of electronic means in other aspects of examination processes

With advancements in technology, the trend towards conducting exams on computers in the host jurisdiction, instead of paper, has become more prevalent both in developed and developing economies.

Furthermore, the possibility of remote examinations has progressively been spreading, partly in response to the disruptions caused by the COVID-19 pandemic. Remote examinations range from supervised examinations in test centres in the host jurisdiction, to examinations that can be taken abroad, either in accredited test centres or remotely invigilated (proctored) exams on personal computers. The availability of remotely invigilated examinations has expanded since COVID-19, particularly via major private online invigilation services (e.g. Pearson VUE's OnVUE and Prometric's ProProctor) and is now used by several jurisdictions in various sectors.[19]

For many professional and other services, practices vary: some regulators maintain domestic test-centres, others are piloting remote test centre options, and a few accept remotely invigilated ancillary tests (e.g. language proficiency assessments). Where permitted, remote invigilation can lower travel and visa costs for foreign candidates, but adoption remains exam-specific rather than jurisdiction-wide. In parallel, some jurisdictions are deploying automated tools or AI-assisted review mechanisms to verify qualification documentation or support decision-making, while ensuring transparency and the possibility of meaningful human oversight, including avenues for review or appeal, as essential safeguards.

A summary of GRPs in the area of assessment of qualifications in both the GATS and the SDR Disciplines can be found in Figure 2.

Other supportive GRP practices related to the assessment of qualifications have emerged in various jurisdictions (Figure 3). For example, in case of deficiencies in the qualifications, some regulators identify the missing requirements and offer the applicant an opportunity to meet them, including through course work, examinations or training. The possibility of fulfilling such requirements may extend to institutions in the host jurisdiction, as well as home ones, including by utilizing electronic tools. Another practice relates to the recognition of qualifications obtained in third jurisdictions. This means that, if a foreign professional has already been recognized in another jurisdiction, the authorities facilitate the recognition of such "recognized qualifications", as long as these are considered equivalent or may be supplemented by additional training. Such "triangulation" helps avoiding duplication of efforts and accelerates the authorization process. However, it is still quite uncommon as it requires a high level of trust in another jurisdiction's regulatory decisions, which many governments may be reluctant to grant due to legal liability, quality assurance concerns and divergent qualitative standards.

PTA practice

In PTAs, obligations relating to the assessment of qualifications reflect to a variable extent the four GRP elements set out in the SDR Disciplines.

Most PTAs generally reproduce the first two GRP elements in this area, that is to say, (1) scheduling examinations at reasonably frequent intervals, and (2) providing a reasonable time for applicants to request to take the examination. This is the case, for example, in the 2018 CPTPP[20], the 2022 RCEP[21], the 2016 Pacific Alliance Additional Protocol[22], and the 2011 Hong Kong, China–New Zealand CEPA.[23]

Figure 2: GRPs on assessment of qualifications – Comparison between the GATS and the SDR Disciplines

GRPs	GATS	SDR disciplines
Non-discrimination between foreign and local professionals ("national treatment")	■	
Non-discrimination between foreign professionals (MFN)	■	
Assessment based on objective and transparent criteria		■
Availability and accessibility of information on assessment procedures		■
Establishment of appropriate guidance mechanisms to provide support to foreign professionals	■	■
Possibility to submit applications to demonstrate compliance with qualification requirements to only one competent authority		■
Procedures for the assessment of foreign professionals conducted within established and reasonable time frames		■
Provision of information on result of examinations, including deficiencies in applications and possibility to complete them		■
Provision of information on result of examinations, including reasons of failure of examination and possibility for retaking it		■
Possibility for appeal or review of assessment decisions	■	
Acceptance of authenticated copies in place of original documents		■
Impartiality and independence of assessment procedures		■
Procedures not excessively burdensome or disproportionate to the nature of the profession		■
Reasonable and transparent fees charged for qualification procedures		■
Organization of examinations held at reasonably frequent intervals		■
Opening of applications for examinations sufficiently in advance to allow participants sufficient time to apply and prepare, including logistics		■
Possibility for electronic examinations in the host country		■
Possibility for remote examinations to be offered at international test centres		■

■ Covered

Source: WTO/World Bank.

Some agreements also add the other two elements, which are (3) accepting requests for examinations electronically and (4) using electronic means in the examination process – thereby mirroring in full the SDR Disciplines. For instance, Article 8.8 of the 2023 UK-Australia FTA on "Domestic Regulation" reflects all four elements discussed above.[24]

Similarly to GATS Article VI:4(a), the 2020 USMCA explicitly requires that measures relating to qualification requirements and procedures (such as examination or assessment procedures) are to be "based on criteria that are objective and transparent".[25] As examples of such criteria, the Article refers to "competence and the ability to supply the service".[26] Furthermore, with respect to examinations, Article 15.8.3(c) states that where a party requires an authorization for the supply of a service, it shall ensure that its competent authorities schedule "the examination at reasonably frequent intervals and provides a reasonable period of time to enable an applicant to request to take the examination".[27]

Compared to the SDR Disciplines, this obligation replicates the third element (namely, accepting requests for examinations in electronic format). However, it does not explicitly require that the request for and/or conduct of the examination process be done electronically. It should be noted that the USMCA also sets out recognized "professional levels": it identifies a list of professions, such as accountant, architect, computer systems analyst, economist and the corresponding minimum education requirements and alternate credentials.[28] The USMCA states that:

Figure 3: Emerging GRPs in assessment of qualifications

Assessment focused on actual skills, knowledge, and abilities required for the supply of the services (competency-based assessment)	Requirements not more burdensome than necessary and only containing requirements relevant to ensure the quality of services	Legitimate and proportionate language requirements
Consideration of qualifications recognized by third jurisdictions	Fees not higher than the approximate costs incurred by the competent authorities, including for supervision of the relevant service	Possibility to complete deficiencies in requirements for qualifications (including through course work, training, or work experience)
Opportunity for foreign suppliers to demonstrate competence through experience, references, or relevant membership in professional associations	Facilitation of access to international assessments and examinations (including through supportive visa measures)	Use of automated tools or AI-assisted review mechanisms to process qualification documentation or support decision-making

Source: WTO/World Bank.

> Each Party shall grant temporary entry and provide confirming documentation to a business person seeking to engage in a business activity at a professional level in a profession set out in Appendix 2, if the business person otherwise complies with the Party's measures applicable to temporary entry, on presentation of: (a) proof of citizenship of a Party; and (b) documentation demonstrating that the business person will be so engaged and describing the purpose of entry.[29]

Therefore, where businesspersons fulfil the qualifications set out in Appendix 2, the parties are required to grant them temporary access.[30] Additionally, the parties are prohibited from requiring "prior approval procedures, petitions, labour certification tests or other procedures of similar effect" as a condition for temporary entry. Nonetheless, prior to entry, the parties may require businesspersons seeking temporary entry to obtain a visa or its equivalent.[31]

With respect to the procedures for assessment, it is interesting to note that the 2020 Indonesia-Australia CEPA[32] and the 2003 Singapore-Australia FTA[33] go beyond the ambition of the SDR Disciplines. Besides the use of electronic means for conducting examinations, these PTAs provide that the parties should explore, as appropriate, the possibility of conducting such examinations orally, as well as providing opportunities for taking such examinations in the territory of the other party.

The issue of recognition of qualifications via a third jurisdiction is included in various MRAs. For example, in 1996, Australia and New Zealand signed the Trans-Tasman Mutual Recognition Arrangement (TTMRA), which provides a practical pathway for secondary recognition of foreign professional qualifications.[34] Under the TTMRA, individuals registered to practise a regulated profession (such as doctors or engineers) in New Zealand and Australia are legally entitled to practise an equivalent profession in each other's jurisdictions without further assessment. In practice, this means that even professionals holding third-country qualifications – such as from India or the Philippines – who are first recognized and licensed in New Zealand can subsequently gain access automatically to the Australian market based on that original recognition. In effect, New Zealand assumes the initial evaluative role, and its recognition facilitates secondary recognition in Australia. Similarly, in 2024, the EU and Canada concluded an MRA on the professional qualifications of architects – the first bilateral MRA for professional qualifications to be concluded by the EU.[35]

Building on the 2017 EU-Canada CETA which sets out the conditions under which architects can temporarily move between the EU and Canada to provide services or set up a business there,[36] the MRA aims to supplement such guarantees with a straightforward process for EU architects to obtain a Canadian licence and vice versa, provided they meet the conditions in the MRA. Specifically, once the MRA enters into force, architects with a minimum of 12 years of combined education, training and practice (including four years of practical experience) will be able to apply online for

recognition of their professional qualifications by the authorities of the jurisdiction where they wish to work.

EU architects also need to complete a one-off 10-hour online course. Both EU and Canadian architects have to register with the relevant local authorities in order to get permission to work.[37] In addition, Article 4.3 of the MRA provides the basis for recognition of a third jurisdiction by stating that such requirements "may also be met by formal qualifications issued by a third party and recognized as equivalent according to the requirements of a jurisdiction of a party, and where appropriate, supplemented by professional training, examination or professional experience as required in that jurisdiction".[38]

Implementation at the domestic level

At the domestic level, practice with respect to assessment of qualifications varies significantly depending on the different jurisdictions and sectors. One example is Canada, where foreign-educated engineers seeking admission to practice are required to apply to a provincial engineering regulator for, amongst other things, an assessment of academic and experience qualifications.[39] In the case of Nova Scotia, for example, to satisfy the academic requirements, examinations may be assigned to verify knowledge that an applicant is presumed to have, based on their academic background (confirmatory exams) or to address gaps identified in their academic record (structured confirmatory or general exam programmes).[40] Applicants who hold both a recognized bachelor's and master's degree in the same or a closely related discipline will have their master's degree evaluated to determine whether any examinations can be waived.

Similarly, applicants with 10 or more years of relevant experience may have exams waived or reduced based on the depth and relevance of their professional background. After the academic assessment is completed, applicants will receive information on the decision by e-mail, which will outline any further steps required to fulfil the academic requirements for registration. All registration requirements must be completed before an applicant is eligible to apply for licensure as an "engineer in training". Applicants may request a re-assessment if they wish to submit additional information following a decision. The outcome of any re-assessment will be communicated within six months of receiving the additional information. If an applicant disagrees with the decision, they may request an internal review within 30 days. The results of the internal review will be communicated within 60 days of receiving the request.

Regarding the nursing profession, Canada has implemented a comprehensive and accessible system – the National Nursing Assessment Service (NNAS) – through which foreign-qualified nurses are assessed and licensed. To be eligible for the NNAS, applicants must meet specific criteria: they must have completed post-secondary nursing education outside of Canada, never been licensed as a nurse in Canada, as well as hold a nursing license from a foreign jurisdiction.[41] The application process is designed to be user-friendly: applicants begin by creating an online account in the NNAS application portal where they can complete the application form, including personal information, details about their nursing education and employment history. A fee – published in the NNAS Applicant Handbook – is required to proceed with the submission of the application.[42]

The NNAS process emphasizes thorough verification of credentials. Most documents must be submitted directly by third parties, such as educational institutions and licensing bodies, with digital submission encouraged for efficiency. Applicants can monitor the status of their application in real-time through the online portal, allowing them to see when documents are received and their status in the review process. Once the document verification process is complete, an advisory report will be prepared by the NNAS within 5 days (express service) to 12 weeks (regular service) containing all verified documents, curriculum assessment, as well as any correspondence. This report is automatically sent to the regulatory body in the province of choice of applicants, who is advised to download a copy for their records.[43] After receiving their advisory report, candidates can proceed to take the assessment.

The assessment can be taken at domestic or international testing centres (for an additional fee).[44] The primary examination for nursing licensure is the NCLEX which is available for both Registered Nurses and Licensed Practical Nurses. It aims to assess knowledge and skills essential for safe and effective nursing practice, including with respect to the safety and effective care of the environment, health promotion and maintenance, psychosocial and physiological integrity. The NCLEX uses computerized adaptive testing (CAT) to administer the questions. The goal of CAT is to determine the ability of the candidate in relation to the pass standard: every

time the candidate answers an item, the computer re-estimates the candidate's ability by considering all the responses given so far.

Testing adjustments for otherwise qualified candidates can be provided only with the authorization of the nursing regulatory body.[45] For quality control purposes, every NCLEX test is scored twice: once by the computer at the test centre and then the result is verified after the examination record has been transmitted to the regulatory authority. Results are sent to candidates up to six weeks after taking the examination. In case of failure, the regulatory body sends a candidate performance report which identifies the candidate's relative strengths and weaknesses based on the test, with a view to guiding preparation before retaking the examination. Candidates are entitled to take the test eight times a year, and there must be 45 test-free days between each examination.

With respect to the opportunity for applicants to remedy deficiencies in the requirements to be authorized to practice a certain profession, one notable example is the EU. Under the EU Directive on the recognition of professional qualifications, applicants from other EU member states may be allowed to undergo compensation measures, such as an adaptation period of up to three years or an aptitude test, when their qualifications are found to be "substantially different" from those required in the host EU member state.[46] In such cases, the applicant must be duly informed through a decision, which explains the qualification required, the level held by the applicant, and the "substantial differences" in knowledge, skills or competences that justify the compensatory requirement.[47] The decision on compensation measures shall be made with due regard to the principle of proportionality and take into account the applicant's prior professional experience or validated lifelong learning.[48]

The Recognition Act adopted by Germany offers a concrete example of how the EU Directive is implemented domestically, with the procedure for the recognition of foreign professional qualifications and related requirements made publicly available on the information portal of the German government.[49] For regulated professions, German authorities conduct an equivalence assessment of foreign qualifications against the German "reference occupation". If "substantial differences" are found, the applicant receives a notice which explains the differences in detail and informs the applicant of the compensation measures available. In regulated professions, applicants are generally given the choice between completing an adaptation period or undergoing a knowledge or aptitude test in Germany. In some cases, the notice may also provide information about approved providers of the required training measures. Once the choice of the compensation measure is made by the applicant, it must be communicated to the competent authority.

Upon successful completion of this measure, a certificate is issued, which must then be submitted to the authority as part of the recognition process. Subsequently, any remaining requirements for authorization to practice are assessed. If authorization is granted, the applicant is then eligible to practice the profession. Notably, Germany has introduced a special "recognition visa" to support non-EU nationals who need to complete compensation measures in the German territory.[50] To be eligible, applicants must provide proof of partial recognition, meaning that the German competent authority has already issued a notice on available compensation measures. Additionally, the applicant must show confirmation of registration for an appropriate compensation measure with a recognized provider in Germany, such as a training institution or employer, which is responsible for delivering the required compensation measure. A demonstrable knowledge of the German language is also required, along with proof of financial means to cover living expenses for the duration of the stay.

The same EU Directive also addresses the issue of recognizing qualifications via a third jurisdiction. Article 3.3 states that qualifications originally issued by a non-EU jurisdiction may be treated as valid within the EU/European Economic Area (EEA) provided that the qualification holder (an EU/EEA national) has acquired at least three years of professional experience in the relevant field in the member state that recognized the qualification, in accordance with Article 2.2. This experience must be certified by the host member state.[51] In effect, the member state that first recognized the third country qualification assumes the initial evaluative burden and its recognition may serve as the basis for subsequent secondary recognition elsewhere in the EU territory.

An example of the implementation of the EU Directive can be found in Finland through its Act on the Recognition of Professional Qualifications (1384/2015).[52] Under this Act, an EU/EEA citizen holding a qualification from outside the EU/EEA, may obtain recognition in Finland, if that qualification was first recognized in another EU/EEA member state and

the individual subsequently gained a minimum of three years of relevant professional experience in that member state. This means, for example, a Swedish engineer qualified in India, who became licensed in France and worked there for at least three years, could later apply to practice in Finland, relying on France's recognition as a basis for the secondary recognition.

Looking at the scope and procedure of the assessment examination in the UK, the General Medical Council (GMC) oversees the Professional and Linguistic Assessments Board (PLAB) test, which is designed to assess the competency of doctors who obtained their qualifications outside the UK, the EEA, or Switzerland.[53] Interested candidates have to create a GMC online account to apply for the examination and submit all the eligibility documents. The online account also serves for booking preferred exam slots (which are open approximately 11 months prior to the assessment period) and pay the necessary fees (the amount of which can be adjusted to special categories and needs).[54] The PLAB website includes detailed and comprehensive information on which qualifications and institutions are acceptable to sit the PLAB exam. Some qualifications are examined for eligibility on a case-by-case basis. Contact details for enquires are provided, together with an indication of what information interested candidates need to provide to facilitate faster responses.

Through the online portal candidates also receive the results of their exams (six weeks after the assessment date), ensuring all information for candidates is in one central location.[55] The examination consists of two distinct parts. The first component, PLAB 1, is a written examination. It is conducted quarterly, with sessions held in February, May, August and November at various international testing centres. The latter, often managed by the British Council, are strategically located in major cities worldwide and across the UK, ensuring widespread accessibility for candidates. The demand is monitored closely and where it exceeds existing capacity, extra places for examinations are generally made available in subsequent assessment periods to ensure more flexibility and responsiveness to candidates' interests. To be eligible for PLAB 1, applicants must possess an approved overseas medical qualification and demonstrate proficiency in English.

PLAB 2, the second part of the examination, is a practical assessment structured as an objective structured clinical examination (OSCE). This hands-on evaluation consists of 16 scenarios, each lasting eight minutes, designed to simulate real-life clinical situations. Scenarios reflect real life settings and encounters that a qualified doctor may expect in their everyday work. Examiners mark candidates on 3 main domains, mainly data gathering and technical and assessment skills, clinical management skills and interpersonal skills.[56] Once both parts have been passed, foreign doctors can apply for registration with a licence to practise in the UK. In 2023, 21,916 candidates sat part 1 of PLAB from 23,500 assessment places offered, an increase of more than 7,446 candidates who took the exam in 2022. In a survey completed by 914 candidates in 2023, it emerged that satisfaction with the PLAB part 1 assessment is very high. It was noted that, from the application submission to delivery of results, candidate experience is at the fore of the assessment: information is easily accessible on the PLAB website, queries are dealt with promptly, and test centres operate efficiently.

In conclusion, despite the relatively limited number of specific and legally binding multilateral obligations, significant progress has been made in creating a more facilitative environment for the assessment of qualifications. The GATS requires WTO members to establish adequate procedures to verify the competence of foreign professionals and permits recognition of education, experience, licences or certifications obtained abroad. The SDR Disciplines and various recent services PTAs address the issue of assessment of qualifications directly and require competent authorities to schedule any examinations used at reasonably frequent intervals, provide reasonable time frames for applicants to request examinations, encourage the receipt of requests in electronic format, and consider electronic means in other aspects of examination processes. Some recent PTAs align with assessment-relevant SDR Disciplines, while others go beyond, including by exploring oral examinations and offering exams in the other parties' territories. Domestically, differences remain across jurisdictions and sectors, particularly in the application of substantive assessment criteria, procedures and recognition practices. However, various factors have contributed to improving the ease of qualification assessment. Technological advancements, including digital submission systems and remote invigilation, have enhanced efficiency and accessibility. The introduction of systems for the electronic submission of applications, online verification tools and automated assessment mechanisms have minimized procedural burdens, reducing delays and costs for foreign professionals. Emerging practices – such as structured opportunities to remedy identified deficiencies and, in

some cases, recognition via a third jurisdiction – are creating additional pathways. Furthermore, increased international cooperation, regulatory harmonization efforts and bilateral or multilateral arrangements have also played a crucial role. The expansion of MRAs and sector-specific arrangements contributes to greater predictability for service suppliers seeking cross-border qualification recognition. Taken together, these developments reflect a growing commitment to balance regulatory rigour with practical facilitation, so that qualified professionals can supply services across borders more efficiently while safeguarding the pursuit of public policy objectives.

Annex

Overview of GRPs in the area of assessment of qualifications

Principle of non-discrimination

- No distinction in substantive requirements between foreign and local professionals, unless explicitly included in WTO members' schedules of specific commitments. Different substantive requirements which would be regarded as incompatible with GATS Article XVII would include higher educational requirements for foreign professionals than for nationals, requirements for longer working experience, prior experience requirements, or occupation in certain companies (e.g. A-listed companies) in the host jurisdictions.
- No distinctions in substantive requirements between foreign professionals from different WTO members, unless specific preferences for foreign professionals of specific jurisdictions are explicitly provided for in MFN exemption lists or PTAs (GATS Article II).

Substantive assessment requirements

- Assessment based on transparent and objective criteria related to the skills and qualifications required for the profession (GATS Article VI:4 and VI:5; SDR Disciplines, paragraph 22(a)).
- Assessment focused on the actual skills, knowledge and abilities required for the profession, rather than just the form or origin of the qualification. It should exclude subjects not relevant to the activities for which authorization is sought.
- Eligibility to undergo assessment not more burdensome than necessary and containing only relevant requirements to ensure the quality of service (e.g. minimum prior presence or residence in the country to be eligible to undergo assessment).
- Requirements for language proficiency based on a legitimate public policy objective, such as consumer safety, ensuring services quality, or language working knowledge essential for practice. Whether language skills are required should depend on the nature of the profession and the level of client interaction. Authorities should assess whether full proficiency of the language is required for all services and in all circumstances. For example, some jurisdictions allow professionals to practice if they have basic or intermediate proficiency and can demonstrate that they can communicate sufficiently to perform their duties.[57] However, they may be required to improve their language skills over time. Authorities should consider granting authorization on the condition that the professional ensures effective communication with clients, which can include hiring interpreters or working with colleagues who can communicate fluently in the local language.
- Facilitation of recognition via third jurisdiction ("triangulation") (for example, 2024 EU-Canada MRA, Article 4.3).[58]

Assessment procedures

- Information on the procedures for verifying qualifications and competence clearly outlined and accessible to foreign professionals. This includes information readily available on how to apply, what documentation is required, timelines for processing and criteria for assessment (SDR Disciplines, paragraphs 7(a) and 13).
- Appropriate guidance mechanisms established to provide support for foreign professionals through

clear instructions, help desks, or guidance on meeting local requirements. (GATS Article IV:2; SDR Disciplines, paragraph 20).

- Possibility to submit applications to demonstrate compliance with qualification requirements to only one competent authority (SDR Disciplines, paragraph 4).
- Procedures for the assessment of foreign professionals conducted within established and reasonable time frames (SDR Disciplines, paragraph 7).
- Provision of information on result of examinations, including deficiencies in applications and possibility to rectify this (SDR Disciplines, paragraph 7).
- Provision of information on reasons of failure of examination, with possibility for re-applying (SDR Disciplines, paragraph 7).
- Possibility for review of assessment decisions (GATS Article VI:2).
- Acceptance of authenticated copies in place of original documents (SDR Disciplines, paragraph 6(b)).
- Impartial and independent procedures with respect to all applicants (SDR Disciplines, paragraphs 10 and 22(d)).
- Procedures not excessively burdensome or disproportionate to the nature of the profession (SDR Disciplines, paragraph 22(c)).
- Reasonable and transparent fees charged for qualification procedures (SDR Disciplines, paragraph 9). Fees should not be higher than the approximate costs incurred by the competent authorities, including those for supervision of the relevant service (e.g. EU-Georgia Association Agreement, Article 95 on licensing and qualification procedures).[59]
- Assessment typically includes practical tests, interviews or professional exams. Authorities should consider allowing foreign professionals to demonstrate their competence not only through formal qualifications but also through relevant professional experience, supervised work periods, references or portfolios of work. The possibility of fulfilling such requirements should not *a priori* be restricted to host country institutions, unless there are justifiable reasons.[60] If membership in a relevant professional association or registry is indicative of the level of competence or the extent of experience of the applicant, such membership should also be taken into account.
- Examinations held at reasonably frequent intervals (SDR Disciplines, paragraph 10). Depending on the examination, this could be on a rolling basis, or in multiple fixed sittings a year. Applications for examinations open sufficiently in advance of the examinations to allow participants sufficient time to apply and prepare, including logistics (SDR Disciplines, paragraph 10).
- Possibility for remote examinations to be offered in the home jurisdiction and at international test centres (electronically or paper-based).
- Possibility for electronic examinations in the host jurisdiction (rather than paper-based examinations).
- Possibility for remote examinations on personal computers.
- In case of deficiencies in the qualifications, applicants are informed of requirements to meet the deficiencies (including through course work, examinations, training or work experience).
- Facilitate access to international assessments and examinations, by considering implementing supportive visa measures for foreign candidates. These could include accelerated processing and the acceptance of verification letters from recognized examination bodies to confirm the purpose of travel.
- Authorities may consider the use of automated tools or AI-assisted review mechanisms to process qualification documentation or support decision-making, while ensuring transparency and the possibility of human oversight in cases of doubt or appeal.

ENDNOTES

1 GATS, Article VI:6.

2 EFTA-Hong Kong, China FTA (2012), Annex VII, Article 6.

3 GATS, Article VII:1.

4 GATS, Article VII:2.

5 GATS, Article VII:2.

6 GATS, Article VII:3.

7 For more information on standards, see subsection 2.9 on "Standards in Services".

8 SDR Disciplines (WTO, 2021), para. 22(a) and footnote 17.

9 SDR Disciplines (WTO, 2021), para. 13.

10 GATS, Article IV:2; SDR Disciplines (WTO, 2021), para. 20.

11 SDR Disciplines (WTO, 2021), para. 22(b).

12 SDR Disciplines (WTO, 2021), paras. 7 and 8.

13 SDR Disciplines (WTO, 2021), para. 4.

14 SDR Disciplines (WTO, 2021), para. 10.

15 For example, for the popular New York Bar Exam, for the end of July sitting, the application filing period is March 1–31, https://www.nybarexam.org/examdates/examdates.html; for Canada's CFE, registration closes around 15 weeks ahead of the exam, https://www.cpawsb.ca/current-learners/cpa-pep/schedules/cfe/.

16 Chartered status is granted through a competency-based assessment, including documentation review and professional interview.

17 For more details about the benefits of electronification of procedures, see subsection 2.2 on "Electronic Submission of Applications".

18 For example, foreign-qualified lawyers aiming to sit for the South African Legal Practice Council (LPC) can submit their initial applications online, including proof of qualifications and relevant experience. Candidates must physically submit certified copies of their degrees, transcripts and proof of work experience.

19 For an example, please see https://www.cpaaustralia.com.au/your-cpa-program/exams-and-assessment/schedule-your-exam/online-proctored-exam.

20 CPTPP (2018), Article 10.8.6.

21 RCEP (2022), Article 8.15.8.

22 Pacific Alliance Additional Protocol (2016), Article 9.9.5.

23 Hong Kong, China-New Zealand CEPA (2011), Annex III to Chapter 13, paragraph 29.

24 UK-Australia FTA (2023), Article 8.8.

25 USMCA (2020), Article 15.8.2.

26 USMCA (2020), Article 15.8.2.

27 USMCA (2020), Article 15.8.3(c).

28 USMCA (2020), Chapter 16: Temporary Entry for Business Persons, Annex 16-A, Appendix 2.

29 USMCA (2020), Chapter 16: Temporary Entry for Business Persons, Annex 16-A, para. 1 of Section D: Professionals.

30 It is important to note that Article 15.9 of the USMCA also provides mutual recognition agreements "[f]or the purposes of fulfilment, in whole or in part, of a Party's standards or criteria for the authorization, licensing, or certification of a service supplier". Annex 15-C of the USMCA prescribes voluntary principles for the negotiation of a mutual recognition agreement.

31 USMCA (2020), Chapter 16: Temporary Entry for Business Persons, Annex 16-A, para. 3 of Section D: Professionals.

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12 Regulatory impact assessment

KEY INSIGHTS

- RIA is a key GRP tool for strengthening regulatory governance that leverages expert analysis and stakeholder input to design high-quality, evidence-based and proportionate regulatory interventions – which is particularly important in services sectors with a heavy regulatory burden.
- Neither the GATS nor the SDR Disciplines contain RIA obligations.
- Many recent PTAs encourage or require RIA to compare regulatory alternatives, consider various types of impacts (on trade, small businesses, the environment, etc.), as well as to publish findings of the analysis. In some cases, PTAs also encourage the use of RIA to assess the effectiveness and continued relevance and improvement of existing regulatory measures.
- At the domestic level, an increasing number of jurisdictions have introduced RIA – with or without a formal legal mandate – *ex ante*, for measures under development, and *ex post*, to evaluate those in force. Several jurisdictions have also been relying on impact assessment mechanisms to examine the potential of prospective trade arrangements and their wider economic, social and environmental effects.

Key features

Trade policymaking relies on sound evidence. In a rapidly evolving and complex regulatory environment, it is essential that regulatory frameworks are designed based on the best available data and analysis, with a clear statement of the problem to be addressed, the policy objective, as well as feasible alternatives.[1]

RIA is a key area of GRP (Box 1); it serves to analyse the expected effects of regulatory interventions whether they be laws, regulations, administrative rules, policies or other measures and, where relevant, to review measures that are already in place. Leveraging stakeholders' practical experience, RIA helps ensure that measures are of high quality and designed to achieve their objectives in the most effective and efficient manner.[2] The benefits of putting in place a RIA framework can be set out as follows[3]:

- Efficiency: through a systematic comparison of options and analysis of costs and benefits, RIA helps to identify the most efficient regulatory approach.
- Transparency: RIA promotes transparency by requiring regulators to articulate their intentions in writing, set out possible regulatory options, available evidence, and expected impacts, explain the reasons that support regulatory choices, engage with stakeholders, and publish the results of the assessment for the benefit of the public.
- Accountability: monitoring expected impacts and checking the coherence of proposed measures against medium- to long-term policy goals makes regulators more accountable and supports continuous improvement.

RIA can be conducted (i) *ex ante*, i.e. based on analysis and forecasts, as an input to the drafting and adoption of measures; and/or (ii) *ex post*, i.e. carried out after the adoption of measures to analyse the actual effects of their implementation and evaluate any modifications or additions that may be required. In this respect, technical and scientific expertise and information play a crucial role. RIA processes combine quantitative and qualitative analyses of economic, social and environmental impacts of regulations so that decision makers can compare and weigh up the costs and benefits of alternative policy options.

RIA plays a crucial role in the services context. Many services sectors are extensively regulated to protect consumers, ensure fair competition and achieve other policy objectives. For this reason, a holistic assessment of measures affecting the supply of services helps avoid imposing unnecessary burdens on services suppliers, particularly for SMEs, as well as unintended consequences that may be detrimental for attaining public policy objectives. RIA can serve as a tool to ensure that laws and regulations are proportionate, cost-efficient, effective and do not act as unwarranted barriers to trade.

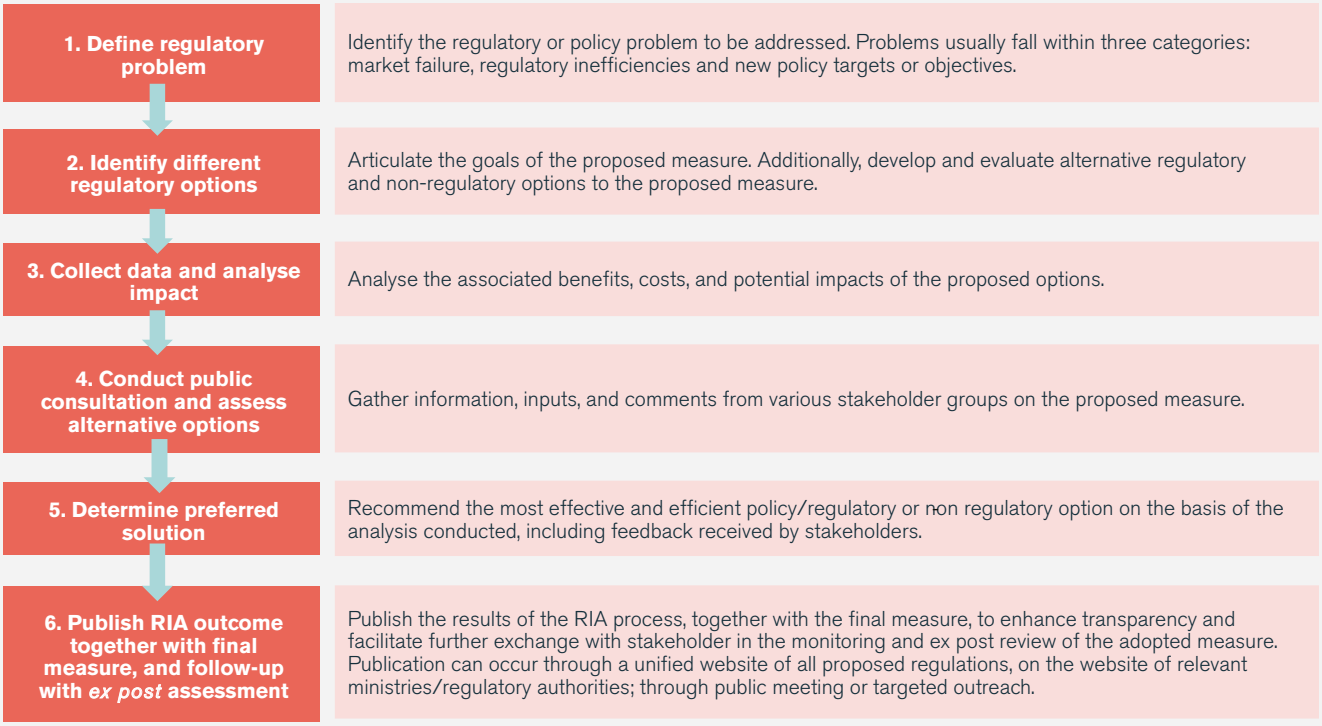
Box 1: The 2020 OECD principles on regulatory impact assessment

The OECD identifies principles related to RIA in the following five areas:

- **Political commitment:** RIA requires consistent political backing and stakeholder support in order to be effectively implemented.
- **RIA governance:** RIA entails integration with other regulatory management tools, adjusting to the legal and administrative system, as well as the effective allocation of responsibilities.
- **Strengthening the capacity and accountability of the administration:** Efficient RIA demands regular guidance and training of relevant staff.
- **Targeted and appropriate methodology:** Successful RIA requires a simple and flexible methodology including the development of strategies on collecting and accessing data, communication of RIA results, and engagement of stakeholders throughout the process.
- **Continuous evaluation and improvement:** Comprehensive evaluation, including quality oversight of the RIA framework, ensures continued usefulness and effectiveness.

Source: OECD (2020).

Figure 1: Main RIA steps



Source: WTO/World Bank.

In brief, RIA is a structured process that guides policymakers to ask "systematic questions about different policy options and the consequences of government interventions".[4] Its output is a report that studies and assesses different policy options based on available evidence. By making analysis and reasoning explicit, RIA improves policy-making by improving its transparency, efficiency and accountability. RIA typically consists of six main steps (as set out in Figure 1)[5]:

RIA generally involves the participation of various groups:

- Regulatory authorities and/or specialized government bodies: the regulatory authority (e.g. a line ministry or sector regulator) responsible for a measure usually leads the RIA. While such an authority is best equipped to identify regulatory challenges in specific areas, their close involvement may also encourage a conservative outlook and limit motivation in finding new solutions or developing new approaches to regulations.[6] To mitigate this, some systems assign a specialized government agency to conduct RIAs, or to review and monitor assessments conducted by other authorities, thereby providing methodological guidance and ensuring that a high-quality RIA is the result.[7]
- Experts: RIA often requires technical expertise in law, economics, scientific or sector-specific knowledge, to effectively assess the impacts of a proposed or existing measure.
- Private sector: large corporations, SMEs and industry associations contribute by providing input and feedback on costs, feasibility and implementation as the "end-users" of laws and regulations.
- Civil society and consumers: RIA processes increasingly involve consumer groups, professional associations, or other civil society organizations, with a view to ensuring that broader societal interests and distributional impacts are considered.

RIA covers a wide range of possible impacts[8]:

- Private sector, including small businesses: RIA assesses the economic costs and benefits of a proposed measure. Such analysis may address questions such as compliance costs and feasibility/ burden for businesses of various sizes, as well as impact on innovation and competition.
- Society: RIA evaluates distributional effects (i.e. who stands to gain or lose, and by how much across demographic groups and firm sizes) and assesses broader social outcomes (including poverty, employment, and job creation).[9]
- Equality and inclusiveness: RIA evaluates whether and how a proposed measure impacts different groups of individuals, and whether equality and inclusiveness objectives are met.

- Environment: RIA analyses how a proposed measure advances environmental objectives, such as reducing pollution or promoting sustainability, or whether it creates unintended harm.
- Competitiveness and market openness: RIA studies whether a proposed measure promotes contestability, i.e. encouraging competition by allowing new entrants into the market, or if it boosts existing companies, therefore hindering competition; establishes trade barriers; and attracts or discourages foreign investment.
- Public sector: RIA looks at the administrative costs related to implementation and enforcement of a proposed measure, including human resources required, infrastructure, monitoring and oversight.
- Regulatory coherence and international obligations: RIA determines whether a proposed measure is consistent with the existing domestic regulatory system, as well as whether it complements or conflicts with other international rules and agreements.

It is also worth noting that, in recent years, several jurisdictions have conducted RIA in parallel to or upon conclusion of PTA negotiations to examine the potential impacts of their adoption (also in specific areas such as sustainability, environmental, or human rights), including through international cooperation.[10]

Figure 2 provides an overview of the key features of RIA.

GATS, SDR Disciplines and other relevant trade agreements

Several WTO agreements contain obligations that certain types of measures be necessary to achieve a legitimate objective or be science- or risk-based. These requirements speak to the legal quality of a measure, however, do not amount to a RIA which evaluates policy alternatives, costs and benefits, and possible administrative burdens.

In the GATS, Article VI:4 instructs WTO members to develop disciplines to ensure that licensing and qualifications requirements and procedures, as well as technical standards, are objective and transparent and not more burdensome than necessary to ensure the quality of the service. Undertaking RIA does not, alone, demonstrate that a measure meets these tests.[11] However, robust

Figure 2: RIA key features

On what basis is RIA conducted?	▪ Legal requirement ▪ Administrative practice (including guidelines)
What types of impacts are covered by the RIA?	▪ Private sector, including small businesses ▪ Society and inclusive growth ▪ Environment ▪ Competitiveness and market openness ▪ Public sector ▪ Domestic regulatory framework and international obligations
What types of measures are subject to RIA?	▪ Laws ▪ Regulations ▪ Policies ▪ Other types of rules (subject to relevant criteria)
Who conducts the RIA?	▪ Regulatory authority responsible for the measure ▪ Specialized government agency
Who else is involved?	▪ Experts ▪ Private sector ▪ Civil society ▪ Consumer groups
When is RIA conducted?	▪ *Ex ante* ▪ *Ex post*
How is RIA communicated?	▪ Unified website of all proposed regulations ▪ Website of relevant ministries/regulatory authorities ▪ Public meeting ▪ Targeted outreach ▪ Other

Source: WTO/World Bank.

ex ante RIA can support a "least trade-restrictive" design by (i) clearly defining the legitimate objective and the specific problem; (ii) identifying and comparing reasonably available regulatory and non-regulatory alternatives (including based on the use of international standards, mutual recognition and digital delivery); (iii) assessing expected trade effects (across modes of supply and for SMEs) alongside economic, social and environmental impacts; and (iv) documenting why the chosen option is proportionate and not more burdensome than necessary, with plans for *ex post* review to address any disproportionate effects. In this way, RIA builds a sound evidence base that enhances policy quality and supports careful alignment with the WTO framework.

The SDR Disciplines do not address the issue of RIA.

PTA practice

By contrast, new generation PTAs increasingly include RIA-related obligations, mostly framed as horizontal requirements rather than specifically related to services trade. PTAs typically contain a flexible obligation requiring the use of RIA in appropriate circumstances or where a proposed measure is expected to have a significant impact on trade.

One notable example is the 2018 CPTPP. In the Chapter on "Regulatory coherence", Article 25.5 encourages the parties' competent authorities to conduct a RIA process when developing proposed regulatory measures that exceed a threshold of economic impact, or, where appropriate, any other regulatory impact.[12] More specifically, the CPTPP sets out that RIA should *inter alia* carry out the following:

i. Assess the need for a regulatory proposal, including a description of the nature and significance of the problem[13];

ii. Examine feasible alternatives, including, to the extent feasible and consistent with laws and regulations, their costs and benefits, such as risks involved as well as distributive impacts, recognizing that some costs and benefits are difficult to quantify and monetize[14];

iii. Explain the grounds for concluding that the selected alternative achieves the policy objectives in an efficient manner, including, if appropriate, reference to the costs and benefits and the potential for managing risks[15];

iv. Rely on the best reasonably obtainable existing information including relevant scientific, technical, economic or other information, within the boundaries of the authorities, mandates and resources of the particular regulatory agency[16]; and

v. Take into consideration the potential impacts on SMEs.[17]

Furthermore, the CPTPP includes a best-endeavour commitment to conduct *ex post* RIA with a view to reviewing, at appropriate intervals, regulatory measures to determine whether they should be "modified, streamlined, expanded or repealed".[18] Such a periodic review aims to ensure that regulatory regimes are progressively more effective in achieving the desired policy objectives.[19]

A similar RIA obligation is contained in Article 28.11 of the 2020 USMCA.[20] Interestingly, the 2019 EU-Japan EPA goes even further: the chapter on "Good regulatory practices and regulatory cooperation", besides providing that the parties endeavour to carry out a RIA of major regulatory measures under preparation, also requires that the findings of impact assessments are published no later than the publication of the proposed or final measure.[21] Additionally, the parties are asked to maintain and make publicly available processes for and the results of periodic retrospective evaluations of regulatory measures in force.[22]

It is also worth noting that in the case of the 2017 EU-Canada CETA, the impact assessment of the Agreement on the environment is identified as one area of cooperation between the parties.[23]

Implementation at the domestic level

At the domestic level, RIA mechanisms have been established in several jurisdictions. Nowadays, impact assessment is systematically used by over 80 per cent of OECD member countries.[24] Given the recognition of RIA as a key pillar of good governance, an increasing number of non-OECD economies are also following suit, although to a lesser extent when it comes to *ex post* reviews.[25] Various approaches have been adopted when it comes to the implementation of RIA systems (Box 2), with different scopes and levels of sophistication of methodologies. In some jurisdictions, the conduct of RIA is based on the existence of a legal requirement to enhance authority, while, in others, it is a recurring administrative practice (notably based on developed guidelines).

Box 2: Regulatory experimentation as a tool for innovative and evidence-based policy-making

Regulatory experimentation – or "regulatory sandbox" as it is sometimes referred to – is a form of "testing new regulatory approaches or technologies in controlled environments to gather evidence and refine policies".[26] Such regulatory tests are typically limited in scope and time, and involve the evaluation of new products, services, regulatory tools and implementation methods. Under direct regulatory supervision, regulatory experimentation aims at fostering knowledge and evidence that can improve the quality of regulatory systems.[27] In order to be effective, regulatory experimentation needs to be fully integrated in the policy-making cycle and used in combination with other GRP instruments, notably stakeholder engagement, RIA and domestic inter-agency coordination.[28]

According to OECD data, while only a minority of jurisdictions have to date formally introduced regulatory experimentation in their policies, evidence suggests that uptake is increasing but remains uneven across sectors and countries.[29] Regulatory experimentation goes beyond the lifting or easing of regulatory constraints and, depending on the specific context and goal, spans a variety of approaches (e.g. establishing new regulatory processes or adapting regulatory frameworks) which can serve to promote evidence in complex, fast-changing and innovation-dominated policy environments.

Some governments adopt whole-of-government approaches to experimentation, while some others use it as a tool in certain specific sectors (such as financial services, AI, and energy), with varying levels of ambition. For example, in Canada, the Centre for Regulatory Innovation – a whole-of-government authority – is tasked with helping regulators make use of regulatory experimentation, including on the use of AI.[30] At the sectoral level, Austria, Bahrain, Denmark, Italy and the United Arab Emirates have introduced regulatory sandboxes in the financial services sector by providing for the possibility of exemptions under their existing domestic frameworks.[31]

Source: OECD (2024); Sarlième et al. (2025).

South Africa, for example, introduced a requirement to subject any proposed policy initiatives, legislation or regulation to a socio-economic impact assessment (SEIAS).[32] The SEIAS aims to improve South Africa's regulatory framework by (i) minimizing unintended adverse consequences of policy initiatives, and (ii) by anticipating implementation and compliance-related risks and encouraging measures to mitigate them.[33] Overall, the key goal of the SEIAS is to ensure that laws, regulations and policies are aligned with the core national priorities, namely addressing unemployment, poverty and inequality. The SEIAS applies to new or amended primary legislation, subordinate legislation with significant societal impact, significant regulations and major policy proposals. Building on technical analysis and participatory research, SEIAS consists of two types of assessment, namely initial and final impact assessment, both of which are applied concurrently to different stages of policymaking.

The SEIAS initial impact assessment is conducted at the conceptual phase of a proposed measure to stimulate discussions about alternative options to tackle an identified problem. The process helps assess the extent to which different regulatory options would address identified issues, including their costs, risks and impact on various social and economic groups. The SEIAS final impact assessment, on the other hand, provides a detailed evaluation of the likely effects of the selected regulatory option in terms of its implementation and compliance costs as well as anticipated outcome. The SEIAS guidelines provide that the final assessment be published together with the draft policy initiative to allow for public comments and consultations with stakeholders. It further determines that a more in-depth analysis and broader consultation with stakeholders should be undertaken for proposals where the initial assessment suggests there will be substantial implementation costs, compliance costs, outcomes, risks or political sensitivity. In contrast, if a proposal seems unlikely to have a significant impact, either by itself or through subordinate regulations, the final assessment can be more limited.[34]

Canada is an example of a jurisdiction that consistently carries out RIAs. The Cabinet Directive on Regulation, recently updated in 2024, elaborates on the

"fundamentals" of Canada's federal regulatory policy. The latter is guided by four key principles: (i) regulations protect and advance the public interest and support good governance; (ii) the regulatory process is modern, open, and transparent; (iii) regulatory decision-making is evidence-based; and (iv) regulations support a fair and competitive economy.[35] As a key pillar of evidence-based decision-making, government agencies are responsible for conducting RIAs on all regulatory proposals.

The Directive defines a RIA as "the systematic approach to the identification and critical assessment of the potential positive and negative effects and implications of a regulatory proposal for consideration by the public, stakeholders and the Cabinet".[36] RIAs are critical to ensure that "benefits to Canadians outweigh the costs".[37] Through both qualitative and quantitative analysis, government agencies are required to conduct an early assessment of regulatory proposals, known as "triage", with a view to determining potential positive and negative effects, as well as feasible alternatives and more streamlined options.[38] A clear, non-technical synthesis of the expected impacts – referred to as a "RIA Statement" (RIAS) – is published in the *Canada Gazette* together with the text of the proposed measure.[39] The latter is open for comments by the public for a minimum period of 30 days.[40] Furthermore, the Directive provides that all approved regulations must be published in the *Canada Gazette*, alongside the RIAS, to enable an understanding of the motivations and objectives behind regulatory changes.[41]

Furthermore, Canada conducts RIA as part of its PTA negotiations: using quantitative and qualitative analysis, the economic impact assessments aim to analyse the economic effects of measures included in Canada's PTAs.[42] While the quantitative assessment focuses on the interaction among different sectors as a result of trade liberalization, capturing the economy-wide effect of the agreement on the Canadian economy, the qualitative analysis provides an assessment of measures that are not possible to quantify for lack of analytical tools or available data. These assessments are undertaken by experts in the subject matter, in consultation with other government departments. With respect to services, Canada uses the Services Trade Restrictions Index (STRI) either from the OECD or from the WTO-World Bank and comparable indices for GATS bindings (e.g. the WTO-World Bank GATS Trade Restrictions Index) and preferential commitments (e.g. the WTO-World Bank Preferential Services Trade Restrictions Index) to assess negotiating scenarios or final outcomes of trade agreements. These indicators are converted into *ad valorem* equivalents which are incorporated in a dynamic computable general equilibrium (CGE) model of global trade. The model is then used to estimate the economy-wide, environmental, and labour impacts of proposed agreements and of final outcomes.[43]

Recently, the European Free Trade Association (EFTA) Secretariat also undertook a sustainability impact assessment (SIA) in parallel to the negotiations for an FTA between the EFTA States and the Kingdom of Thailand (signed on 23 January 2025, pending entry into force).[44] In light of the broad and ambitious scope of the envisaged Agreement, EFTA sought to analyse its potential effects, while considering the respective trade interests and sensitivities of all parties. The SIA involved a combination of quantitative and qualitative methodologies in four main steps[45]:

1. Baseline scenario development: the initial step involved an analysis of the current situation in the EFTA States and Thailand, utilizing CGE modelling. This analysis highlighted potential trade and economic impacts, including risks and opportunities in goods, services, foreign direct investment, intellectual property rights and specific sectors.
2. Screening for issues: the second step identified potential concerns and sectors requiring closer examination as areas most likely to be affected by the Agreement.
3. Sustainability risk analysis: the third step focused on assessing the sustainability risks of the Agreement, taking into account the whole economy, different societal groups and environmental issues.
4. Conclusions and recommendations: the final step involved formulating conclusions and recommendations, including based on stakeholders' input collected throughout the project.

In conclusion, international and domestic practice concur on the importance of RIA as a tool for strengthening regulatory governance. Given the regulatory intensity of the services sector, evidence-based decision-making that draws on expert analysis and stakeholder input helps design high-quality regulatory interventions and avoid unwarranted effects and burdens on the economy and beyond. While neither the GATS nor the SDR Disciplines contain RIA obligations, many new generation PTAs

include RIA to analyse different regulatory alternatives and promote the use of the most cost-efficient and effective option, thereby enhancing the transparency and efficiency of regulatory systems and increasing regulators' accountability. At the domestic level, an increasing number of jurisdictions (across various levels of development) apply RIA – with or without a formal legal mandate – not only when developing laws and regulations, but also when assessing prospective trade arrangements and their wider economic, social and environmental effects. Overall, RIA does not replace policy judgment but, when applied before and after adoption of measures, it provides a structured evidence base for better decisions and timely course corrections.

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13 Domestic inter-agency coordination

KEY INSIGHTS

- Inter-agency coordination (IAC) is a core GRP that operates across the entire regulatory cycle – from policy design and drafting to implementation, enforcement and review – reducing duplication and inconsistencies, improving predictability for suppliers and consumers. IAC is closely linked with several other GRPs, notably RIA, and stakeholder engagement.
- While neither the GATS nor SDR Disciplines refer to IAC, it is incorporated in recent PTAs via two recurring elements: (i) publishing the procedures and mechanisms for inter-agency coordination to promote transparency and accountability; and (ii) establishing dedicated platforms to exchange information and encourage regulatory alignment over time, including through a central coordinating body with monitoring and reporting functions.
- Economies at different levels of development use various arrangements showing that IAC can be tailored to specific mandates, capacity and sectoral needs, while pursuing coherent policy objectives. Domestic practice suggests that effective IAC depends on consistent political backing, clear mandates and resources, light-touch central coordination with respect to reporting/monitoring, flexibility, cross-institutional capacity building, and early risk management (e.g. overlaps, data-sharing, IT interoperability).

Key features

In the area of services, effective regulation often requires the involvement of multiple authorities with distinct mandates and technical expertise. Their competences may intersect at various stages of the regulatory process – from policy design and rule-making to implementation, monitoring and review. Where responsibilities overlap, coordination among agencies becomes essential to ensure coherent policy outcomes, avoid duplication and enhance regulatory quality.

This is particularly important in services sectors where regulation spans multiple mandates (e.g. competition, consumer protection, privacy, prudential[1] reasons, and health) and carries far-reaching societal impacts. Consider, for example, a situation in which the ministry of health sets quality and safety standards for healthcare providers, while the ministry of finance regulates pricing and the solvency of private insurers. If the two authorities act in isolation, well-intentioned measures could conflict: hospitals might be required to use cutting-edge medical equipment to ensure best quality patient care, while insurers may face strict price caps that prevent them from covering the higher costs.

While both ministries pursue legitimate policy objectives within their mandates, the lack of coordination between them may reduce the financial viability of both hospitals and insurers, ultimately limiting patients' access to affordable healthcare. The lesson extends beyond health: in many service sectors, uncoordinated regulation may impose duplicative or inconsistent requirements, raise compliance costs and undermine public policy objectives. In view of this, domestic IAC is today recognized as a core GRP. At a practical level, it connects trade and regulation by (i) aligning requirements and procedures and consolidating them (including in single window systems);[2] (ii) integrating international standards into domestic rule-making (including for the recognition of qualifications); as well as (iii) coordinating proportionate, risk-based implementation, supervision and monitoring.

IAC entails systematic dialogue, information sharing and joint action among competent authorities at all levels of government with a view to promoting coherence and efficiency in regulatory systems. Coordination mechanisms can take various forms – from standard inter-agency committees and shared information platforms to *ad hoc* working groups on cross-cutting issues. To support coordination, a central body may be established with overarching oversight and reporting functions. Additionally, the IAC processes and mechanisms may be made publicly available to foster transparency and accountability. To function effectively, these arrangements typically rely on high-level political backing, clear allocation of responsibilities, adequate resources and transparent procedures. IAC contributes to a more predictable and transparent regulatory environment for service suppliers and consumers alike, reduces administrative duplication and facilitates alignment with international commitments, including those related to trade in services.

IAC is closely linked to various other GRPs, notably RIA and stakeholder engagement.[3] RIA and IAC are mutually reinforcing; effective RIA relies on the collaboration of all relevant domestic bodies to gather data, assess potential impacts and validate findings. At the same time, IAC serves the broader function of ensuring coherence and information flow throughout the regulatory process – from policy design to implementation and review – and benefits from the expert insights gathered through RIA. Complementarities also exist with stakeholder engagement. High-quality consultation with external stakeholders thrives on inter-agency coordination of notices, timelines and responses; in turn, stakeholder input informs coordinated decisions on design, implementation and review. In light of this, this Handbook – like various other GRP toolkits[4] – addresses IAC as a stand-alone GRP for effective and quality rule-making.

IAC occurs through a variety of formal and informal mechanisms[5] and can take place at various stages of the policy cycle. These stages are not strictly sequential, as coordination may continue or re-emerge as new issues arise (Figure 1):

1. **Policy formulation and agenda setting:**
   - The lead regulatory authority identifies the need for a new measure or amendment to an existing one and defines objectives.
   - Early engagement with other competent authorities helps clarify mandates, share data and identify potential overlaps or synergies.
   - Relevant agencies review the proposal and provide feedback, as well as align the initiative with wider policy priorities.

2. **Drafting and design of measures:**
    - The inter-agency committee or working group is set up to prepare the draft measure.
    - The committee reviews input from all relevant agencies, considers cross-cutting implications and ensures consistency of the draft measure with international obligations.
    - Exchange of feedback between the committee and relevant agencies takes place until a coherent draft emerges.
3. **Public consultation:**
    - The committee publishes the draft measure for comments by stakeholders.
    - The committee considers the feedback received and makes relevant adjustments.
    - The text of the measure is finalized by the committee.
4. **Adoption, implementation and monitoring:**
    - The final measure is adopted through the appropriate procedures.
    - The measure is implemented and enforced by the lead regulatory authority.
    - Coordination continues during implementation, including through shared inspection systems, common data platforms, or joint compliance monitoring.
    - Regular information exchange among agencies helps identify emerging issues and ensure consistent enforcement.
5. **Evaluation and review:**
    - Relevant agencies jointly review the effectiveness, proportionality and continued relevance of the measure.
    - Feedback and input are considered to assess the need for any adjustments or improvements.[6]

Various GRP-enabling conditions support IAC and help improve the quality of regulatory frameworks and government services delivery:

- High-level political backing: Visible support from senior leadership signals priority and is instrumental in ensuring that coordination is implemented and sustained.[7]
- Clear mandates and responsibilities: Assigning tasks, objectives, as well as necessary resources (human and financial) strategically contributes to ensuring success of coordination.[8] Publishing IAC procedures and mechanisms helps promote transparency.
- Reporting and monitoring, including through a central coordinating body: Establishing reporting and monitoring procedures promotes accountability of all stakeholders involved.[9] A light-touch coordinating body with convening, tracking and reporting functions can help ensure that coordination works on the ground.
- Adaptability: Establishing flexible and simple coordination mechanisms is essential to guarantee their sustainability and continuous improvement over time.[10]
- Cross-institutional capacity building: The most successful forms of coordination appear to be those that are built as a standard practice (rather than being designed as an ad hoc temporary effort).[11]
- Risk forecasting: Anticipate potential challenges (e.g. overlapping mandates, data-sharing barriers, IT interoperability, organizational pushback, timing misalignments) to enhance the chances of success of IAC.[12]

GATS, SDR Disciplines and other relevant trade agreements

The GATS does not include an obligation to require inter-agency coordination among relevant regulatory authorities of WTO members. Likewise, this area is not covered by the SDR Disciplines.

PTA practice

Recent PTAs increasingly incorporate GRPs on cross-border cooperation, with IAC appearing more and more as a recurring element. Across agreements, two obligations appear most often: (i) providing transparency about IAC mechanisms (public descriptions of processes and mechanisms, points of contact, etc.); and (ii) establishing institutional platforms (committees/forums) to exchange information and encourage regulatory alignment over time, including through a central coordinating body with monitoring and reporting functions.

One example is the 2018 CPTPP in which Chapter 25 is dedicated to "Regulatory coherence", defined as "the use of good regulatory practices in the process of planning, designing, issuing, implementing and reviewing regulatory measures in order to facilitate

achievement of domestic policy objectives".[13] Notably, Article 25.4.1 states that "regulatory coherence can be facilitated through domestic mechanisms that increase interagency consultation and coordination associated with processes for developing regulatory measures".[14]

Taking into account the different levels of development of the parties, as well as their political and institutional structures, the CPTPP stipulates that the parties are required to implement processes and mechanisms to facilitate effective inter-agency coordination, including through a central coordinating body.[15] In addition, the parties are required to produce and make publicly available documents that include descriptions of the processes and mechanisms that have been set up to facilitate coordination.[16] While IAC may take different forms depending on the specific circumstances of each party (including differences in levels of development and political and institutional structures), they should have the overarching abilities to:

a. Review proposed regulatory measures covered by the agreement to determine their adherence to good GRPs;

b. Strengthen consultation and coordination among domestic agencies with the objective of identifying potential overlap and duplication and precluding the creation of inconsistent requirements across agencies;

c. Make recommendations for systematic regulatory improvements; and

d. Publicly report on reviewed regulatory measures, proposals for systematic regulatory improvements, and updates on changes to the process and mechanisms.[17]

The 2019 EU-Japan EPA is another example: the parties are committed to maintaining internal coordination processes or mechanisms to foster GRPs.[18] Furthermore, each party is required to make publicly available descriptions of the processes and mechanisms under which its regulatory authority prepares, evaluates and reviews its regulatory measures.[19] Interestingly, the 2019 EU-Japan EPA provides for the establishment of a Committee on Regulatory Cooperation which is *inter alia* tasked with inviting relevant authorities and other stakeholders to exchange information and promote coordination on GRPs.[20]

Another agreement that underpins the need for IAC is the 2020 USMCA. In a cross-cutting chapter dedicated to "Good regulatory practices", the USMCA recognizes that "the implementation of government-wide practices to promote regulatory quality through greater transparency, objective analysis, accountability, and predictability can facilitate international trade, investment, and economic growth, while at the same time contributing to each party's ability to achieve its public policy objectives at the level of protection it considers appropriate".[21] It also underscores that "the application of good regulatory practices can support the development of compatible regulatory approaches, and the reduction or elimination of unnecessarily burdensome, duplicative, or divergent regulatory requirements".[22]

Accordingly, the USMCA notes the parties' commitment to maintain a central regulatory coordinating body with the key functions of promoting government-wide adherence to GRPs, as well as performing key advisory, coordination and oversight functions to improve the quality of regulations.[23] In addition, the parties are committed to making internal processes and mechanisms of coordination publicly available.[24] It should be noted that the USMCA goes further than the CPTPP in articulating the objectives and scope of IAC. Notably, in the USMCA, IAC can also serve as a platform to conduct RIA with a focus on assessing existing regulatory burdens on small businesses, and ensuring that regulatory approaches do not unnecessarily restrict competition in the market.[25] Furthermore, IAC is considered essential for ensuring the integration of relevant international standards and supporting compliance with existing international trade and investment obligations.[26]

Implementation at the domestic level

At the domestic level, governments have put in place different IAC mechanisms. For instance, in the US, the Federal Communications Commission (FCC) is the primary authority for communications law and policy.[27] The FCC has various responsibilities, including processing licenses and other regulatory filings, consumer information and education, as well as encouraging the development of innovative services. In addition, it is entrusted with ensuring that regulatory proposals and measures in force are consistent with both domestic policy objectives and international commitments. With this purpose, the FCC works closely with various other agencies, including the Department of Commerce, the Department of Justice, and the Federal Trade Commission.

Whenever the need for adoption of a new measure or modification to an existing one is identified under Title 47 (Telecommunication) of the Code of Federal Regulations, an inter-agency working group, consisting of various committees, is set up to address cross-cutting concerns. The committees provide objective and publicly accessible advice based on input from consumer groups, industry stakeholders, public safety officials and other interested parties.[28]

In the UK, the Regulation Directorate – a unit within the Department for Business and Trade – provides central oversight of regulatory quality and leads the cross-government reform agenda. In collaboration with all departments, it promotes targeted, efficient and effective regulation aligned with international best practices.[29] Under the mandate of the government's Better Regulation Framework, the Regulation Directorate helps shape the UK's regulatory landscape as well as its international commitments, ensuring high-quality rule-making and proposing alternatives where appropriate. Furthermore, the Regulation Directorate exchanges information and expertise with foreign partners and international organizations and, in this way, fosters the UK's participation in shaping international standards and rules, with the main goal of levelling the playing field for UK businesses. Finally, when considered beneficial, the Regulation Directorate supports the alignment of the UK's regulatory practices with those of its foreign partners, including by commitments on cross-border cooperation under PTAs.

A different approach to IAC has been established by Malaysia. In 2009, the government sought innovative ways to optimize the provision of public services to further national development goals. This prompted the development of the "Blue Ocean Strategy" (BOS) with the primary aim of fostering collaboration between government agencies, non-governmental organizations, and the private sector.[30] With the goal of making Malaysia a high-income economy by 2020, government agencies were mandated to develop high impact, low-cost improvements to the provision of public services. The BOS launched several initiatives to be based on collaboration among multiple ministries and agencies, as well as in partnership with NGOs or the private sector.

One notable example of such an initiative is the collaboration between the Malaysian Communications and Multimedia Commission and private telecommunication operators, with the goal of extending the reach of broadband internet and other communication infrastructure to rural areas. Other initiatives include the Urban Transformation Centres, the Rural Transformation Centres and the Mobile Community Transformation Centres. These centres operated as "one-stop shops" bringing together various stakeholders to efficiently and effectively provide different kinds of services (e.g. passports, licensing, health and social services). The success of the BOS was driven by several factors. Implementation was initially led by the Office of the Chief Secretary and later by the National Strategy Unit in the ministry of finance, which facilitated cross-agency collaboration, monitored delivery, and provided troubleshooting for bottlenecks. Better coordination domestically led to significant optimization of resources (personnel and infrastructure) and a reduction in duplications and inefficiencies, ultimately resulting in lower costs and higher quality services.[31]

Mozambique implemented an IAC system to improve the allocation of school grants and the availability of critical medicines.[32] In 2011, Mozambique was facing significant challenges in the education and health sectors. This was due to insufficient communication and coordination with regards to the allocation of finances and other resources, between the ministry of economy and finance (MEF) and the line ministries, i.e. the ministry of health and the ministry of education and human development. The education sector reported persistent delays in the allocation of school grants, as well as a lack of transparency in the education budget and spending at the district level. In the health sector, difficulties were encountered with respect to medicine distribution, including fragmented management responsibility and inefficient and inaccurate information flow.

With World Bank support, the National Treasury Directorate – part of the MEF – established a Programme Coordination Team to strengthen coordination between the MEF and health and education ministries. The Programme was structured around various disbursement-linked indicators (DLIs) to be completed in the respective sectors by specific deadlines. Once a DLI was met, the World Bank would release funds as performance-based allocations to incentivize timely results and longer-term behavioural change. Ministries could use the funds for a wide range of activities, from improvements in the working environment and training, to procuring educational materials or medicines.

Coaches were appointed to (i) facilitate communication and coordination between the three ministries, as well as between the provincial and national authorities; and

to (ii) support ministries in identifying and overcoming bottlenecks in their efforts to achieve the DLIs. Through this Programme, Mozambique made measurable progress in allocating school grants and strengthening school management and supervision. Key success factors included institutional capacity building (including by training officials on new tools and processes, enhancing communication and coordination), clear incentives and upgraded IT and data systems to support coordination.

In conclusion, IAC – the regular flow of information and collaboration among government agencies and other stakeholders – is a core GRP underpinning coherent regulation across the entire regulatory cycle (design, implementation, enforcement and review). IAC is closely aligned with various other GRP tools, notably RIA and stakeholder engagement. Overall, effective IAC reduces duplication and inconsistencies and improves predictability for service suppliers and consumers.

While the GATS and the SDR Disciplines do not prescribe IAC, recent PTAs incorporate commitments in this area with a view to promoting the alignment of regulatory frameworks with GRPs. While IAC structures and functions vary, PTAs converge on two main GRP-related aspects: (i) publishing the procedures and mechanisms for inter-agency coordination to promote transparency and accountability; and (ii) establishing dedicated platforms to exchange information and encourage regulatory alignment over time, including through a central coordinating body with monitoring and reporting functions. At the domestic level, IAC takes different forms tailored to specific mandates, capacity and sectoral needs, and can serve a variety of purposes. Domestic practice suggests that, as policy issues grow increasingly complex, more stakeholders and a greater array of interests need to be involved in policy-making to foster the quality, effectiveness and efficiency of regulatory systems.

ENDNOTES

1 In financial services, the term "prudential" refers to a regulatory objective of protecting investors and depositors and of avoiding instability or crises in financial markets.

2 For more information, see subsection 2.4 on "Single Window".

3 For more information, see subsection 2.7 on "Stakeholder Engagement". For more information, see subsection 2.12 on "Regulatory Impact Assessment".

4 OECD (2012), Principle 10: Regulatory Coherence across Levels of Government; OECD (2025), pp. 19-21, 121-136; Molinuevo and Sáez (2014), pp. 31-33.

5 Harrington et al. (2021), p. 8.

6 The information presented here is on the basis of several sources: Harrington et al. (2021); Moyi (2020); Schito (2022); Burke (2019).

7 World Bank (2018), pp. 21-22.

8 World Bank (2018), pp. 21-22.

9 World Bank (2018), pp. 21-22.

10 World Bank (2018), pp. 21-22.

11 World Bank (2018), pp. 21-22.

12 World Bank (2018), pp. 21-22.

13 CPTPP (2018), Article 25.2.

14 CPTPP (2018), Article 25.4.1.

15 CPTPP (2018), Article 25.4.1.

16 CPTPP (2018), Article 25.4.2.

17 CPTPP (2018), Article 25.4.2.

18 EU-Japan EPA (2019), Article 18.4.

19 EU-Japan EPA (2019), Article 18.5.

20 EU-Japan EPA (2019), Article 18.14.

21 USMCA (2020), Article 28.2.

22 USMCA (2020), Article 28.2.

23 USMCA (2020), Article 28.3.

24 USMCA (2020), Article 28.4.2.

25 USMCA (2020), Article 28.4.1.

26 USMCA (2020), Article 28.4.1.

27 US Government, Federal Communications Commission (FCC), "What We Do", https://www.fcc.gov/about-fcc/what-we-do.

28 US Government, Federal Communications Commission (FCC), "What We Do", https://www.fcc.gov/about-fcc/what-we-do.

29 See UK Government, "Regulation Directorate", https://www.gov.uk/government/groups/better-regulation-executive.

30 World Bank (2018), pp. 57-60.

31 World Bank (2018), pp. 57-60.

32 World Bank (2018), pp. 61-66.

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14 International regulatory cooperation

KEY INSIGHTS

- International regulatory cooperation (IRC) is a core GRP tool: as domestic regulations often produce cross-border spillovers and many policy challenges require transnational responses, IRC offers layers and combinations of mechanisms (information exchange, soft law, networks, MRAs, formal agreements, intergovernmental organizations harmonization and domestic IRC requirements) to improve regulatory effectiveness, as well as economic and administrative efficiency.
- Under the GATS, cooperation mandates are limited and centre on recognition of foreign qualifications (Article VII) as well as consultations on anti-competitive practices (Article IX). The SDR Disciplines complement cooperation; they treat other WTO members as relevant stakeholders in consultations and encourage support for dialogues among professional bodies to facilitate recognition of professional qualifications and authorizations.
- In PTAs, while IRC has traditionally featured in sector-specific chapters with varying degrees of focus, more recent agreements increasingly include dedicated chapters on IRC, with the level of ambition and binding nature tailored to the parties' objectives and degree of regulatory alignment.
- Governments are increasingly embedding IRC into domestic rule-making, by considering relevant international instruments, assessing cross-border impacts (both before and after adoption of laws and regulations), opening consultations to foreign stakeholders and, where appropriate, creating recognition/equivalence pathways – to prevent incompatibilities and avoid duplication.

Key features

In an increasingly interconnected global economy, domestic regulations often have cross-border implications. Moreover, challenges such as climate change, public health crises, digital governance and financial market instability are examples of issues that no single jurisdiction can effectively address in isolation. Regulators therefore need to look beyond national borders and communicate and cooperate with their counterparts abroad.

IRC is a core GRP pillar to promote the interoperability of domestic regulatory frameworks. It can be defined as "any agreement or organizational arrangement, formal or informal, between countries to promote some form of cooperation in the design, monitoring, enforcement, or ex post management of regulation".[1] IRC also encompasses consensus-building efforts towards the broad goal of "promoting the interoperability of legal and regulatory frameworks".[2]

IRC spans a range of mechanisms and approaches: from flexible tools for dialogue and information-sharing, including participation in international forums and the use of international standards and mutual recognition, to deeper forms of cooperation such as harmonization and integration of regulatory systems. IRC operates across the entire policy cycle, helping regulators anticipate emerging issues, address enforcement challenges and support implementation efforts.

As a tool for systemic risk management and long-term policy coherence, IRC involves multiple actors and operates at bilateral, plurilateral and multilateral levels. It relies on both binding and non-binding instruments, as well as networks of regulators. It also includes unilateral efforts to integrate an international perspective into domestic rule-making with a view to aligning domestic policies with internationally recognized good practices.

Ultimately, IRC improves regulatory effectiveness and efficiency on transboundary challenges by enhancing the quality of domestic regulatory frameworks, making them interoperable and enabling coordinated action. It can lower trade and compliance costs by reducing unnecessary divergence through the deliberate use of international instruments and cooperation tools, which in turn supports better cross-border implementation. It also widens the evidence base for rule-making through comparative analysis, foreign input and mutual learning, thereby strengthening trust, legitimacy and compliance where participation of all relevant stakeholders is strong.

Recognizing the importance of bridging the gap between domestic policy-making and increasing cross-border challenges, the 2012 OECD *Recommendation on Regulatory Policy and Governance* identified IRC as a key GRP. It encouraged governments "in developing regulatory measures, to give consideration to all relevant international standards and frameworks for cooperation in the same field and, where appropriate, their likely effects on parties outside the jurisdiction" (Box 1).[3] While not a new topic, IRC plays a critical role for three main reasons:[4]

i. IRC improves regulatory effectiveness: IRC can help coordinate the pursuit of shared regulatory objectives (such as tackling climate change, protecting biodiversity and stabilizing the global financial system).[5]

ii. IRC fosters economic efficiency: IRC can lower transaction costs and promote economies of scale by reducing unnecessary diversity of requirements in different jurisdictions (e.g. via convergence around existing international standards or recognition of professional qualifications that avoids duplicative testing and licensing).[6]

iii. IRC promotes administrative efficiency: IRC enables governments to exchange information, share experiences and mutual learning across all phases of the policy cycle. Additionally, it can also allow governments to demonstrate regulatory leadership in the shaping of international instruments, including in emerging regulatory areas.

The scope of IRC can vary from targeting a specific area or regulatory objective (in the area of services or beyond) to applying it horizontally across policy areas. While not strictly separated in practice but rather working in a continuum, there are various different formats of IRC[7]:

1. Information exchange and data sharing: *Ad hoc* or recurring exchanges and dialogue, or comparing different approaches – through conferences, coordinated multi-agency data requests (e.g., common templates and timelines), crisis monitoring exercises (e.g. coordinated reporting templates), incident notification methods. Such exchanges have proven especially valuable in data-limited or fast-moving areas (such as fintech, crypto-asset markets, AI-enabled financial services and cross-border marketplace and app-store platforms) or during stress events, such as the 2008 global financial crisis or the COVID-19 pandemic.

Box 1: The 2021 OECD best practice principles on IRC

Nearly a decade after the 2012 OECD *Recommendation on Regulatory Policy and Governance*, the OECD published the 2021 *Best Practice Principles for Regulatory Policy*. These Principles aim to guide governments in using IRC strategically and effectively to support better policy-making. The Principles are built on three key tenets:

- Develop an IRC strategy: establish a whole-of-government IRC strategy; set up a coordination mechanism to centralize relevant information on IRC practices and activities; promote an IRC conducive framework to raise awareness, build on existing platforms, reduce anti-IRC biases and create incentives for policymakers and regulators.
- Embed IRC throughout domestic rule-making: collect and rely on international knowledge and expertise; consider existing international instruments when developing regulation and document any departure from it; evaluate impact beyond borders; engage with foreign stakeholders; ensure consistency with international commitments and obligations; examine in advance cooperation needs to facilitate implementation and enforcement.
- Cooperate internationally (bilateral, plurilateral and multilateral): work with other jurisdictions to promote the development and diffusion of good practices and innovations in regulatory policy; participate in international forums that support regulatory cooperation; leverage mutual recognition; align IRC expectations across various policy instruments, including in trade agreements.

Source: OECD, 2021.

2. Soft law principles, guidelines, voluntary standards: Non-binding instruments that are elaborated and endorsed by several jurisdictions and are used as a reference for the shaping of domestic rules. In services, this includes the *Basel Core Principles*, the 2017 IOSCO (International Organization of Securities Commissions) *Objectives and Principles of Securities Regulation*[8], as well as the 2024 IAIS (International Association of Insurance Supervisors) *Insurance Core Principles and Common Framework for the Supervision of Internationally Active Insurance Groups*.[9]

3. Transgovernmental networks: Peer-to-peer forums where regulators coordinate policy, supervision and enforcement in a specific area, such as the Basel Committee, IOSCO, IAIS, alongside supervisory colleges for cross-border banks and insurers.[10] Other sectoral networks include the International Competition Network or the Global Privacy Assembly.

4. Regulatory partnerships and structured dialogues: Platforms created by trade and cooperation agreements (e.g. regulatory cooperation councils/committees) with work programmes to promote quality regulation and minimize unnecessary divergence in sectors such as professional services or digital/financial services. These mechanisms are often supported by a number of transparency tools (such as publishing draft measures, inviting public comments) and they often encourage the use of relevant international instruments and standards.

5. Mutual recognition: Arrangements which allow for the recognition of qualifications, licenses or certificates obtained from competent authorities of other jurisdictions. MRAs may be entered into between governments, public entities (such as ministries), or governing authorities of professional services (which may be incorporated as private entities).

6. Bilateral, regional or multilateral arrangements: Treaties, protocols or conventions which contain obligations requiring IRC (in a specific area or horizontally across all matters covered by an agreement) with a view to fostering economic and trade integration. Such agreements may also require the parties to notify the introduction of new laws and regulations – thereby enhancing transparency and exchange of information (such as under the various WTO agreements or other PTAs).[11]

7. Intergovernmental organizations: Intergovernmental organizations (such as the WTO, APEC, OECD) that provide platforms – through informal exchanges or established committees – to promote continued dialogue and regulatory cooperation.[12] Cooperation can also be based on documents (e.g. guidelines, codes of conduct, etc.) developed by such organizations but not legally binding on their members.[13]

8. Regulatory integration or harmonization: Supranational organizations that adopt common binding rules and enable integrated markets, with central rules and institutions which drive regulatory cooperation and harmonization (e.g. EU Professional Qualifications Directive, EU "passporting"[14] in financial services).

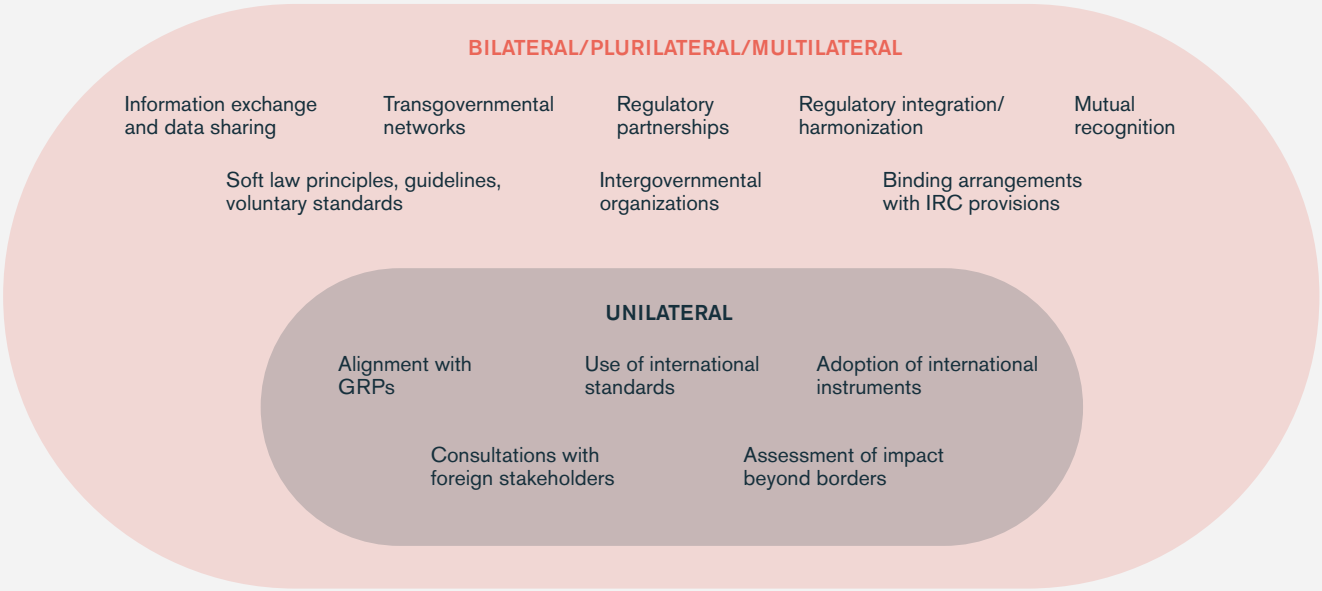
9. Domestic IRC requirements: Domestic requirements (horizontal or sectoral) which provide for the consideration or adoption of relevant international standards and instruments (including on GRPs). Such forms of cooperation in the early policy-making stages aim to avoid incompatibilities, inconsistencies and duplications with international commitments, and foster regulatory convergence in the long run.[15] Domestically, governments can also allow foreign stakeholders to participate in policy-making by providing comments as well as for the assessment of the impact of measures beyond borders, thereby incorporating an international perspective into domestic regulatory frameworks.[16]

These mechanisms often operate in overlapping layers, involving a multitude of tools and a wide range of stakeholders. In the financial services sector, for example, non-binding global standards (such as those developed by IOSCO or IAIS), transgovernmental networks and supervisory colleges (including crisis-management groups), peer-review processes (like those of the Financial Stability Board or International Monetary Fund–World Bank Financial Sector Assessment Program), and binding regional frameworks (such as EU capital and licensing rules) all interact and reinforce one another. The effectiveness of various cooperation mechanisms and of regulation more broadly, often depends on how these instruments are combined and sequenced, rather than on a single mechanism in isolation. Importantly, some forms of IRC preserve distinct domestic frameworks, whereas others lead to laws and regulations being harmonized (Figure 1).[17]

GATS, SDR Disciplines, and other relevant trade agreements

The GATS – which constitutes in itself an IRC mechanism – contains various provisions requiring WTO members to cooperate on regulatory issues in the context of trade in services. One area of focus is IRC on matters of recognition: Article VII:1 provides that WTO members may recognize education and experience obtained abroad, requirements met, or licenses or certifications granted in a particular jurisdiction. Such recognition, which may be achieved through harmonization or otherwise, may be based on an agreement or arrangement with the government concerned or may be agreed on autonomously. Article VII:2 contains two process obligations in this

Figure 1: IRC mechanisms



Source: WTO/World Bank.

Box 2: Prominent transgovernmental networks engaging in IRC

The OECD defines transgovernmental networks as "informal multilateral fora that bring together representatives from national regulatory agencies or departments to facilitate multilateral cooperation on issues of mutual interest within the authority of the participants". Transgovernmental networks also vary widely in their consistency, governance structure and operational mode. Certain prominent examples include the following:

- The International Organization of Securities Commissions gathers agencies committed to cooperate in developing, implementing and promoting adherence to internationally recognized and consistent standards of regulation, oversight and enforcement, to protect investors, maintain fair, efficient and transparent markets, and seek to address systemic risks.
- The International Association of Insurance Supervisors represents insurance regulators and supervisors of some 190 jurisdictions and issues global insurance principles, standards and guidance papers; it also provides training and support on issues related to insurance supervision.
- The International Competition Network provides competition authorities with a specialized yet informal venue for maintaining regular contact and addressing practical competition concerns.
- The International Laboratory Accreditation Cooperation is an international cooperation of laboratory and inspection accreditation bodies created to help remove technical barriers to trade.
- The International Accreditation Forum is the worldwide association of conformity assessment accreditation bodies and other bodies interested in conformity assessment in the fields of management systems, products, services, personnel and other similar programmes of conformity assessment.

Source: OECD (2013).

regard. It requires WTO members to "afford adequate opportunity" for other WTO members to negotiate their accession to a recognition agreement or arrangement or negotiate comparable ones. In the case of unilateral recognition, the recognizing jurisdiction has to "afford adequate opportunity" for other WTO members to demonstrate that the education, experience, licenses, or certifications granted in their jurisdiction should be recognized. However, it is important to note that, under Article VII, no WTO member is obliged to extend recognition autonomously or by entering into an MRA.

In addition, Article VII:5 states the following:

> Wherever appropriate, recognition should be based on multilaterally agreed criteria. In appropriate cases, Members shall work in cooperation with relevant intergovernmental and non-governmental organizations towards the establishment and adoption of common international standards and criteria […].

WTO members can determine whether it is "appropriate" to base recognition on common international standards and criteria for the practice of relevant professions in the field of services trade.

Another area of IRC mentioned in the GATS is trade-restrictive business practices[18] of service suppliers (other than a legal monopoly): Article IX:2 obligates WTO members to enter into consultations to eliminate such practices and provides that the WTO member addressed "shall accord full and sympathetic consideration to such a request and shall cooperate through the supply of publicly available non-confidential information".

In the context of the SDR Disciplines, there are two commitments that relate to IRC. First, WTO members are asked to consider supporting any dialogues between professional bodies relating to the recognition of professional qualifications, licensing, or registration.[19] Furthermore, the stakeholder engagement provisions directly identify other WTO members as relevant stakeholders that should be afforded a reasonable opportunity to comment on proposed laws and regulations, and whose comments should be considered.[20]

PTA practice

Obligations related to IRC have been featuring more prominently in modern PTAs to support the fulfilment of regulatory objectives and the promotion of quality regulatory frameworks. However, the approach to IRC varies significantly across agreements: traditionally, IRC provisions were included in sectoral chapters with a specific focus of application (e.g. TBT and SPS measures). However, reflecting a higher level of importance attached to this issue, more recent PTAs show a trend towards the inclusion of aspirational chapters dedicated specifically to cooperation matters.[21]

PTAs also differ in their ambition based on the level of regulatory alignment of the parties.[22] Indeed, while some PTAs promote IRC through flexible structures, such as dialogue, exchange of information and mutual learning, others provide the legal basis for the establishment of special committees or dedicated platforms to support cooperation between the parties. Furthermore, in terms of scope, many agreements leverage IRC in RIA, stakeholder consultation and the adoption of international standards, while some newer agreements go beyond and cover cooperation as a tool for regulatory oversight and enforcement.[23]

For example, the 2018 CPTPP dedicates a chapter to "Regulatory coherence". The agreement aims to foster the use of GRPs with a view to achieving domestic policy objectives. When planning regulatory measures, the parties' regulatory bodies are encouraged to consider those of other parties as well as relevant developments in international, regional and other forums.[24] The CPTPP promotes IRC including through information exchanges, dialogues or meetings with other parties, as well as interested persons and SMEs; training programmes and seminars; and various dedicated activities between regulatory agencies.[25] Furthermore, the CPTPP leverages IRC for the implementation of the Agreement (through the Committee on Regulatory Coherence), notably by identifying future priorities, including potential sectoral initiatives as well as other cooperative activities.[26]

The 2020 USMCA defines IRC as "an effort between two or more Parties to prevent, reduce, or eliminate unnecessary regulatory differences to facilitate trade and promote economic growth, while maintaining or enhancing standards of public health and safety and environmental protection".[27] In acknowledging the key role of IRC to promote regulatory compatibility, Article 28.17.3 lists different types of IRC mechanisms, which can help reduce unnecessary regulatory differences and facilitate trade and investment, while supporting each Party's ability to meet its public policy objectives:

a. Early stage formal or informal exchange of technical or scientific information or data, including coordinating research agendas, to reduce duplicative research;

b. Exploring possible common approaches to the evaluation and mitigation of risks or hazards, including those potentially posed by the use of emerging technologies;

c. Whenever appropriate, regulating by specifying performance requirements rather than design characteristics, to promote innovation and facilitate trade;

d. Seeking to collaborate in relevant international fora;

e. Exchanging information, such as of a technical or practical nature, on regulations that each party is developing to maximize the opportunity for common approaches;

f. Co-funding of research in support of regulations and implementation tools of joint interest;

g. Facilitating the greater use of relevant international standards, guides, and recommendations as the basis for regulations, testing, and approval procedures;

h. When developing or implementing regulations, considering relevant scientific or technical guidance documents developed through international collaborative initiatives;

i. Considering common approaches to the display of product or consumer information;

j. Considering the development of compatible platforms or formats for industry submission of product information for regulatory review;

k. Coordinating in the implementation of regulations and sharing compliance information, including, as appropriate by entering into confidentiality agreements; and

l. Periodically exchanging information, as appropriate, concerning any planned or ongoing post-implementation review or evaluation of regulations in effect affecting trade or investment.[28]

In order to enhance the communication and collaboration between the parties, Article 28.18 establishes the Committee on Good Regulatory Practices.[29] The Committee is composed of government representatives from each party, including representatives from their central regulatory coordinating bodies as well as

relevant regulatory agencies.[30] Beyond overseeing the implementation of the agreement, the Committee is also entrusted with *inter alia* studying suggestions from stakeholders regarding opportunities to strengthen the application of GRPs; and considering developments in GRP and IRC with a view to identifying future work for the Committee or making recommendations for improving the operation and implementation of the Agreement.[31]

Similarly, the 2017 EU-Canada CETA also aims to facilitate and promote voluntary regulatory cooperation between the parties through a special body – the so-called Regulatory Cooperation Forum (RCF).[32] The latter is co-chaired by EU and Canadian officials overseeing bilateral trade and regulatory cooperation. Importantly, the RCF also allows for the participation of non-governmental stakeholders, highlighting the importance of continuous dialogue and learning.

The RCF has four main functions: to "(a) provide a forum to discuss regulatory policy issues of mutual interest that the Parties have identified through, among others, consultations; (b) assist individual regulators to identify potential partners for cooperation activities and provide them with appropriate tools for that purpose, such as model confidentiality agreements; (c) review regulatory initiatives, whether in progress or anticipated, that a Party considers may provide potential for cooperation. The reviews, which will be carried out in consultation with regulatory departments and agencies, should support the implementation of this Chapter; and (d) encourage the development of bilateral cooperation activities […], on the basis of information obtained from regulatory departments and agencies, review the progress, achievements and best practices of regulatory cooperation initiatives in specific sectors".[33]

It is worth noting that the scope of the RCF goes beyond trade between the parties and seeks to promote regulatory quality and efficiency, as well as to address bilateral policy issues which transcend domestic borders. In 2018, the RCF held its first meeting and adopted its first work plan, which covered five areas of collaboration, namely cybersecurity and the Internet of Things, animal welfare, "cosmetic-like" drug products, pharmaceuticals inspections, and consumer product safety.

With a specific focus on the area of services, the 2009 COMESA Regulations on Trade in Services require COMESA member states to promote an attractive and stable environment for the supply of services.[34] Recognizing the key role of cooperation, the Regulations provide that such promotion can take various forms, including (i) "mechanisms for information on, identification and dissemination of business opportunities; (ii) development of legal frameworks favourable to trade and investment in services; (iii) development of model laws, regulations and uniform and simplified administrative procedures; (iv) development of mechanisms of joint investments, in particular with small and medium-sized enterprises of the member states; and (v) agreement on the need to cooperate in the development of services in economic areas that can accelerate economic development".[35]

In the context of MERCOSUR, however, the 2005 Montevideo Protocol on Trade in Services establishes the *Grupo Mercado Común*, which, among others, has the function of periodically assessing the developments of trade in services in the MERCOSUR area.[36] It also introduces the *Comisión de Comercio de MERCOSUR* entrusted with receiving notifications of new laws, regulations and administrative measures affecting trade in services adopted by MERCOSUR countries.[37]

Implementation at the domestic level

In practice, many governments have put in place different mechanisms for IRC, both bilaterally as well as regionally.

The regulatory cooperation between New Zealand and the United States in the space transportation sector provides an example of the benefits of IRC and recognition of foreign licenses at the bilateral level.[38] In 2015, when Rocket Lab, a space transportation enterprise established in the United States, wanted to commence operations in New Zealand, space transportation was not specifically regulated by any legislation in that country. Furthermore, the incorporation of a Rocket Lab subsidiary in New Zealand would entail the transfer of sensitive technology. The United States therefore entered into a Technology Safeguards Agreement (TSA) to enable the use and secure management of sensitive US space launch and satellite technology in New Zealand, which the two countries executed in June 2016.[39] Subsequently, the New Zealand government entered into an agreement with Rocket Lab in September 2016. The government was therefore able to fulfill its obligations under the TSA based on this contractual business arrangement and manage the risks associated with Rocket Lab's activities.

In 2017, New Zealand adopted the Outer Space and High-Altitude Activities Act. Significantly for IRC, the latter allowed the acceptance of licenses granted by overseas regulators upon the satisfaction of certain criteria, such as technical capability and mitigation of safety hazards.

Simultaneously, New Zealand's Ministry of Business, Innovation, and Employment engaged extensively with the US Federal Aviation Administration to swiftly establish a regulatory regime for space activities. Such discussions resulted in a Memorandum of Cooperation adopted in 2018 which mandated exchange about regulatory activities, regular inter-agency communication and sharing information about opportunities, training and risks. As a result of the extensive IRC between New Zealand and the US, Rocket Lab's Electron Launch Vehicle lifted off from the Mahia Launch Complex 1 in New Zealand and carried three satellites into orbit.

The Basel III Framework is a significant example of IRC specifically in the area of financial services. The Basel Committee on Banking Supervision (BCBS) is the primary global standard setter for the prudential regulation of banks and provides a forum for regular cooperation on banking-related issues with a view to preserving the stability of financial systems.[40] It comprises central banks and authorities from jurisdictions represented in the BCBS with formal responsibility for the supervision of banking business. The Basel Committee is just one of the various transgovernmental networks of regulators and experts which facilitate multilateral cooperation on issues of mutual interest. The Basel III Framework was developed in response to the financial crisis of 2007-2008, and to address shortcomings in the preceding framework (Basel II).[41]

In the immediate aftermath of the crisis, many central banks and supervisory authorities expressed an interest in addressing challenges within the banking system. In September 2010, the Basel Committee's Governing Body announced higher global minimum standards for internationally active banks, and later that same year, the Committee released the Basel III Framework. From 2011 to 2016, the Committee members cooperated closely and ensured that the measurement of Basel III standards was robust and consistent across global banks. In 2017, the Committee fulfilled the last component of Basel III reforms, and published new standards for credit risk, credit valuation adjustment risk and operational risk.[42]

Another interesting sectoral example is the International Coalition of Medicines Regulatory Authorities (ICMRA). Established in 2014, the ICMRA is a voluntary, informal, strategic network of medicines regulators for sharing information and coordinating crisis response to help safeguard global health.[43] The idea to create the ICMRA originated in the recognition that the direct experience and leadership of medical regulators is required to address medicine regulatory and safety challenges. At present, the ICMRA comprises 24 members and 18 associate members. Furthermore, the World Health Organization has observer status. The ICMRA provides a global architecture for IRC with three core functions, namely (i) addressing current and emerging global health challenges in a transparent, coordinated and authoritative manner; (ii) providing strategic direction for areas and activities common to many regulatory authorities' missions; as well as (iii) identifying areas for potential synergies and leveraging existing initiatives and resources.[44]

In conclusion, IRC has long been recognized as a GRP area instrumental in boosting regulatory effectiveness and administrative efficiency. While the scope of IRC is broad and encompasses a variety of mechanisms and stakeholders, under the GATS – a multilateral cooperation instrument in itself – cooperation provisions are limited to the recognition of education, experience, licenses or certifications obtained abroad, whether autonomously, through harmonization, or the adoption of common international standards or criteria. Provisions also include the elimination of trade-restrictive business practices, through consultations between the WTO members concerned. On the other hand, the SDR Disciplines take a complementary approach – besides broadly allowing for the participation of foreign governments in stakeholder consultations, they also encourage support for dialogues among professional bodies as a tool to support the recognition of professional qualifications and authorizations. In PTAs, IRC has long featured in sector-specific commitments and newer deals increasingly include dedicated chapters on IRC matters, whose ambition and binding nature is calibrated to the parties' objectives and degree of regulatory alignment. Whether through formal dedicated bodies, informal dialogues, or unilateral requirements, IRC is increasingly leveraged by various jurisdictions to reduce unnecessary regulatory divergence and promote the mutual understanding and trust required to make trade work across borders and resolve today's global challenges.

ENDNOTES

1 OECD (2013), p. 153.

2 OECD (2021), p. 26.

3 OECD (2012), Principle 12.

4 OECD (2021), p. 19.

5 UK Government (2022), p. 10.

6 APEC (2024), p. 15.

7 OECD (2013), pp. 23-25.

8 IOSCO (2017).

9 IAIS (2024).

10 Supervisory colleges are standing cooperation groups of host and home country supervisors for a specific cross-border financial group. Colleges meet regularly to share information, align risk assessments, coordinate ongoing supervision, and plan for crisis management and resolution. Their aim is to make supervision faster, more consistent, and better coordinated across jurisdictions.

11 For instance, see World Trade Organization (WTO), Notification Portal Open Trade Data, https://notifications.wto.org/en/notification-requirements/sanitary-and-phytosanitary-measures.

12 OECD (2013), pp. 23-25.

13 OECD (2013), p. 25.

14 Passporting is a system under which an EU-authorized firm can provide the same regulated services across the EU/EEA—cross-border or via branches—without obtaining new licenses in each host country.

15 For more information on standards, please refer to subsection 2.9 on "Standards in Services"

16 For more information on stakeholder engagement, please refer to subsection 2.7 on "Stakeholder Engagement". For more information on RIA, please refer to subsection 2.12 on "Regulatory Impact Assessment".

17 OECD (2013), p. 43.

18 GATS Article IX does not define the term business practices, but stipulates that "[m]embers recognize that certain business practices of service suppliers, …, may restrain competition and thereby restrict trade in services."

19 SDR Disciplines (WTO, 2021), para. 11.

20 SDR Disciplines (WTO, 2021), paras. 14-17.

21 Kauffmann and Saffirio (2021), p. 36.

22 Kauffmann and Saffirio (2021), p. 37.

23 Kauffmann and Saffirio (2021), p. 36.

24 CPTPP (2018), Article 25.5.8.

25 CPTPP (2018), Article 25.7.

26 CPTPP (2018), Article 25.6.2.

27 USMCA (2020), Article 28.1.

28 USMCA (2020), Article 28.17.3.

29 USMCA (2020), Article 28.18.1.

30 USMCA (2020), Article 28.18.1.

31 USMCA (2020), Article 28.18.3.

32 EU-Canada CETA (2017), Article 21.6.

33 EU-Canada CETA (2017), Article 21.6.2.

34 COMESA Regulations on Trade in Services (2009), Article 13.

35 COMESA Regulations on Trade in Services (2009), Article 13.

36 MERCOSUR Services Protocol (2005), Article XXII.

37 MERCOSUR (2005), Article XXIII.

38 Government of New Zealand, Ministry of Business, Innovation and Employment, "International Regulatory Cooperation on Space Activities", IRC Toolkit, https://irctoolkit.mbie.govt.nz/case-studies/international-regulatory-cooperation-on-space-activities.

39 Agreement between the Government of New Zealand and the Government of the United States of America on Technology Safeguards Associated with United States Participation in Space Launches from New Zealand, signed 16 June 2016, entered into force 12 December 2016, https://www.treaties.mfat.govt.nz/search/details/t/3858/c_1.

40 Bank for International Settlements (BIS), "The Basel Committee - overview", https://www.bis.org/bcbs/index.htm.

41 BIS (2017).

42 Bank for International Settlements (BIS), "Basel III and global cooperation: where do we go from here?", Keynote speech by Carolyn Rogers - Secretary General of the Basel Committee on Banking Supervision (8 September 2021), https://www.bis.org/speeches/sp210908.htm.

43 International Coalition of Medicines Regulatory Authorities (ICMRA), "International Coalition of Medicines Regulatory Authorities (ICMRA)", https://www.icmra.info/drupal/.

44 International Coalition of Medicines Regulatory Authorities (ICMRA), "History of ICMRA", https://icmra.info/drupal/en/aboutus/history.

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SECTION 3

Learning from experience: Case study insights on success factors and recurring challenges

1 Overview of case studies

2 Cross-cutting insights from the case studies

3 GRP aspects of the case studies

4 Costa Rica: Single window for investment

5 Indonesia: Online submission system – risk-based approach

6 The Philippines: Ease of Doing Business Act

7 Thailand: ease of doing business reforms

Overview of case studies

The case studies complement the Handbook's analysis with practical GRP reform experiences. The Handbook compiles four case studies – Costa Rica, Indonesia, the Philippines and Thailand – that examine the motivations and context for specific reforms aimed at improving authorization procedures with particular relevance to the services sector. Each case study maps legal anchors and institutional arrangements, traces implementation (including digital tools) and distils observed effects and lessons learned from implementation. Evidence draws primarily on laws and regulatory instruments, official government documentation and reports, as well as structured analyses by various international organizations (such as the World Bank, the OECD and APEC) documenting achievements and challenges of the reforms in each case.

The case studies explore the following reform experiences:

- Costa Rica: To overcome fragmented and time-consuming licensing procedures, Costa Rica launched the Single Window for Investment (VUI – *Ventanilla Única de Inversión*) in 2017 as a flagship reform to embed GRPs in its investment and business-licensing framework. Led by the Foreign Trade Promotion Office of Costa Rica (PROCOMER) with support from key ministries, the VUI progressively digitized and streamlined procedures through successive legal and institutional milestones between 2010 and 2023. It introduced core GRP principles such as transparency obligations, statutory deadlines and digital workflows. These changes have markedly shortened business start-up times, for instance reducing the approval time for service companies entering the Free Trade Zone from 406 days to just 30–45 days. Building on this progress, the government is now working to evolve the VUI into a fully integrated, nationwide platform supporting faster, smarter and more transparent authorization processes.
- Indonesia: Over the past two decades, Indonesia has transformed its business licensing framework from a fragmented, paper-based system into a digitally integrated platform that embeds GRPs. This reform trajectory reached a major milestone in 2021 with the launch of the Online Single Submission Risk-Based Approach (OSS-RBA). More than a licensing portal, the OSS-RBA functions as a core governance instrument: it introduced a risk-based methodology that calibrates licensing requirements to the potential risks associated with different business activities. While the OSS-RBA has already delivered notable implementation results, the Indonesian government has recently taken steps to consolidate the OSS-RBA's gains and address existing gaps, by incorporating additional GRP features.
- The Philippines: The Philippines pursued a sustained and ambitious reform agenda to embed GRPs in public service delivery and business facilitation. Anchored in the *Anti-Red Tape Act* of 2007 and significantly expanded through the *Ease of Doing Business and Efficient Government Service Delivery Act* of 2018, these reforms have aimed to make business licensing and other government services more transparent, predictable and citizen-centred, thereby enhancing the competitiveness of the country's increasingly services-driven economy. The Philippine regulatory reforms have yielded measurable results: in the World Bank's *Business Ready (B-Ready) 2024* report, the Philippines ranked in the top 20 of 50 economies, performing well in the quality of its regulatory framework.
- Thailand: In response to persistent bureaucratic inefficiency and limited transparency, Thailand launched a broad reform agenda to embed GRPs into its domestic governance framework through key legal instruments, including the *Licensing Facilitation Act 2015* (LFA), the *2017 Constitution*, and the *Rules on Legislative Drafting and Evaluation of the Outcomes of Law Act 2019*, as well as two digital-era laws adopted in 2019 and 2022. These reforms helped lift Thailand's standing in international benchmarks, including a rise in the UN *E-Government Development Index* from 77th in 2016 to 52nd in 2024. While challenges remain, the government is continuing to advance its reform efforts, including revising the LFA and integrating more public services into centralized digital portals for both citizens and businesses to further improve service quality.

Cross-cutting insights from the case studies

1. **Effective reform starts with clear legal anchors and empowered lead regulatory agencies.**

Clear legal anchors and empowered lead agencies are central to translating reform objectives into implementation. Statutes and decrees set regulatory objectives, establish timelines for service delivery, impose transparency obligations, include provisions

on simplifying and digitalizing authorization processes and provide for applicants' review rights. These legal anchors are then implemented and overseen by designated lead agencies, which coordinate ministries and other involved institutions, issue implementation guidance, monitor compliance against established service standards, take corrective action where necessary, and sustain reform momentum across political cycles.

In Costa Rica, successive laws and decrees created the VUI as an integrated, centralized system for handling business authorization procedures. Strategic coordination of the VUI rests with its Steering Committee, which is empowered to lead ministries and agencies in implementing the system, and which evaluates regulations for simplifying authorization procedures, identifies bottlenecks and recommends corrective measures. The PROCOMER is entrusted to act as the administrator and technical secretariat of the VUI, hosting and operating the platform, coordinating participating ministries and agencies through delegated powers, and following up on the Steering Committee's decisions.

Indonesia's reform under the *Law No. 11/2020 on Job Creation* introduced a risk-based approach to business licensing, with *Government Regulation No. 5/2021* operationalizing this approach through an electronically integrated system – the OSS-RBA. The Ministry of Investment/Indonesia Investment Coordinating Board (BKPM) is responsible for developing, operating and managing the OSS-RBA; coordinating with sectoral ministries and licensing authorities to ensure administrative and technical integration; as well as handling public complaints related to the implementation of the OSS-RBA.

In the Philippines, the *Anti-Red Tape Act* of 2007 introduced the framework for the Citizen's Charter and public service delivery standards. The Act was subsequently strengthened by the *Ease of Doing Business and Efficient Government Service Delivery Act* of 2018. The latter also established the Anti-Red Tape Authority (ARTA) as the central oversight body with authority to set templates for the Citizen's Charter, issue implementing guidelines, monitor compliance and require corrective action.

Thailand's experience reflects a multi-pillar reform effort anchored in several interlinked laws. The LFA of 2015 seeks to enhance transparency and predictability of administrative procedures through a variety of measures, including licensing manuals and time-bound decision-making. The *2017 Constitution* further boosted the implementation of GRPs by requiring stakeholder consultation, impact assessment and periodic law reviews. Subsequent instruments, including the *Rules on Legislative Drafting and Evaluation of the Outcomes of Law Act* of 2019 and digital government laws of 2019 and 2022, extended this framework to promote evidence-based policy-making and digital service delivery. Each pillar of the reform is led by a specialized agency: the Public Sector Development Commission on administrative simplification and licensing facilitation, the Office of the Council of State on legislative quality and evaluation, and the Digital Government Development Agency on digital public service delivery.

2. High-level sponsorship helps, but doesn't guarantee, delivery; sustained results require consistent political backing across election cycles.

High-level sponsorship catalyses reform – establishing objectives and responsibilities, clearing bottlenecks and mobilizing resources – but it does not, on its own, ensure delivery. Durable results depend on continuity of direction, protected budgets and consistent follow-through across election cycles.

The Thailand case study illustrates both sides of this dynamic. Early top-level backing enabled the Regulatory Guillotine initiative in 2016, which aimed to streamline over 1,000 laws and boost Thailand's position in international competitiveness rankings. Yet, subsequent shifts in political attention and bureaucratic resistance slowed implementation, causing the initiative to lose traction.

In contrast, the Philippines' reform demonstrates how sustained political commitment across successive administrations can preserve momentum for change. The *Ease of Doing Business and Efficient Government Service Delivery Act*, enacted under the Rodrigo Duterte presidency in 2018, built on the *Anti-Red Tape Act*, introduced in 2007 during the Gloria Macapagal-Arroyo administration – deepening earlier reform efforts and institutionalizing the ARTA. This continuity across political cycles helped maintain reform direction and deliver stronger implementation results.

3. Institutions are as important as regulation: strong mandates, clear responsibilities and sustainable resourcing ensure effective, consistent implementation and enforcement of regulatory reforms.

Institutions determine whether rules translate into consistent practice. Clear mandates, defined responsibilities and adequate resourcing enable coordination, quality control and day-to-day enforcement of service standards.

Costa Rica's VUI illustrates such an institutional backbone. Deadline monitoring, audit trails and reporting obligations created operational accountability and made clock-stops and escalations more transparent and manageable in routine case handling.

In the Philippines, legal mandates were paired with oversight instruments – most notably the Report Card Survey and the Citizen's Charter reviews. These mechanisms test service quality across agencies, trigger corrective action and reinforce accountability.

Thailand's experience indicates that, while reform laws such as the LFA established important service delivery standards, gaps in implementation capacity and coordination produced uneven compliance across agencies. By leaving practical parameters to the discretion of individual licensing agencies, the LFA has led to uneven implementation – emphasizing that the existence of a regulatory framework and lead agencies does not suffice when reforms lack clarity and enforceability. This highlighted the fact that implementation arrangements and resourcing are as important as the regulatory text.

In addition, sustainable resourcing is critical: platforms and integration require ongoing operation and maintenance funding. Costa Rica's VUI, financed since its inception from PROCOMER's own budget and now authorized under *Law No. 10234* (2022) to charge service-at-cost fees, highlights the need for a clear tariff/fee model to support long-term operation, maintenance and upgrades. Similarly, in the Philippines, limited budget allocations delayed the rollout of ARTA's electronic complaint management system launched in 2022, slowing case resolution and illustrating how resource constraints can impede the implementation of otherwise well-designed reforms.

4. Meaningful inter-agency coordination – both horizontal across regulatory agencies and vertical across levels of government – is key to reform: it connects political will with institutional practice, prevents siloed implementation and enables (digital) interoperability.

When inter-agency coordination functions well, applicants experience a single, predictable process rather than a sequence of fragmented steps, and governments can monitor performance, enforce deadlines and share data seamlessly.

In Indonesia, the OSS-RBA is designed to serve as the backbone linking its core licensing subsystem to sectoral systems for key technical approvals that are required in the authorization process. It interfaces with dedicated systems, for instance for environmental approvals or building permits, with integration continuing to expand over time; this allows applications to be routed consistently across authorities, tracked against shared service-level commitments, and with decisions made based on the same data.

In Costa Rica, the VUI formalized coordination among participating agencies and institutionalized joint inspections and real-time data verification for the authorization procedures handled directly through the platform. These arrangements reduced duplicative visits and conflicting instructions, while allowing requirements to be checked against authoritative sources.

In the Philippines, the coordination architecture – including the Philippine Business Hub (PBH), the Philippines Business Database, and the local government units' e-Business One-Stop Shops (eBOSS) under oversight of the ARTA – is still being scaled. Uneven local capacity and staggered integration schedules show that without sustained cross-agency coordination, front-end portals cannot yet deliver end-to-end services.

In Thailand, efforts to consolidate public services through multi-agency platforms – such as the Government Central Service System for Businesses (Biz Portal) – have been constrained by partial back-end integration and fragmented agency systems. This underscores that coordination must be backed by shared data standards, enforceable service-levels and central quality assurance.

Across all the case studies, inter-agency coordination – supported by standardized procedures, data-sharing arrangements and escalation protocols – has helped replace sequential, paper-based hand-overs with a single, traceable process. Yet, coordination at the subcentral level remains a persistent challenge. This is evident in delayed onboarding of local government units into the eBOSS network in the Philippines, variation in institutional capacity and regulatory alignment across provinces and districts in relation to the implementation of the OSS-RBA system in Indonesia, and heterogeneous data systems across agencies in Thailand. These observations show that coordination must extend not only vertically but also horizontally to ensure reform objectives are effectively implemented.

5. Digitalization can only deliver its full benefits when it is paired with process simplification and interoperable systems.

Digitalization delivers results only when it is matched with process simplification and interoperable back-end systems. Without these, technology risks merely replicating bureaucratic inefficiencies in digital form.

Indonesia's experience exemplifies this dynamic. The OSS-RBA system couples digitalization with a risk-based licensing approach, cutting processing times for low- and medium-risk activities and enabling the registration of nearly ten million micro and small businesses after just three years of implementation. Yet, incomplete integration between the OSS-RBA and sectoral systems for required technical approvals in the authorization process has forced manual checks and delays in many cases.

In Costa Rica, process re-engineering helped simplify and standardize authorization processes, which were then digitalized through the VUI. As a result, overall processing times have shortened considerably – for services companies, from 406 days to 52.5 days. However, since not all processes on the VUI are fully end-to-end, applicants still have to deal with offline checks and duplicative information requests.

In Thailand, the development of multi-agency digital portals has improved access and transparency, yet fragmented legacy systems and uneven coordination have constrained end-to-end automation. This underscores the need for shared data standards and interoperability frameworks.

In the Philippines, the digital architecture is being scaled nationwide through process mapping and the integration of central and local systems. Progress is uneven where back-office changes have yet to be simplified and aligned with the new digital systems.

Across the case studies, the lesson is clear: digital rollouts must go hand in hand with simplification – through standardized forms, once-only data collection, pre-validation – and underpinned by interoperable systems. Otherwise, their benefits risk remaining partial.

6. Infrastructure is a key enabler – given the strong emphasis on digital tools, reforms need reliable power supply, robust connectivity and functional IT systems to produce tangible results.

Infrastructure is a prerequisite for digital reform to deliver tangible results. Reliable power supply and connectivity ensure that digital platforms function smoothly, data systems remain stable and users can access services without interruption. Without this foundation, even the most well-designed reforms risk remaining fragmented or ineffective in practice.

Costa Rica's experience illustrates this interdependence. The VUI was conceived as a technology-driven reform to simplify, digitize and centralize investment and business authorization procedures through a single online platform. Its effectiveness hinges on the strength of the digital backbone that supports it: robust IT infrastructure, interoperable government systems and the continuous maintenance of its technological architecture. Where these elements are well established, the platform delivers tangible efficiency gains; where they are not, progress stalls.

Indonesia's early OSS-RBA rollout brought these challenges into view. Constraints in electricity supply, connectivity and data migration, which slowed onboarding and hampered implementation, highlighted the need for resilient power networks, reliable connectivity and contingency arrangements to ensure uninterrupted digital service delivery across the archipelago. The system's high volume of use – processing up to 50,000 business identification numbers in a single day at peak periods – also revealed the importance of scalable hosting and robust system architecture. Likewise, standardized interfaces

proved essential to enable seamless data exchange and integration between the OSS-RBA and other technical approval systems that are essential for the authorization process.

In the Philippines, many local government units lagged in establishing fully automated eBOSS systems due to limited IT infrastructure, particularly in remote and island provinces where digital networks remain patchy. These infrastructure gaps curtailed the country's progress towards end-to-end digital processing. Likewise, the deferral of the ARTA's e-complaints platform led to slower resolution of complaints under the *Ease of Doing Business and Efficient Government Service Delivery Act of 2018*, illustrating how institutional performance and transparency ultimately hinge on digital readiness and IT capacity.

In Thailand, the mandated migration of thousands of public services to the Biz and Citizen Portals – the latter is a central platform consolidating government services for individual citizens and residents – between 2025 and 2027, is expected to be an IT-intensive undertaking, whose success will depend on agency readiness to upgrade legacy systems, clean and harmonize data, and expose interoperable interfaces. Without parallel upgrades to back-end systems, front-end gains will remain partial.

Across these cases, the implication is clear: reforms must be underpinned by sustained investment in connectivity (especially at subcentral level), secure digital identity and e-signature, resilient hosting and monitoring, and shared components (payments, logging/analytics). Without these, digital tools alone cannot deliver truly end-to-end improvements.

7. **Continuous agency upskilling is essential to ensure that staff is well equipped to adapt and foster a service-oriented culture that supports the effective implementation of reforms.**

Continuous upskilling is critical to turn legal reforms and new platforms into consistent day-to-day practice. Regular training, peer learning and institutionalized knowledge-sharing mechanisms help build technical and managerial capabilities needed to embed new processes, close implementation gaps and sustain reform performance over time.

In Costa Rica, more than 370 officials were trained in process re-engineering methods during the VUI rollout, while alignment and awareness-raising activities were carried out among 38 public institutions and 60 municipalities. These initiatives have helped standardize procedures, apply time-bound rules, and reduce the need for reworking.

In the Philippines, reforms were paired with domestic and international capacity-building partnerships – including with New Zealand, the United Kingdom, the World Bank, and the UN Agency for International Development (USAID). These collaborations supported ARTA in advancing e-governance and regulatory management initiatives; incorporating GRP tools such as RIA; strengthening process mapping; improving front-line service delivery; and promoting public awareness of reform objectives.

Experiences elsewhere in the case studies underline the point: where agency skills and change-management fall behind, implementation becomes uneven and the benefits of digital tools remain only partially realized.

8. **User-centred design – including through help desks and unified portals – reduces search and compliance costs, especially for small businesses.**

User-centred design reduces search and compliance costs – especially for small businesses – by making rules and processes easy to find, understand and complete. Clear guidance, intuitive layouts and integrated assistance tools allow users to complete transactions with fewer errors and less reliance on intermediaries.

In Costa Rica, efforts to make the VUI more user-centred – such as by introducing help desks, clearer procedural guidance and gradual improvements to usability – have made navigation easier for applicants. However, the platform is still structured around administrative categories rather than life events, and systematic feedback and monitoring mechanisms are yet to be fully established.

In the Philippines, the eBOSS and the PBH consolidate front-end steps for business licensing and are being scaled nationwide. As integration deepens, ensuring standardized guidance across local governments and targeted support for business remain a priority to sustain accessibility and uniform service quality.

Thailand's plan for the consolidation of thousands of public services into the Biz and Citizen portals aims for similar user-facing gains in discoverability, convenience and end-to-end navigation. Achieving these benefits will depend on applying consistent content standards, harmonizing data structures and ensuring back-end alignment across agencies.

9. **Central oversight and regular monitoring and evaluation promote accountability and sustain reform momentum.**

Central oversight and regular monitoring and evaluation translate legal standards into day-to-day accountability. When performance data are tracked, compared and acted upon, institutions can identify bottlenecks, target support and sustain consistent service delivery across agencies.

In Costa Rica, the VUI tracks statutory time limits and triggers alerts when deadlines lapse, while PROCOMER produces agency performance reports to enable targeted support and corrective action.

In the Philippines, ARTA's Report Card Survey and independent audits provide checks on service quality and compliance, exposing bottlenecks and prompting remedial measures.

Indonesia is embedding statutory service-level agreements in the OSS-RBA ecosystem and moving towards public performance dashboards and silent approvals when service-level agreements lapse, thereby raising accountability and incentives for timely compliance.

In Thailand, oversight mechanisms exist, with the Public Sector Development Commission (OPDC) responsible for monitoring the implementation of the LFA; however, its limited enforcement power has constrained follow-through. Two dozen complaints lodged between 2015 and 2020 revealed delays and procedural inconsistencies, underscoring that without strong consequences for non-compliance, accountability mechanisms struggled to ensure consistent application of the reform law.

10. **Flexibility and progressive adjustment are essential to ensure that reforms meet evolving business needs.**

Flexibility and progressive adjustment keep reforms aligned with business needs and implementation realities. Regular review and adaptation help ensure that policies remain effective, responsive and capable of addressing emerging challenges over time.

In Indonesia, authorities have iteratively updated the OSS-RBA framework – including, for instance, moving from *Government Regulation 5/2021* to *Government Regulation 28/2025*; introducing statutory service-level agreements and silent approvals; and adding new integrated subsystems (including a basic requirement subsystem covering environmental, building and spatial approvals) – to strengthen time-bound service delivery and address earlier interoperability challenges.

In Thailand, the planned revision of the LFA and the 2025–2027 scale-up of end-to-end services via the Biz and Citizen portals aim to lock in faster and more predictable licensing procedures through features such as e-submission, formal completeness checks and fast-track channels.

These trajectories underscore that durable reform results require built-in feedback loops – both ex ante and ex post review – together with the ability to recalibrate rules, service standards and digital systems as implementation realities change. In the absence of these, initial gains can plateau or fragment across agencies.

GRP aspects of the case studies

The case studies follow the GRP aspects outlined in Figure 1.

Figure 1: GRP aspects reflected in the case studies

GRP	Costa Rica VUI system	Indonesia OSS-RBA system	Philippines Ease of doing business reform	Thailand Ease of doing business reform
Processing of applications	Standardized processing via the VUI; statutory deadlines imposed on procedures; automatic approval (positive administrative silence) if the competent authority fails to act within the prescribed time frame	Standardized processing via the OSS-RBA; risk-tiered time frames for licence issuance, with automatic generation of the Business Identification Number for low-risk activities	Unified business application form; fixed processing deadlines (3–7–20 days depending on complexity); single extension allowed; written notice required for delays; silent-approval mechanism applied	Prompt document verification upon submission; time-bound decision-making, mandatory written explanations for delays
Electronic means for submission of applications	VUI enables e-filing, digital signatures, online payments, case tracking, digital notifications	OSS-RBA portal enables e-submission; digital case files and integration with sectoral systems	PBH/eBOSS enables online submission and tracking; use of electronic signatures is permissible	Biz Portal and Biz Regist platforms provide end-to-end digital services, enabling online application, renewal, modification and cancellation of licences, with the use of electronic signatures and the instant issuing of certified digital documents
Publication of information on authorization	Licensing requirements published via VUI and National Catalogue of Procedures	OSS-RBA's information subsystem publishes risk classification and licensing requirements openly	Licensing requirements, procedures, fees and processing time frames are made publicly available – both on-site and online	LFA requires competent authorities to prepare and publish a licensing manual – both on-site and online –detailing application procedures, required documents and processing time frames
Single window for information/ submissions	VUI serves as the national single window for business and investment licensing	The OSS-RBA operates as the national single window for risk-based business licensing, integrating licensing procedures across 17 sectors of economic activity	LGU-level eBOSS and PBH operate as interconnected single windows for business registration and licensing at local and national levels	Biz Portal and Biz Regist platforms provide single interfaces for licence applications
Stakeholder engagement	The VUI implements a Net Promoter Score survey to assess internal and external users' overall satisfaction as part of its ex-post feedback process	Businesses and citizens can monitor licensing processes and provide feedback through the OSS-RBA's information subsystem	Consultations during law drafting and ARTA's Report Card Survey capture citizen and business feedback	Section 77 of the Constitution and the *2019 Rules on Legislative Drafting and Evaluation of the Outcomes of Law Act* require that public consultation and stakeholder feedback be conducted both ex ante and ex post as part of the regulatory process
Enquiry points	PROCOMER acts as administrator and primary information point for investors using VUI	OSS-RBA portal offers public helpdesk and user support integrated with BKPM call centre	ARTA serves as central enquiry and complaints point for citizens and businesses; public assistance/complaint desk is established in each licensing office	One-stop shop services centre provides information and clarification on services to the public on licensing rules and procedures
Regulatory impact assessment	Not covered /examined in the case study	Not covered/ examined in the case study	ARTA's *RIA Manual* provides a structured methodology for conducting RIA to ensure quality of existing and proposed regulations	*2019 Rules on Legislative Drafting and Evaluation of the Outcomes of Law Act* requires ex ante RIA and ex post review of laws
Inter-agency coordination	The VUI links national and municipal agencies through interoperable databases and streamlined information flows	OSS-RBA mandates inter-agency coordination across licensing authorities via norms, standards, procedures and criteria established by the central government and joint oversight through integrated supervision mechanism	ARTA coordinates and monitors the implementation of ease of doing business and anti-red tape reforms across national government agencies and local government units	OPDC oversees licensing facilitation under the LFA, while DGA drives digital transformation through common standards and system interoperability across agencies

Source: WTO/World Bank.

Case study

Costa Rica

Single window for investment

1. Overview
2. Costa Rica's economy and the importance of the services sector
3. GRP commitments in Costa Rica's services trade agreements
4. Investment and business licensing reform
5. Next steps
6. Lessons learned
7. Conclusion

Overview

This case study examines Costa Rica's ambitious reform of its investment and business licensing system through the Single Window for Investment (*Ventanilla Única de Inversión*, VUI), which was launched in 2016 and became operational in 2021. Before the reform, investors in the country faced a fragmented and burdensome regulatory landscape; procedures were scattered across multiple agencies, requirements were often unclear, and approval times could stretch over a year – significantly longer than in neighbouring countries. Against this backdrop, the VUI emerged as a landmark initiative, initially conceived as a digital single window for investment in Free Trade Zones, it gradually evolved to cover a wider range of business establishment and licensing processes, for which responsibilities are distributed across ministries, municipalities and public institutions. Today, the VUI represents Costa Rica's most determined effort to simplify, digitize and centralize regulatory procedures for investment and enterprise creation.

The study traces the VUI's evolution by first situating the reform within Costa Rica's broader economic trajectory and the rising importance of trade in services. It then examines the institutional and regulatory foundations that made the VUI possible, before analyzing the design features that embed GRP principles into its operation. The discussion subsequently turns to the implementation of the VUI, highlighting both gains and ongoing challenges that remain. The study concludes by outlining the next steps in the reform and reflecting on the lessons learned from Costa Rica's experience.

Costa Rica's economy and the importance of the services sector

Costa Rica, an OECD member country since 2021, has maintained strong economic growth – averaging 3.4 per cent over the past decade, reaching 5.1 per cent in 2023 and 4.3 per cent in 2024 – driven by an outward-oriented model centred on trade liberalization and foreign investment, as well as an upswing in domestic demand.[1] The poverty rate, which had declined only gradually between 2010 and 2022, fell more sharply thereafter, dropping by 4.1 percentage points between 2023 and 2024 and falling to 20.3 per cent of the population in 2024.[2] Following a decade of fiscal difficulties from 2008 to 2018, a major fiscal reform was adopted in 2018 to restore stability. Although implementation was initially delayed by the COVID-19 pandemic and commodity price shocks, subsequent fiscal consolidation efforts helped reduce public debt from 68 per cent of GDP in 2021 to below 60 per cent in 2024.[3] Yet, income inequality, gaps in educational outcomes, environmental vulnerability and rising greenhouse gas emissions continue to challenge the resilience of Costa Rica's green development model, demanding a future strategy built on inclusive growth and efficient use of public resources.[4]

In 2024, Costa Rica's economy reached a GDP of US$ 95.35 billion[5], with the services sector playing a dominant role and contributing 68.8 per cent of total value added.[6] Services exports grew rapidly, doubling from US$ 7.67 billion in 2015 to US$ 16.08 billion in 2024.[7] In this category, other commercial services led with US$ 9.28 billion, followed by travel at US$ 5.45 billion, goods-related services at US$ 0.85 billion, and transport at US$ 0.50 billion.[8] In the same period, services imports also doubled from US$ 3.07 billion in 2015 to US$ 7.26 billion in 2024.[9] Of this, other commercial services accounted for US$ 3.65 billion, travel services for US$ 1.90 billion and transport services for US$ 1.70 billion.[10] Figure 1 illustrates the growth of Costa Rica's commercial services trade between 2015 and 2024 and its sectoral composition in 2024.

Digitally delivered services form a substantial share of Costa Rica's trade in services, with exports more than doubling from US$ 3.15 billion in 2015 to US$ 8.65 billion in 2024.[11] Other business services dominated this category, valued at US$ 6.18 billion, followed by computer services at US$ 2.10 billion and financial services at US$ 0.16 billion.[12] Imports also grew strongly, rising from US$ 1.26 billion in 2015 to US$ 3.55 billion in 2024. Charges for the use of intellectual property made up the largest share at US$ 1.14 billion, with other business services at US$ 1.02 billion and financial services at US$ 0.53 billion.[13] Figure 2 illustrates the growth of Costa Rica's digitally delivered services trade between 2015 and 2024 and its sectoral composition in 2024.

Figure 1: Commercial services trade between 2015 and 2024, and sectoral composition in 2024

Figure 1.1: Commercial services exports (2015-2024)

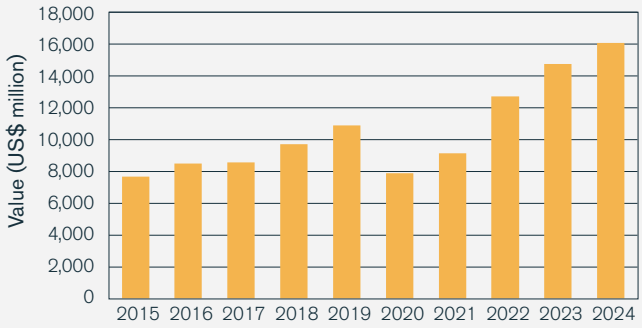


Figure 1.2: Commercial services imports (2015-2020)

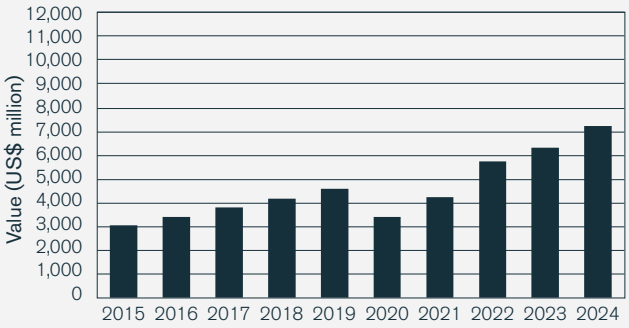
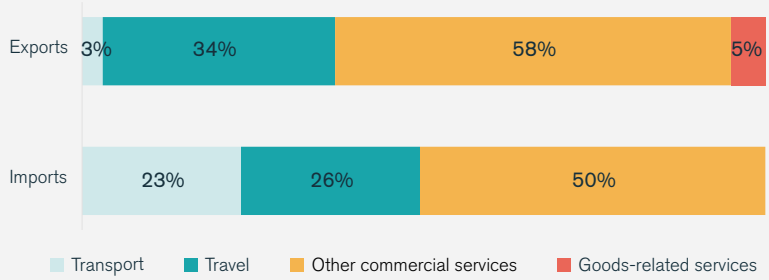


Figure 1.3: Breakdown by main sectors in 2024



Source: WTO, Statistics – Trade in commercial services.

Figure 2: Costa Rica's digitally delivered services trade between 2015 and 2024, and its sectoral composition in 2024

Figure 2.1: Digitally delivered services exports

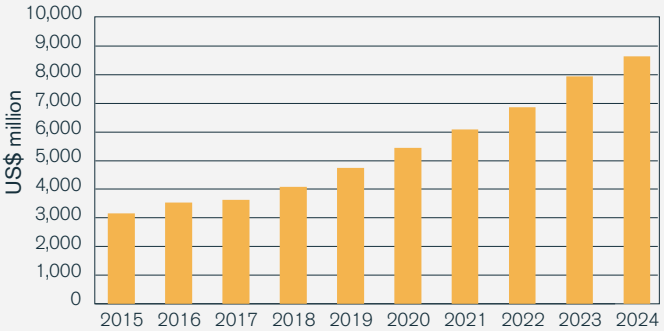


Figure 2.2: Digitally delivered services imports

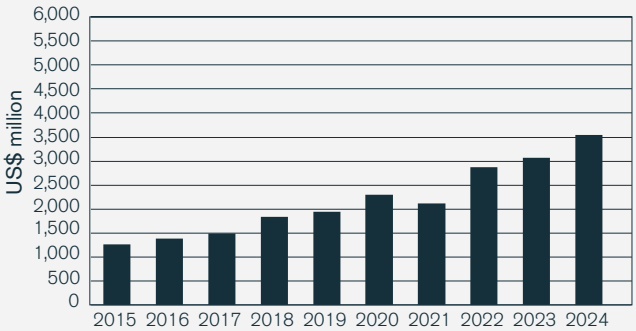


Figure 2.3: Structure of digitally delivered services exports

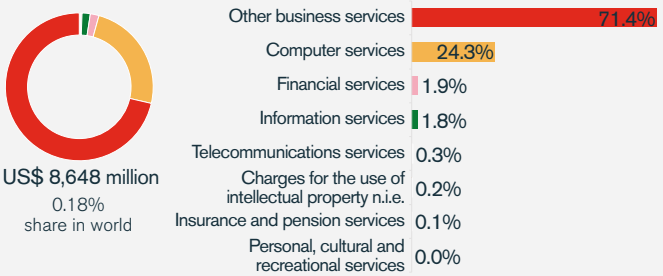
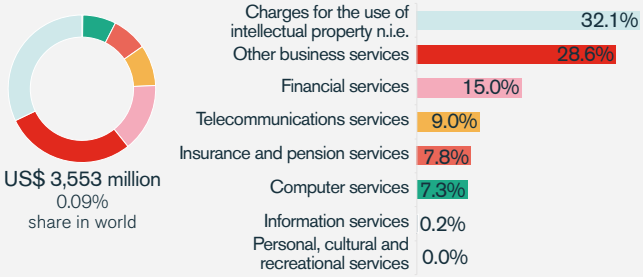


Figure 2.3: Structure of digitally delivered services exports



Source: WTO, Statistics – Digitally delivered services trade dataset.

GRP commitments in Costa Rica's services trade agreements

Costa Rica has progressively deepened its services trade integration through numerous PTAs with trade partners and blocs, including the 2024 EU–Central America Association Agreement, the 2014 EFTA–Central America FTA, and other agreements with partners such as Canada, China, Singapore and the UAE.[14] Additionally, the accession process for Costa Rica to join the CPTPP was launched in November 2024.[15]

Over time, the scope of GRP provisions in these agreements has evolved. Earlier agreements contain relatively basic disciplines in line with GATS Article VI, including requirements for the reasonable, objective and impartial administration of measures of general application[16]; the timely issuance of decisions on complete applications and the provision of status updates upon request[17]; and the maintenance of mechanisms for the prompt review of administrative decisions.[18] Later agreements incorporate more ambitious obligations. The 2025 UAE–Costa Rica CEPA, for example, introduces provisions on correcting deficiencies in applications[19], providing reasons for the rejection of applications[20], and the right to resubmit a corrected application without being disqualified by the earlier refusal.[21] Once accession to the CPTPP is completed, Costa Rica's PTA obligations will include provisions on indicative time frames for processing applications[22], acceptance of authenticated copies of documents[23], requirements on reasonableness and transparency of authorization fees[24], and rules on the scheduling of qualifying examinations.[25]

At the WTO, Costa Rica is a participant of the Joint Initiative on Services Domestic Regulation and, at the time of writing, in the process of obtaining the relevant domestic approvals for the SDR Disciplines to enter into force.[26] This participation reinforces Costa Rica's commitment to improving the quality, transparency and coherence of its domestic regulatory frameworks in line with internationally agreed benchmarks.

Investment and business licensing reform

Prior to the reform, marked by the creation of the VUI following the issuance of its first regulation in 2016[27], entrepreneurs setting up investment projects in Costa Rica faced a fragmented regulatory environment, with lengthy approval times and overlapping requirements spread across various agencies.[28] No unified road map existed to guide investors. Public officials and business associations also struggled to grasp the complete set of steps an investor was required to follow.[29]

According to the *National Bicentennial Development and Public Investment Plan (PNDIP) 2019–2022*, issued by the Ministry of National Planning and Economic Policy (MIDEPLAN), the baseline in 2017 for completing procedures required for installing an investment project in the services sector stood at 406 days.[30] The time frame was even longer for manufacturing projects, reaching 469 days.[31] Similarly, a study conducted by the Foreign Trade Promotion Office (PROCOMER) in 2016 showed that, at that time, completing a company registration procedure in Costa Rica took 406 days, whereas similar procedures were significantly faster in neighbouring countries – about seven days in Panama and only three days in Colombia.[32] Recognizing this gap, the PNDIP 2019–2022 set progressive targets aimed at reducing these timelines, to 45 days for services and 150 days for manufacturing by 2022.[33]

International comparisons reflected a similar picture. In the World Bank's *Doing Business 2019* index, Costa Rica ranked 67th out of 190 economies overall.[34] Yet, on the specific indicator for "Starting a Business", Costa Rica ranked 142nd with an average of 23 days to start a business.[35] In this position, it trailed well behind regional peers, such as Colombia (100th)[36], Mexico (94th)[37], and Chile (72nd).[38] This performance underscored the need for structural reforms to simplify licensing procedures and improve the investment climate.

Against this backdrop, the VUI project, led by PROCOMER, with the support of the Ministry of Foreign Trade and the Ministry of Economy, Industry and Commerce (MEIC), has been implemented as a strategic reform initiative to digitize, centralize and simplify licensing procedures for both foreign investors and local businesses in Costa Rica.[39] It is considered an instrument to enhance the country's competitiveness, promote the attraction of investment and generate employment.[40]

The subsections that follow examine the institutional framework underpinning the VUI. These are critical to understanding how the system operates in practice and how it addresses long-standing barriers to investment. Equally important is the role of GRP elements embedded in the VUI's design, which shape its effectiveness and reinforce its contribution to broader regulatory reforms in Costa Rica.

Institutional framework

The development of the VUI institutional framework has been a gradual process. The foundation of the system was laid in 2010, when the Legislative Assembly approved an amendment to *Law No. 7210 (1990) on Free Trade Zone Regime*. Pursuant to Article 4(l) of this amended law, PROCOMER is empowered to manage a single window for investment that centralizes the procedures and authorizations required for companies wishing to establish and operate within the national territory.[41]

Momentum grew in 2016, when the government issued *Executive Decree No. 40035*, declaring the VUI project to be of public and national interest.[42] The Decree urged both central and decentralized public entities to provide every possible facility and cooperation required for its effective and successful implementation.[43] The declaration was grounded in several fundamental GRP-related considerations. First, it drew on the principles of competition law and consumer protection, requiring that administrative procedures and regulatory requirements should not impede, hinder, or distort transactions in either the domestic or international market.[44] Second, it reaffirmed that streamlining regulatory procedures must be guided by fundamental objectives: safeguarding freedom of enterprise, protecting legitimate policy objectives, and supporting productivity.

It also obliges the public administration to conduct continuous self-assessment to remove unnecessary requirements and simplify those that remain, thereby promoting competition and economic openness.[45] Third, it emphasized the principle of administrative coordination, mandating that all public agencies harmonize their actions to ensure procedures are swift and efficient for the benefit of economic actors.[46] Fourth, it was recognized that the protection of collective interests could only be achieved through clear, coherent and simple rules, and the elimination of duplicative or ambiguous requirements that added little value but imposed unnecessary costs on society.[47]

The institutional framework was further reinforced in 2016 with the enactment of *Executive Decree No. 40103* – the first regulation of the VUI.[48] Focusing on administration and coordination aspects, the Decree designated PROCOMER as the system's administrator[49] and established a steering committee to oversee coordination.[50] This steering committee – composed of senior government representatives, key public institutions and private sector actors – was tasked with identifying obstacles, streamlining procedures, recommending regulatory reforms and fostering inter-agency collaboration to facilitate business establishment and investment in Costa Rica.[51] The Decree also appointed PROCOMER as the technical secretariat responsible for following up on decisions, recommendations and actions of the steering committee.[52] It was further provided that the implementation of the VUI would be gradual, with priority given in its first phase to procedures related to business establishment in the Free Trade Zones.[53]

Subsequently, in 2019, *Executive Decree No. 42081* was issued to establish rules for the use and operation of the VUI.[54] This Decree listed the licensing procedures that could be carried out through the system (for example, applications for a municipal business licence, land use certificate, sanitary operating permit, tax registration and employer registration). It also introduced measures to simplify and modernize licensing processes, such as the publication of requirements and clear time limits for processing applications. In addition, it provided for a fully electronic workflow covering submission of documents, use of certified digital signatures, electronic payments, tracking of applications and issuance of licences. The Decree further set out provisions on inter-agency coordination, accountability and transparency mechanisms, and the system's technical and security functions, including safeguards for data integrity, confidentiality and electronic authentication.

In 2021, the so-called *VUI-01 Regulation* was issued through *Executive Decree No. 42813*.[55] This regulation combined two separate procedures into a single digital process: the granting of the Free Trade Zone Regime and the authorization of companies as auxiliaries of the public customs function.[56] By integrating these procedures into the VUI, the regulation sought to reduce administrative burdens for investors entering and operating under the Free Trade Zone Regime.

The reformist drive continued in 2022 with the enactment of *Law No. 10234 on Strengthening Territorial Competitiveness to Promote Investment Attraction Outside the Greater Metropolitan Area* (GAM).[57] This landmark legislation sought to stimulate investment flows by extending the benefits of the Free Trade Zone Regime to new projects outside the GAM, provided such companies qualify for full or partial exemption from income tax under the terms of the Regime. Within this framework, the VUI is designated as the centralized platform for processing the related procedures for business establishment and operation.

The most recent developments occurred in March 2023, when two important regulations were issued. First, *Executive Decree No. 43941* which amended Articles 8, 9 and 11 of *Executive Decree No. 40103* (2016).[58] These amendments concern the composition, organization and meeting procedures of the VUI Board of Directors. Secondly, *Executive Decree No. 43940*, which consolidated the regulatory framework of the VUI by repealing *Executive Decree No. 42081* (2019) and introducing an updated set of rules aligned with *Law No. 10234* (2022).[59] Together, these two decrees reinforced the legal basis of the key aspects of the VUI, providing a more solid foundation for its operation (see Figure 3).

GRP principles embedded in the VUI's institutional design

The most recent regulation governing the VUI, issued through *Executive Decree No. 43940* as mentioned above, integrates several GRP principles into the framework for business and investment licensing procedures. These include (i) publication of requirements; (ii) establishment of deadlines for decision-making; (iii) digitalization of licensing processes – covering electronic submissions, digital signatures, online payments and application tracking; (iv) inter-agency coordination; (v) risk-based classification of procedures; as well as (vi) mechanisms to ensure accountability and transparency in application processing. Each of these elements is discussed in turn below.

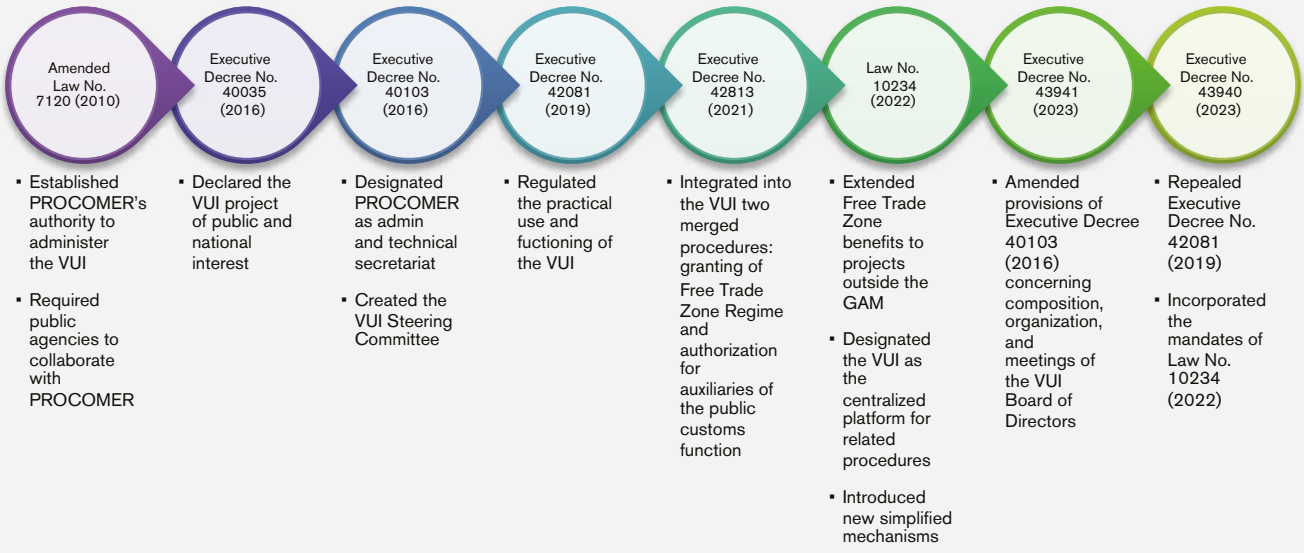
Publication of licensing requirements

Executive Decree No. 43940 mandates that licensing requirements, fees and deadlines be made publicly accessible through the VUI platform. Under Article 56, every municipality participating in the VUI must indicate the requirements applicable to obtaining a municipal business licence in its jurisdiction.[60] These requirements must either be published in the National Catalogue of Procedures managed by the MEIC or, alternatively, the municipality may adopt the standardized requirements published on the VUI platform.[61] This mechanism seeks to ensure that applicants have access to official information through a single platform, thereby promoting greater consistency and comprehensiveness in the information, and reducing reliance on informal or discretionary channels, a common source of opacity and unpredictability in fragmented licensing systems.

Time-bound decision-making and silent approval mechanism

Executive Decree No. 43940 establishes statutory deadlines for most of the procedures available through the VUI, with the aim of ensuring predictability and efficiency for investors. It gives specific time frames across a wide range of approvals. For example, municipalities participating in the system shall issue land use certificates within five business days[62]; the

Figure 3: Timeline of the development of the VUI institutional framework



Source: WTO/World Bank, based on Costa Rican laws and executive decrees on the VUI (2010 -2023).

Ministry of Health must grant or renew health permits immediately or within 15 days depending on the risk classification[63]; National Animal Health Service must decide on veterinary operation certificates within ten business days[64]; municipal commercial licences are to be issued within five business days[65]; and institutions such as the National Insurance Institute, Costa Rican Social Security Fund, and the Directorate General of Taxation must complete occupational risk policy, employer registration and tax registration within one business day.[66] Environmental impact assessments are also subject to clear limits, ranging from two to 20 business days depending on the complexity of the project.[67] Additional deadlines apply to Free Zone admission (11 business days)[68], customs service auxiliary designation (one business day)[69], and construction permits (10 business days)[70], among others.

In line with *Law No. 8220 of 4 March 2002 on Protection of Citizens from Excessive Requirements and Administrative Procedures* (as amended), the VUI framework must ensure that applicants are duly informed throughout the licensing process. Public authorities must provide clear information on the status of each application and, where documentation is missing or corrections are required, notify the applicant electronically to complete or clarify the information. Such a notice may be issued only once per procedure and suspends the decision deadline until the applicant provides the requested information within ten business days, thereby reinforcing procedural transparency and predictability.[71]

When requests are submitted through the VUI for authorizations, a positive administrative silence mechanism applies: if the competent authority does not issue a decision within the legally established time frame, the application is deemed approved, provided that all legal requirements have been met.[72] In accordance with *Law No. 8220*, to invoke this mechanism, the applicant must submit a formal declaration – either notarized, signed before the competent official, or electronically signed through the VUI – indicating that the competent authority did not act within the prescribed period and that all relevant requirements have been fulfilled.[73] Upon receipt of this declaration, the administration must issue a confirmatory resolution or administrative act within two working days.[74] In procedures managed through digital platforms such as the VUI, this sworn declaration may be waived, provided all other conditions are satisfied.[75] The administration may later apply the nullity procedure under Article 173 of the General Law on Public Administration or initiate a judicial process to demonstrate that the corresponding requirements were not actually met.[76]

To support compliance by relevant agencies, the VUI platform monitors deadlines and response times for all procedures. It generates alerts when a deadline is approaching and sends notifications when one has expired, both to the responsible official and that official's superior.[77]

Digital licensing processes

The VUI is designed as a digital platform, enabling the submission, processing and issuance of licences online. All legal acts carried out through VUI must be authenticated through a certified or advanced digital signature.[78] The system establishes electronic case files[79], allows for online payments of fees and charges[80], and provides real-time case tracking and alerts.[81] Digital notification is the official means of communication, using both a registered email address and users' VUI secure internal mailbox. Each notice generates an electronic acknowledgment of receipt.[82] Together, these provisions seek to reduce reliance on paper-based processes and increase the efficiency of interactions between applicants and institutions.

Inter-agency coordination and system interoperability

A core function of the VUI is to serve as a platform for domestic inter-agency coordination. *Executive Decree No. 43940* establishes that the VUI functions as the interconnection tool between public agencies through which registered users can complete the licensing of businesses electronically, without needing to submit requirements outside the system.[83] Consequently, agencies involved in a given procedure may not require the physical presentation of documents already available in the VUI.[84] All electronic documents generated during the processing of an application are stored online for at least five years, and administrative authorities may directly access these electronic records through the VUI, in accordance with applicable rules and procedures.[85]

The principle of inter-agency coordination extends to inspections as well. When inspections are required for certain licensing processes, the agencies involved

must coordinate so that the inspections are carried out jointly.[86] To this end, they may share information, participate in joint alert systems, and coordinate field visits, particularly in related regulatory areas.[87] Each institution is responsible for publishing clear guidelines or manuals to ensure that businesses know exactly what aspects will be evaluated.[88]

Interoperability is the technical backbone of the VUI. By connecting directly with the databases of participating agencies, the VUI can automatically verify a wide range of requirements in real time. These include validating the applicant's identity and corporate status, retrieving cadastral plans and property certifications from the national registry, confirming that companies are up to date with social security, family allowance fund and occupational risk insurance contributions, and checking compliance with tax and municipal obligations.[89] Together, these provisions contribute to making the licensing process faster by reducing duplication, cutting workload and ensuring consistent compliance checks among agencies.

Accountability and transparency mechanisms

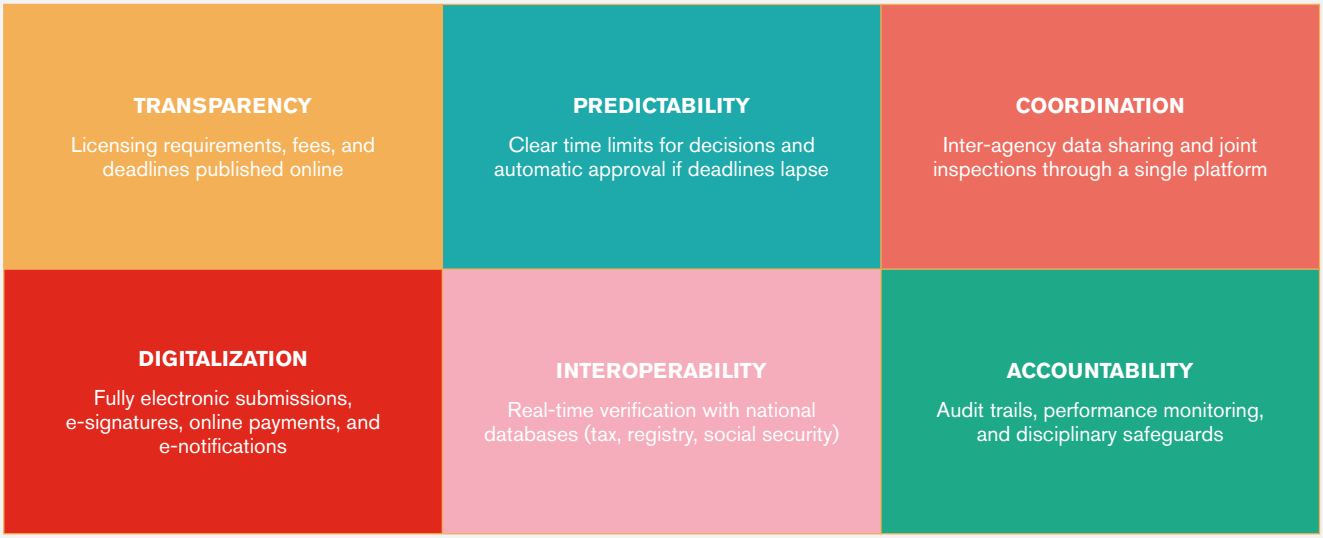
Executive Decree No. 43940 includes several provisions to ensure accountability in the licensing process. The system maintains audit logs and ensures traceability of actions taken within VUI.[90] Agencies are obliged to safeguard confidential information, and misconduct by officials is subject to disciplinary or even criminal sanctions.[91] In addition, applicants may seek administrative remedies against denial decisions before the corresponding administrative body.[92]

At a systemic level, PROCOMER, as administrator of VUI, must generate reports on compliance within deadlines and share these with participating agencies to support continuous improvement.[93] The Decree also establishes recognition mechanisms for agencies that meet or exceed their performance targets.[94] Together, these provisions embed accountability into the daily operation of the VUI and reinforce public confidence in the integrity of the licensing system. The key GRP principles embedded in the VUI system are summarised in Figure 4.

Implementation of the VUI

The implementation of the VUI has been guided by a structured methodology that brings together institutional alignment, regulatory reforms and digital solutions to reduce fragmentation and improve efficiency in licensing processes. This approach has delivered tangible achievements. The following subsections outline the methodology, key achievements and broader public impact of the VUI.

Figure 4: Key GRP principles embedded in the VUI



Source: WTO/World Bank, based on *Executive Decree No. 43940*.

Methodology

The implementation of the VUI has followed a phased approach, guided by the FENIX strategy – a Spanish acronym that translates into English as *Strengthen, Standardize, Normalize, Implement and Excellence.*[95] The Strengthen phase focuses on institutional alignment, raising awareness among senior executives, mapping existing processes and defining a baseline. The Standardize phase involves process re-engineering, identifying technical requirements for digitization and embedding mechanisms for continuous improvement. The Normalize phase addresses any legal reforms that are needed to support the changes. The Implementation phase delivers the technological solutions themselves, including software development, testing and user training. Finally, the Excellence phase consolidates the system by promoting continuous improvement and identifying opportunities for further innovation (Figure 5).

Alongside FENIX, the VUI project has applied complementary methodologies. The Lean KAIZEN philosophy[96] has been used to streamline processes and eliminate inefficiencies, while Six Sigma[97] has helped reduce variability and ensure that service delivery is consistent and time-bound.[98] These approaches have been structured into project cycles using the DMAIC model (Define, Measure, Analyse, Improve, Control), which provides a step-by-step method for diagnosing problems, applying improvements and maintaining results.[99]

Achievements

The implementation of the VUI has generated measurable achievements that demonstrate its value as a national reform instrument. Progress can be observed across three main dimensions: (i) the expansion of the catalogue of procedures available through the VUI; (ii) the streamlining of administrative processes to reduce processing times; and (iii) institutional outreach and capacity building.

Catalogue of procedures

The integration of procedures into the VUI has been gradual. At the time of writing, the VUI offers a catalogue of 35 distinct types of authorization, grouped into six categories: registration procedures (1 procedure), investment attraction (1 procedure), Free Trade Zone Regime (2 procedures), preliminary procedures for establishing a company (4 procedures), business set-up procedures (8 procedures) and environmental procedures (19 procedures).[101] In addition to general establishment and environmental procedures, the catalogue also includes certain sector-specific authorizations, for example, licences for the marketing of alcoholic beverages and approvals for foreign film and audiovisual projects.

As mentioned, responsibility for these procedures is distributed across three levels of government: ministries, municipalities and public institutions.[102]

Figure 5: VUI's FENIX methodology[100]

RE-ENGINEERING PROCESSES		AUTOMATING PROCESSES		CONTINUOUS IMPROVEMENT
Fortalecer	**E**standarizar	**N**ormalizar	**I**mplementar	e**X**celencia
Strengthen	Standardize	Normalize	Implement	Excellence
▪ Alignment and awareness ▪ Current process mapping ▪ Current process baseline ▪ Portfolio of improvements	▪ Process re-engineering ▪ Elimination of inefficiencies ▪ Improved process map ▪ Technical inputs ▪ Standardization ▪ Control plans	▪ Decrees ▪ Agreements ▪ Draft bills ▪ Regulations ▪ Regulatory improvement ▪ Legal criteria	▪ Architecture ▪ Prototypes ▪ Software requirements ▪ Software development ▪ Acceptance tests ▪ Training ▪ Launch	▪ Training ▪ Continuous improvement ▪ Innovation ▪ Participation in activities and forums

Source: WTO/World Bank, based on PROCOMER (2024).

At the municipal level, 46 municipalities are active on the platform. They process three core business set-up procedures: issuing business certificates; registering a change of business activity; and registering a change of business location.[103]

At the level of public institutions, 24 entities are featured on the VUI but only five provide services directly through it. The remaining entities' authorization services are accessible via links that redirect users to their respective websites. These five public institutions are the National Environmental Technical Secretariat (SETENA), the Water Directorate, PROCOMER, the Directorate-General for Transport and Commercialization of Fuels, and the National Animal Health Service.[104] Together, these institutions are responsible for 23 procedures, with SETENA alone accounting for 14 of them.[105]

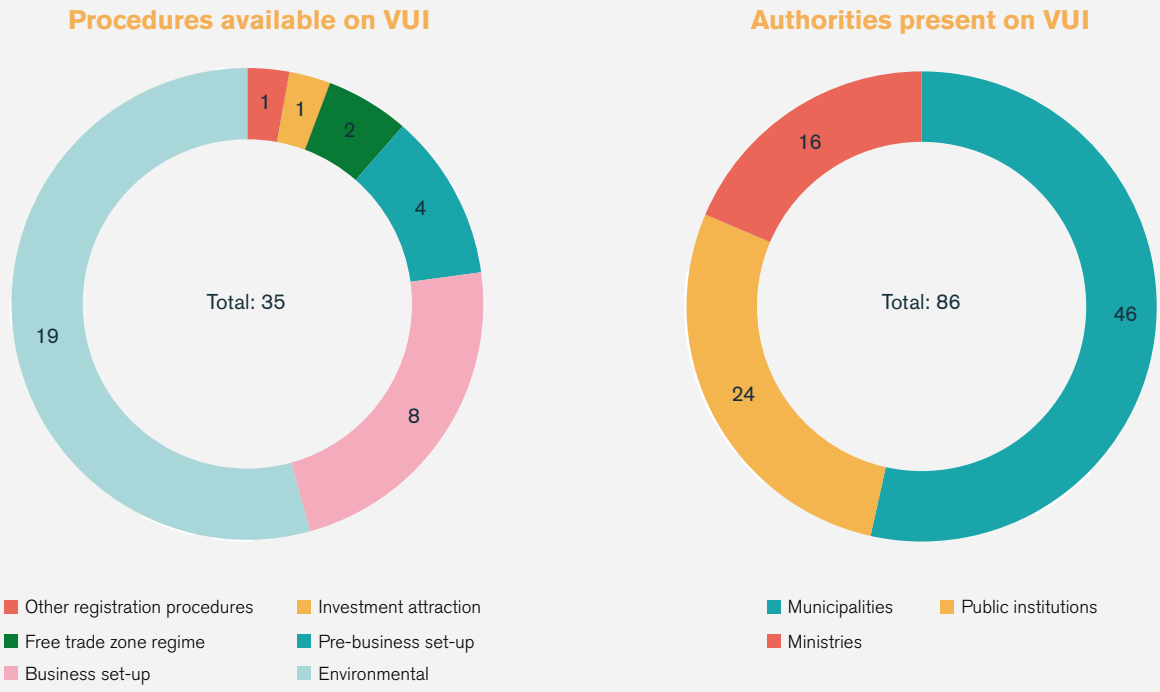
At the ministerial level, 16 ministries are featured on the VUI but only five provide services directly through it.[106] These five ministries administer 13 procedures, amongst which six procedures are managed by the Ministry of Health.[107] The remaining ministries' authorization services are available through links to their respective websites provided on the VUI. An overview of these procedures and authorities is presented in Figure 6.

Processing time reductions and efficiency gains

Significant progress has been made in cutting processing times and streamlining administrative procedures. Entry into the Free Trade Zone Regime has been dramatically streamlined: for companies in the services category, the process has been reduced from an average of 406 days to just 52.5 days, while for manufacturing companies it has dropped from 469 days to 130 days.[108] The sanitary operating permit for Type A companies has been reduced from 91 days to only seven.[109]

In terms of process re-engineering and automation – two core pillars of the VUI project – significant progress was achieved between its launch in 2017 and 2023. A total of 138 processes were mapped, identifying 125 specific procedures.[110] 129 improvement projects were successfully implemented,

Figure 6: Catalogue of VUI procedures and competent authorities



Source: WTO/World Bank, drawn from VUI website.

with an additional 66 projects still in progress.[111] For example, the process for issuing the Executive Agreement for Free Trade Zones – managed jointly by PROCOMER, COMEX (The Ministry of Foreign Trade) and the Presidential Office – has shown a 56 per cent improvement.[112] Registration of personnel with the General Directorate of Migration and Foreigners has recorded a 76 per cent improvement[113], while employer registration with the Costa Rican Social Security Fund has achieved a 75 per cent improvement.[114]

Outreach and capacity building

The rollout of the VUI has been accompanied by a broad outreach and training effort aimed at preparing institutions to adopt new processes. Alignment and awareness-raising activities were conducted with 38 public institutions and 60 municipalities to ensure a shared understanding of the platform's objectives and requirements.[115] In addition, more than 370 officials received training in Lean and Six Sigma methodologies.[116]

Public impact

In the World Bank's *Business Ready 2024 index,* under the Business Entry topic, Costa Rica ranks 26th out of 50 economies studied.[117] In the Regulatory Framework Pillar (Pillar I), it scores 82.5 and holds the 26th position. Its performance is stronger in the Public Services Pillar (Pillar II) where it ranks 18th with a score of 72. By contrast, in the Operational Efficiency Pillar (Pillar III) Costa Rica falls to 32nd place, with a score of 58.75. These results suggest that while Costa Rica has established an accessible and transparent legal framework, the efficiency of day-to-day administrative processes still constrains overall performance.

In the same vein, according to the OECD's 2025 *Review of Costa Rica's One-Stop Shop for Investment,* the VUI has produced measurable improvements in simplifying and digitizing procedures. These advances, however, have not yet translated into a substantial improvement in overall business performance.[118]

Implementation challenges

While the VUI represents a significant step towards simplifying and digitizing business licensing procedures, its implementation has faced obstacles that limit its ability to achieve its full potential. The main challenges are (i) limited end-to-end digital integration, (ii) shortcomings in user-centred design and feedback mechanisms, and (iii) low adoption within the business sector.

Limited end-to-end digital integration

One of the most significant obstacles faced by the VUI is the limited progress towards achieving fully digital, end-to-end procedures. Although important strides have been made in simplifying and digitizing processes, many of them remain only partly digital, leaving users with an incomplete experience. As noted above, only five out of 24 public institutions and five out of 16 ministries featured on the VUI provide services directly through the platform. For the remaining public institutions, the VUI merely provides links to their respective websites, where applicants must locate the procedures themselves.[119]

At present, investors and citizens can access information and begin certain procedures online, but critical elements that would enable seamless interaction with government are still underdeveloped. For example, a unified national registry of procedures and services, which should provide accurate and consistent information in clear, everyday language, does not yet exist.[120] Similarly, tools such as a georeferenced map – which would provide an online spatial information system allowing citizens, businesses and public officials to consult location-based data for decision-making purposes – and a digital inspection platform have yet to be developed, while the use of digital signatures remains underutilized.[121] Even functions that are available, like the payment systems, lack flexibility, with no support for credit cards or calculators to manage variable fees.[122] Currently, payments through the VUI are processed online via the Central Bank's National System of Electronic Payments, which enables secure bank transfers for the required fees but is limited to this payment method.[123]

At this stage, the current level of digitalization of the VUI still leaves some gaps in service delivery, as users may need to complete certain steps outside the platform. Further progress towards full, end-to-end integration – from application and payment to approval and issuance of authorizations – would help ensure a more seamless user experience and allow the VUI to fully realize the benefits of digitalization.

Lack of user-centred design and systematic feedback

Another important challenge relates to the way the VUI is designed and improved over time. While the platform has drawn on international process re-engineering methods such as Lean KAIZEN and Six Sigma, its development has not been consistently centred on the needs of end users. Currently, procedures are categorized in ways that make sense administratively, but they are not organized according to a life-event approach – one that structures public services around users' real goals or situations – which would make the experience far more intuitive for users.[124]

The OECD further observes that there is currently no evidence of a comprehensive monitoring and evaluation framework to identify areas for improvement in the platform or in the procedures it manages.[125] Performance indicators related to user experience have not yet been defined, and the VUI does not include online communication channels that allow users to provide real-time feedback, complaints or recommendations.[126]

Low usage by the business sector

Despite its successes in simplifying and improving government procedures, the VUI has yet to achieve widespread adoption among the business community. Representatives from the private sector acknowledge its potential but often lack first-hand experience with its tools, suggesting a gap between awareness and actual use.[127] This limited awareness may lead entrepreneurs to rely on law firms or consultants to complete the procedures on their behalf, even though these could be carried out directly through the platform.

Part of the problem has been found to stem from the absence of a coherent communication strategy.[128] The VUI has not invested in a sustained programme to raise awareness, provide clear explanations of its benefits, or guide businesses through the procedures it hosts.[129] Information on the portal is not always conveyed in accessible or user-friendly language, further reducing its appeal.

Next steps

With its *2023–2026 Strategy*, PROCOMER has laid out a roadmap built around five strategic axes: exports, productive linkages, human talent, investment and agile commerce.[130] These axes are united by a single purpose: to generate inclusive and sustainable well-being across every region of Costa Rica through the promotion of foreign trade and investment.[131] Within the "agile commerce axis", a key focus is the continued development of the VUI.[132]

The next stage of the VUI development is centred around three lines of action. The first is the reengineering of procedures, with the aim of simplifying licensing requirements further and aligning processes across municipalities.[133] The target is to integrate all 84 municipalities into the system[134] and to incorporate an average of 25 new procedures each year between 2024 and 2026.[135]

The second is automation of licensing procedures.[136] By continuing this process within the VUI, PROCOMER seeks to further shorten processing times and improve efficiency of the system. The long-term objective is to make it possible to establish a company in Costa Rica within a single day.[137]

The third line of action concerns the VUI fees.[138] Currently, the platform does not entail any charges and is funded through PROCOMER's budget. However, *Law No. 10234* (2022) includes a provision authorizing PROCOMER to charge cost-based service fees for the use of the VUI platform – distinct from the fees charged for individual authorization procedures.[139] The resulting revenues will be allocated to the implementation, maintenance and governance of the platform. The introduction of such a fee system would place the VUI on a sustainable financial footing.

Through these measures, the VUI is expected to evolve from a promising experiment into a cornerstone of Costa Rica's investment climate. By broadening its reach, deepening its functionality and securing its financial independence, the platform is expected to deliver a faster, more consistent and more transparent

service for business procedures nationwide, and in doing so, to reinforce the broader objectives of the national strategy.

Lessons learned

Costa Rica's VUI reform demonstrates that digital transformation of licensing systems requires more than the introduction of new technology. Progress depends on continued political support, legal reforms, strong governance, process redesign and careful dedication to implementation. The following lessons capture the most relevant insights from this experience.

1. Legal and institutional foundations are essential.

The VUI was anchored in laws and executive decrees that empowered PROCOMER to lead, set binding deadlines and coordinate across agencies. Clear mandates set out a rigorous framework and strengthened credibility and compliance.

2. Deadlines can strengthen accountability.

Statutory time limits and the silent approval mechanism made licensing procedures more predictable for the private sector. When combined with monitoring tools and performance reporting, these measures can create stronger incentives for timely decision-making.

3. Interoperability and coordination reduce duplication.

By linking directly with agency databases and supporting joint inspections, the VUI enabled information sharing and stronger coordination among government agencies. This not only reduced repeated submissions from applicants and institutional inefficiencies but also promoted greater coherence and consistency across the legal and procedural framework for licensing.

4. Simplifying requirements and processes first, makes digitization more effective.

Costa Rica applied Lean, Six Sigma, and its own FENIX methodology to eliminate redundancies and harmonize requirements before digitizing them. This step prevented the transfer of outdated or inefficient processes into the new platform.

5. User-centred design is key as it increases usability.

When procedures are structured according to administrative logic rather than business needs, users encounter friction. Organizing public services following a life-event approach and integrating real-time feedback channels would make the system more intuitive and responsive.

6. Communication and outreach are vital for adoption.

A platform's technical capabilities matter little if users are unaware of them. Sustained communication strategies, clear language and active engagement with the private sector are necessary to build trust and encourage widespread use.

Conclusion

Costa Rica's VUI reform represents an ambitious attempt to address long-standing barriers to investment by simplifying and digitizing business licensing procedures. Prior to its introduction, entrepreneurs faced a fragmented and unpredictable regulatory environment, with procedures taking over a year to complete and little clarity on requirements. By anchoring the reform in law, assigning PROCOMER as a strong institutional leader and adopting structured methodologies, the government succeeded in creating a platform that integrates multiple agencies, introduces statutory deadlines and reduces the time required for many key licensing processes.

At the same time, the VUI's limitations reveal that digitalization alone does not automatically produce seamless user experiences. Partial integration and the absence of a unified catalogue of procedures still generate inefficiencies. Weak user-centred design, limited feedback mechanisms, and low adoption by the business sector show that reforms must focus as much on usability and communication as on technical

solutions. Without a sustained outreach strategy and more intuitive organization of services around life events, the VUI risks underutilization despite its potential.

Looking ahead, integrating all municipalities into the VUI, expanding the catalogue of procedures, automating processes, and establishing a fee system for sustainable financing of the system are critical next steps. If these ambitions are realized, Costa Rica could move closer to its long-term objective of enabling business establishment within a single day. More broadly, the VUI has the potential to evolve from a promising experiment into a consolidated single window that not only strengthens Costa Rica's competitiveness but also serves as a reference point for digital licensing reforms across the region.

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76 Law No. 8220, Article 7. Exceptions to positive administrative silence apply to permits, licences and authorizations concerning public health, the environment, or other areas expressly excluded by law, constitutional provision, or judicial precedent.

77 *Executive Decree No. 43940*, Article 18.

78 *Executive Decree No. 43940*, Article 4.

79 *Executive Decree No. 43940*, Article 14.

80 *Executive Decree No. 43940*, Articles 9 and 10.

81 *Executive Decree No. 43940*, Article 28.

82 *Executive Decree No. 43940*, Articles 22-26.

83 *Executive Decree No. 43940*, Article 11.

84 *Executive Decree No. 43940*, Article 11.

85 *Executive Decree No. 43940*, Article 14.

86 *Executive Decree No. 43940*, Article 17.

87 *Executive Decree No. 43940*, Article 17.

88 *Executive Decree No. 43940*, Article 17.

89 *Executive Decree No. 43940*, Article 15.

90 *Executive Decree No. 43940*, Articles 27-29.

91 *Executive Decree No. 43940*, Articles 41-43.

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93 *Executive Decree No. 43940*, Article 100.

94 *Executive Decree No. 43940*, Article 96.

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Case study

Indonesia

Online submission system – risk-based approach

1. Overview
2. Indonesia's economy and the importance of the services sector
3. GRP commitments in Indonesia's services trade agreements
4. Business licensing reforms
5. Next steps
6. Lessons learned
7. Conclusion

Overview

Two decades ago, starting a business in Indonesia meant navigating a maze of paperwork, overlapping rules, and long queues at multiple government offices. Licensing procedures were fragmented across ministries and local authorities, each with its own forms, requirements and timelines. The process was not only slow but also unpredictable, creating barriers for entrepreneurs and investors alike.

Change began to take shape gradually, driven by the government's recognition that a more efficient, transparent and coordinated licensing system was essential for improving the business climate. This momentum culminated in the launch of the Online Single Submission Risk-Based Approach (OSS-RBA), introduced under *Government Regulation No. 5/2021*, as part of the sweeping reforms mandated by *Law No. 11/2020 on Job Creation*. The OSS-RBA marked a pivotal shift towards a unified, digitally integrated framework, replacing much of the old paper-based system and aligning licensing requirements with the risk profile of each business activity.

This case study first examines how GRP elements have been woven into the design of the OSS-RBA framework. It then analyses the platform's key achievements in streamlining procedures and improving service delivery, before addressing the challenges that have so far limited its full effectiveness. Finally, it considers the anticipated regulatory and institutional developments under the evolving OSS-RBA framework and distils the main lessons learned from Indonesia's reform experience.

Indonesia's economy and the importance of the services sector

Indonesia, the largest economy in ASEAN and the world's fourth most populous nation, has demonstrated remarkable resilience and growth since the Asian financial crisis of the late 1990s. Indonesia has emerged as the 10th largest global economy by purchasing power parity, while cutting its poverty rate by more than half between 1999 and 2019.[1] Although the COVID-19 pandemic briefly pushed the country out of the upper-middle-income bracket in 2020, Indonesia regained that status in July 2023, marking a strong recovery and reaffirming its upward economic trajectory.[2] Indonesia is implementing a 20-year development strategy (2005–2025), which is structured through five-year medium-term phases, with the final phase now focusing on enhancing human capital and global competitiveness to further strengthen the nation's economy.[3]

In 2024, Indonesia's economy reached a GDP of US$ 1.4 trillion[4], with the services sector contributing 43.8 per cent of total value added.[5] In terms of commercial services, exports totalled US$ 38.76 billion, led by travel services at US$ 16.71 billion, followed by other business services at US$ 15.37 billion and transport services at US$ 5.51 billion.[6] On the import side, commercial services totalled US$ 57.43 billion, with other business services making up US$ 28.62 billion, transport US$ 14.33 billion, and travel US$ 13.46 billion.[7] Figure 1 illustrates the development of Indonesia's commercial services trade between 2015 and 2024 and its sectoral distribution in 2024.

Between 2019 and 2024, digitally delivered services in Indonesia also experienced substantial growth, with both exports and imports more than doubling over the five-year period. Exports rose from US$ 5.17 billion in 2019 to US$ 10.94 billion in 2024, driven largely by other business services at US$ 5.10 billion, computer services at US$ 5.10 billion, and telecommunications services at US$ 1.63 billion.[8] On the import side, the value increased from US$ 13.35 billion to US$ 27.10 billion during the same period.[9] In 2024, imports were dominated by other business services at US$ 13.19 billion, followed by computer services at US$ 3.91 billion and financial services at US$ 3.53 billion.[10] Figure 2 presents the 2015–2024 growth of Indonesia's digitally delivered services and its 2024 sectoral composition.

GRP commitments in Indonesia's services trade agreements

Since joining the WTO in 1995, Indonesia has pursued deeper engagement with regional frameworks that not only promote market access but also encourage the adoption of GRPs across the services sector.

As a member of ASEAN, Indonesia has become increasingly integrated into a wide network of PTAs with key regional partners, including Australia[11], China[12], India[13], Japan[14], New Zealand[15] and the Republic of Korea.[16] In addition, the entry into force of the RCEP in

Figure 1: Commercial services trade between 2015 and 2024, and sectoral composition in 2024

Figure 1.1: Commercial services exports (2015-2024)

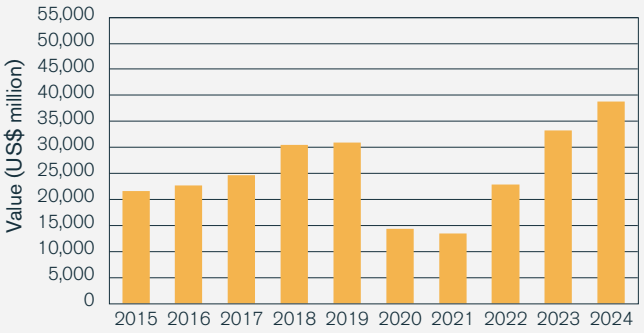


Figure 1.2: Commercial services imports (2015-2020)

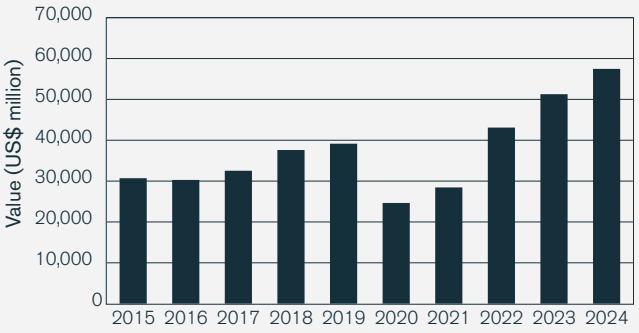
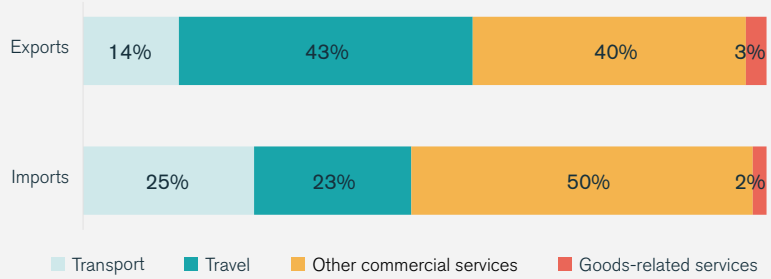


Figure 1.3: Breakdown by main sectors in 2024



Source: WTO, Statistics – Trade in commercial services.

Figure 2: Digitally delivered services trade between 2015 and 2024, and its sectoral composition in 2024

Figure 2.1: Digitally delivered services exports

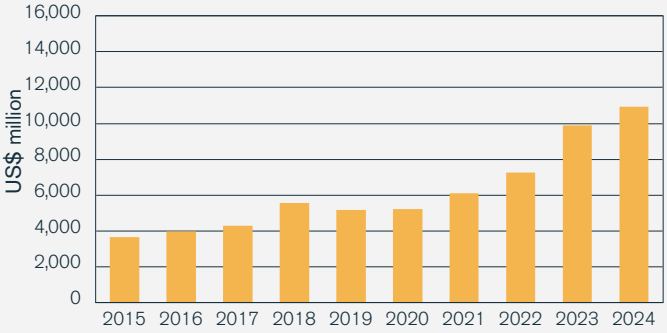


Figure 2.2: Digitally delivered services imports

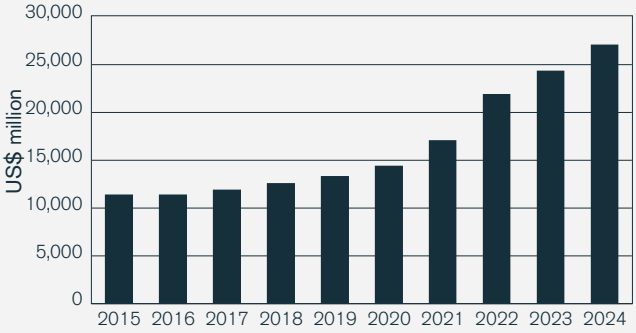


Figure 2.3: Structure of digitally delivered services exports

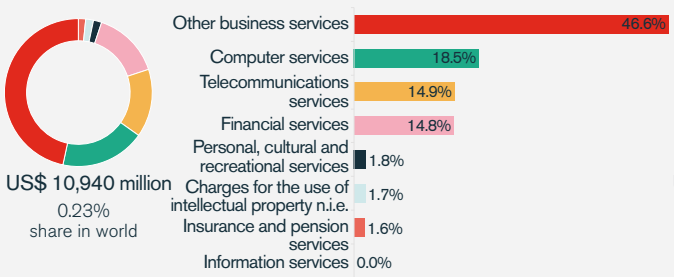
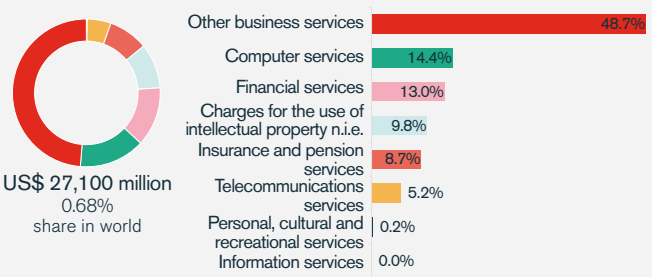


Figure 2.3: Structure of digitally delivered services exports



Source: WTO, Statistics – Digitally delivered services trade dataset.

January 2022[17], of which Indonesia became a member in January 2023, further reinforced the government's commitment to advancing regional economic integration and facilitating trade in services.

Earlier PTAs adopted by economies in the region generally incorporated basic GRP-related obligations, such as the publication of authorization requirements and procedures[18], the communication of decisions to applicants[19], and the use of transparent and objective criteria in authorization processes.[20] More recent PTAs, particularly RCEP and some ASEAN+1 PTAs, have expanded the scope of GRP commitments. These include provisions on prescribing timelines for application processing[21], enabling the use of electronic means for application submission[22], and providing stakeholders with reasonable opportunities to comment on proposed legislation.[23]

In parallel, Indonesia has actively participated in regulatory reform discussions through the APEC forum. The endorsement by APEC economies of the *2018 Non-binding Principles for Domestic Regulation of the Services Sector* reflects a shared regional aspiration to promote open, efficient and accountable regulatory environments through the implementation of various GRPs for streamlining domestic regulatory frameworks affecting trade in services.[24]

Business licensing reforms

Prior to the reforms, Indonesia's business licensing framework posed a serious barrier to the improvement of the investment climate. Entrepreneurs faced a maze of overlapping and often inconsistent licensing procedures, both at the national and local levels. Starting a business typically required multiple permits, such as a trading licence, a business registration certificate, building permits and nuisance permits, with the latter two often contingent upon obtaining other approvals.[25] According to the World Bank, the process to obtain these core permits in 2011 took an average of 45 days and eight procedural steps, which was longer than the Asia-Pacific region's average of 38 days and seven steps.[26] This complexity not only discouraged business formalization but also perpetuated a large informal sector, with more than 30 per cent of micro, small, and medium-sized enterprises (MSMEs) operating without registration.[27]

The government sought to address these inefficiencies by expanding one-stop shops under the Minister of *Home Affairs Regulation No. 24/2006*[28] and creating the Electronic Investment Licensing and Information Service System (SPIPISE) under *Presidential Regulation No. 27/2009*.[29] The results, however, were mixed. While the one-stop shops helped cut the average time and cost of obtaining core licences by roughly 47 per cent and 44 per cent, respectively, they only had limited authority to issue a small subset of the available permits.[30] The SPIPISE, meanwhile, was an early step towards digitalizing licensing procedures specifically in the domain of investment permits, leaving broader business licensing processes mainly out of the scope of application.

Building on earlier reforms, *Presidential Regulation No. 91/2017* mandated the creation of an online submission system as an integrated platform for all business licensing.[31] Implemented through *Government Regulation No. 24/2018*[32], the first iterations of the online submission system – OSS 1.0 and its subsequent enhancement, OSS 1.1 – streamlined procedures by adopting a commitment-based model. Under this system, business licences could be issued immediately upon registration.[33] After obtaining the business licence, companies could undertake preparatory activities (such as acquiring land, procuring equipment and recruiting employees).[34]

Under this framework, the licence remained conditional and became fully effective only once the company had completed the required commitments, including obtaining location permits, environmental approvals and building permits from the relevant authorities.[35] However, this approach did not account for differences in business risk. As a result, enterprises posing minimal regulatory concerns were subjected to the same level of scrutiny as high-risk ventures. By doing so, the system created unnecessary delays and compliance burdens for smaller firms, thereby undermining its objective of fostering a more business-friendly environment.

This framework underwent a fundamental transformation with the enactment of *Government Regulation No. 5/2021 on Implementation of Risk-Based Business Licensing*[36], which implemented the government's *Omnibus Law on Job Creation (Law No. 11/2020)*. The new system, also known as the OSS Risk-Based Approach (OSS-RBA), replaced the commitment-based approach with a risk-based classification approach. The following sections examine the key features of the current OSS-RBA system, its operationalization and implementation challenges.

OSS-RBA's key features

The adoption of the OSS-RBA system (accessible via oss.go.id) reflects an institutionalization of GRP principles within the legal design, administrative processes and digital infrastructure of the licensing regime in Indonesia. Beyond serving as a digital service delivery platform, the OSS-RBA operates as a governance instrument aimed at strengthening regulatory quality, enhancing procedural predictability and promoting public accountability. The government agency responsible for managing and administering the OSS-RBA system is the Ministry of Investment/the Indonesian Investment Coordinating Board (BKPM).[37]

This section examines the core features of the OSS-RBA that operationalize GRP principles in practice, including its modular subsystem architecture, the application of a risk-based licensing methodology, and its integration with other technical approval systems.

Interconnected subsystems for transparent and accountable licensing

A key feature of the OSS-RBA system is its organization around three interconnected subsystems: (i) the information subsystem; (ii) the business licensing subsystem; (iii) and the supervision subsystem.[38] Together, these three subsystems form an integrated digital ecosystem that embeds GRP principles into the delivery and enforcement of Indonesia's business licensing framework (see Figure 3).

The information subsystem operationalizes the principle of transparency and accessibility.[39] It ensures that business actors and the public have access to comprehensive, up-to-date information on all aspects of the licensing regime. This includes risk-based classifications of business activities under the Indonesian Standard Classification of Business Fields (KBLI). In addition, the subsystem publishes a broad set of information, including land-use and zoning information (RDTR), investment conditions, licensing requirements, application procedures, compliance obligations, simulation tools and public complaints services. The regulation also mandates the public accessibility of this information without requiring user authentication, thereby reinforcing the predictability and openness of the licensing system.

Serving as the core procedural engine of the OSS-RBA is the business licensing subsystem, which applies to 17 sectors of economic activity.[40] It incorporates the principles of proportionality and procedural simplification. By operationalizing the differentiated licensing requirements according to risk level[41], the subsystem ensures that regulatory burdens are aligned with the potential harm posed by each business activity. Moreover, the integration of licensing authorities across all levels into a single platform[42] enhances inter-agency coordination and legal coherence, which are both essential elements of effective regulatory governance.

The third component, the supervision subsystem, supports risk-based enforcement and post-licensing compliance monitoring.[43] It embodies the principles of accountability, performance-based oversight and continuous improvement. Through this subsystem, the relevant authorities are empowered to monitor business compliance with licensing conditions, conduct inspections proportionate to risk, require periodic reporting, and impose sanctions or revoke licences where necessary.[44]

Risk-based approach to business licensing

As already mentioned, the principle of risk-based regulation adopted by the OSS-RBA marks a fundamental shift from Indonesia's previous licensing model. By classifying business activities according to their potential risk to public health, safety, environment and resource use, the system embeds the principle of proportionality into the heart of the licensing system. This ensures that the regulatory burden imposed on businesses is commensurate with the level of risk posed by their activities, thereby enhancing both formalization incentives and regulatory compliance. The categorization of business risks is determined in accordance with Annex I of *Government Regulation No. 5/2021*. To illustrate this, Table 1 outlines the classification of business risks in the tourism sector and the associated licensed products.

The risk classification system is legally grounded in Articles 7 to 15 of *Government Regulation No. 5/2021*, which set out the framework for assessing and assigning risk levels to business activities. Four risk categories are established: low, medium-low, medium-high and high risk.[46] The classification is established by the central government based on a combination of technical criteria, including the hazard profile of the activity and the scale or complexity of the business operation.

Figure 3: The OSS-RBA subsystems[45]

The Information Subsystem	The Business Licensing Subsystem	The Supervision Subsystem

▪ KBLU by risk level
▪ RDTR
▪ Investment requirements
▪ Licensing requirements and obligations, including:
  ▪ Validity period
  ▪ Standards for business activities
  ▪ Other provisions in the Norms, Standards, Procedures, and Criteria
  ▪ Guidelines and procedures
▪ Basic requirement, including:
  ▪ Spatial use conformity
  ▪ Building approval
  ▪ Building functionality certificate
  ▪ Environmental approvals
▪ Investment incentives and facilities
▪ Supervision rules and reporting obligations
▪ Licensing simulation tools, OSS user guides, OSS glossary, FAQ
▪ Public complaints service
▪ Other info
	▪ Account/access registration
	▪ Low risk business licensing process:
	  ▪ NIB
	▪ Medium-low risk business licensing process:
	  ▪ NIB
	  ▪ Standard Certificate (self-declare)
	▪ Medium-high risk business licensing process:
	  ▪ NIB
	  ▪ Standard Certificate (self-declare and verification)
	▪ High risk business licensing process:
	  ▪ NIB
	  ▪ Business Licence
	  ▪ Required Standard Certificate
		▪ Annual inspection planning
		▪ Business actors' periodic reports and activity data
		▪ Supervision work instruments, including:
		  ▪ Business actor profile
		  ▪ Assignment letter for field inspector
		  ▪ Visit notification letter
		  ▪ Inspection report
		  ▪ List of questions for business actor
		  ▪ Other instruments
		▪ Compliance assessment (against licensing requirements and standards)
		▪ Complaints handling (against businesses or inspectors) and follow-up
		▪ Guidance and sanctions

Source: WTO/World Bank, based on relevant provisions of *Government Regulation No. 5/2021*.

Each level of risk triggers a different set of licensing requirements. Low-risk activities require only the issuance of a Business Identification Number (NIB), which serves as an authorization allowing immediate commencement of operations. For low-risk business activities carried out by MSMEs, the NIB also functions as proof of compliance with the Indonesian National Standard and/or Halal assurance declaration under other applicable laws. Medium-low and medium-high risk activities require a self-declared or verified standard certificate, respectively, which attests to compliance with specific business or product standards. High-risk businesses must obtain a formal licence issued by the competent authority before starting their commercial operations.

This tiered structure enables regulators to concentrate oversight resources on activities that present the highest risks, while facilitating rapid market entry for low-risk businesses, particularly MSMEs.

Inter-agency coordination and reduction of policy fragmentation

The design of the OSS-RBA system mandates inter-agency coordination across all levels of government responsible for business licensing. At the normative level, the central government is responsible for formulating and establishing norms, standards, procedures and criteria (NSPK) for risk-based licensing across sectors.[47] As stipulated in Article 21(2) of *Government Regulation No. 5/2021*, the NSPK serves as a single reference point for both central and local licensing authorities.[48] By consolidating regulatory standards into a single reference, the OSS-RBA system reduces policy fragmentation and ensures that all actors operate within one coherent legal and procedural framework.

The use of the OSS-RBA system is mandatory for all licensing authorities, including ministries, local

Table 1: Illustration of risk classification in the tourism sector under *Government Regulation No. 5/2021*

No	Business line Parameter			Risk			Business licensing	Time	Validity period	Government authority	
				Parameter		Level				Parameter	National/ provincial/ Regency/ city
	KBLI Code	KBLI Title	Scope	Business scale[49]	Land area						
4	79111[50]	Travel agency activities	Business activities acting as intermediaries for the sale of tour packages, either online or offline, packaged by travel agencies; booking tickets for land, sea and air transportation, for both domestic and international purposes; booking accommodation, restaurants and tickets for cultural performances; arranging visits to tourist attractions; and handling travel documents such as passports, visas or other equivalent documents	Micro, small	N/A	Low	NIB	N/A	As long as the business entity carries out business activities	Regency/ City	Regent/ Mayor
60	79121[51]	Travel agency activities	Business activities that involve planning and packaging travel components	Micro, small, medium, and large	N/A	Medium-low	NIB Standard certificate	N/A	As long as the business entity carries out business activities	Regency/ City	Regent/ Mayor
82	55194[52]	Apartment hotel, with 100–200 guest housing units or 100–200 employees	Business of providing accommodation services for the general public that manages and operates apartments as hotels for temporary residence, with payment calculation according to regulations For example: apartment hotel/ condominium hotel (aparthotel/condotel)	Micro, small, medium, and large	> 6,000 – < 10,000 m^2	Medium-high	NIB Standard certificate	5 days	As long as the business entity carries out business activities	Regency/ City	Regent/ Mayor
103	55194[53]	Apartment hotel, with more than 200 guest housing units or more than 200 employees	Business of providing accommodation services for the general public that manages and operates apartments as hotels for temporary residence, with payment calculation according to regulations For example: apartment hotel/ condominium hotel (aparthotel/condotel)	Micro, small, medium, and large	≥ 10,000 m^2	High	NIB Standard certificate Licence	Standard certificate: 5 days Licence: 30 days	As long as the business entity carries out business activities	National	Minister

governments, administrators of Special Economic Zones, and the managing bodies of Free Trade Zones and Free Ports.[54] This mandate ensures that for sectors covered under *Government Regulation No. 5/2021*, licensing must be processed exclusively through the OSS-RBA, thereby reinforcing the single-window principle.

Beyond licensing, *Government Regulation No. 5/2021* also establishes a framework for integrated and coordinated supervision. As provided in Articles 211(1) and 215(1), oversight responsibilities of relevant government agencies must be carried out and coordinated through the OSS-RBA system itself.[55] This integrated supervision mechanism allows for real-time data sharing, joint monitoring and harmonized enforcement of regulatory obligations by the various authorities involved.

Integration with critical sectoral systems

Another important feature of the OSS-RBA system is its integration with other systems that are critical to the business licensing process. In accordance with *Government Regulation No. 5/2021*, the issuance of a business permit, regardless of the risk level classification, is contingent upon prior fulfilment of several basic requirements. These include (i) conformity with land-use and zoning regulations (spatial use conformity), (ii) building approval, (iii) building functionality certificate, as well as (iv) environmental approvals, which may take the form of an environmental impact analysis, an environmental management and monitoring plan, or a statement of environmental management and monitoring commitment.[56] To enable this, the OSS-RBA platform is designed to interoperate with sectoral systems tasked with issuing these approvals.[57] This digital integration facilitates real-time verification of regulatory compliance, reduces transaction costs and enhances procedural transparency.

The workflows of the OSS-RBA system are illustrated in Figure 4. The platform integrates the full licensing lifecycle through a sequential process of information provision, verification, risk assessment, permit issuance and post-licensing supervision. Business actors can first use the information subsystem to access regulatory guidance and support services and then proceed to the licensing subsystem. Here, the validation stage verifies identity, tax, legal and geospatial data through electronic links with relevant authorities. The smart engine then determines the applicable requirements and standards based on the business profile, KBLI classification, investment plan and location, while the risk management engine assigns an overall risk level using risk matrices for sector, location and business criteria. The system subsequently generates the appropriate product – from an NIB for low-risk activities to NIB plus standard certificates or licences for higher-risk activities. Once issued, licences are automatically communicated to ministries, institutions and local governments to support coordinated implementation. The supervision subsystem completes the cycle by facilitating risk-based monitoring, profile weighting and enforcement actions where necessary.

Implementation achievements

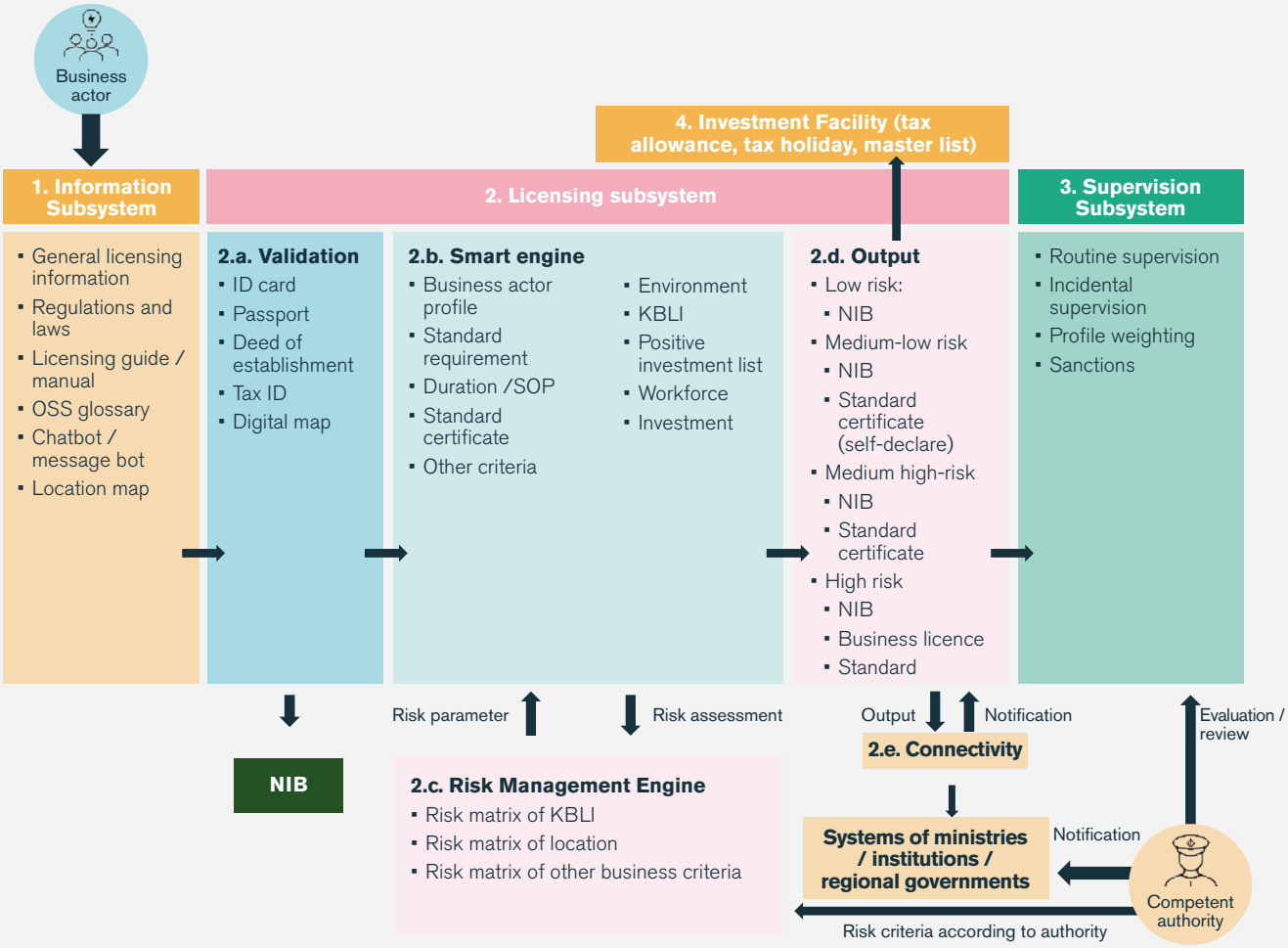
Since its launch in 2021, the OSS-RBA system has been at the forefront of Indonesia's business licensing reform. It has delivered tangible achievements in three key areas: (i) rapid expansion of business formalization; (ii) integration with key technical approval systems; and (iii) provision of robust user support services to facilitate adoption.

Rapid business formalization

After three years of implementation, as of August 2024, the OSS-RBA system had issued a total of 10,000,019 NIBs.[59] In its first two years, the system had already issued more than five million NIBs, surpassing the total output of the previous OSS system, which had issued only four million NIBs over a three-year period (2018–2021).[60] The system's momentum accelerated further in its third year, with an additional five million NIBs issued within just 12 months. Notably, between August and December 2023 alone, more than two million NIBs were issued, almost matching the total NIB output recorded during the entire year of 2022.[61] As reported in December 2023, on average, the system was capable of processing between 13,000 and 15,000 NIBs per day. At peak periods, it could issue more than 50,000 in a single day.[62] These figures underscore the OSS-RBA's expanding operational capacity and its growing role as an efficient platform for business formalization nationwide.

Of the 10 million NIBs issued over the three-year period (August 2021- August 2024), 9,909,900 were granted to micro and small firms, accounting for approximately 99.1 per cent of total registrations. Of the remaining

Figure 4: General Description of the OSS-RBA System[58]



Source: WTO/World Bank, adapted from BKPM materials.

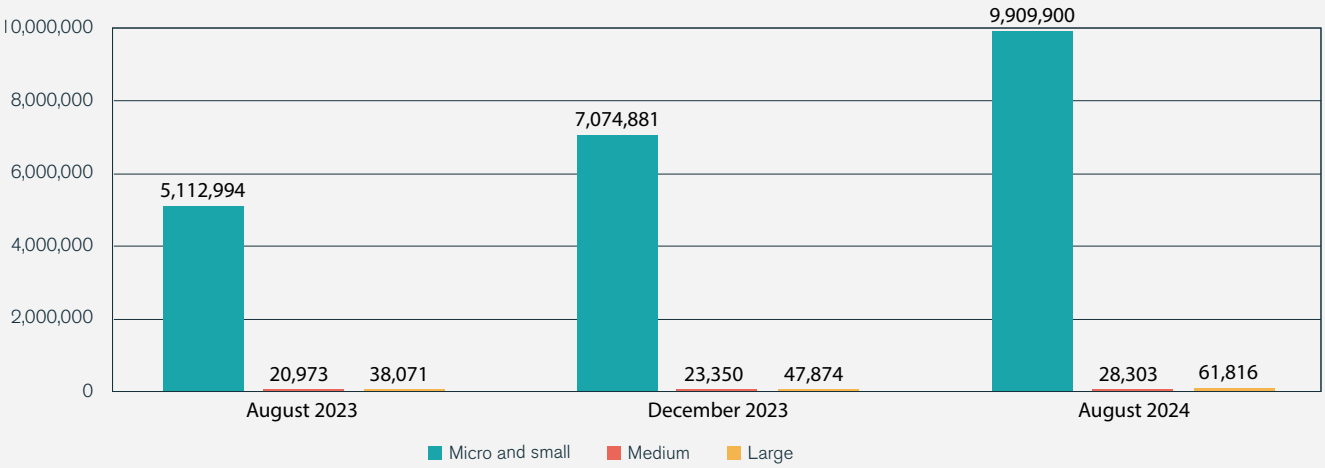
registrations, only 28,303 NIBs (0.28 per cent) were issued to medium enterprises, and 61,816 NIBs (0.62 per cent) to large enterprises (see Figure 5).[63] This overwhelming share of micro and small enterprise registrations highlights the OSS-RBA system's critical function in facilitating the formalization of Indonesia's small business sector. By streamlining registration procedures and offering a fully digital process, the system has dramatically lowered barriers and costs to entry and empowered micro and small enterprise actors to integrate more fully into the formal economy.

Integration with technical approval systems

As noted earlier, the systems responsible for issuing spatial use conformity, building approvals, building functionality certificates and environmental approvals, play a pivotal role, as these approvals must be obtained before a business licence can be granted. Ideally, the OSS-RBA system should be fully interoperable with these systems to enable applicants to meet these requirements through a single, unified interface.

Concerning spatial use conformity, the Ministry of Agrarian and Spatial Planning/National Land Agency operates the Geographic Information System for Spatial Planning platform (GISTARU), which hosts detailed spatial plan maps (RDTR). The OSS-RBA is designed to pull data from GISTARU to automatically issue a spatial use conformity confirmation when a proposed location falls within a zone permitted under an up-to-date RDTR. Integration of RDTR data into the OSS-RBA system has progressed gradually: in December 2022, 108 RDTRs were integrated[64]; this rose to 367 in July 2025[65]; and most recently, as of October 2025, a total of 445 RDTRs had been integrated into the OSS.[66]

Figure 5: Number of NIBs issued through OSS-RBA



Source: BKPM.

For environmental approvals, the Ministry of Environment and Forestry issued a circular letter in March 2024 requiring that, effective 1 April 2024, all new medium-high and high-risk business licence applications be submitted through the OSS-RBA system for obtaining environmental approvals.[67] In an official update in October 2024, the Ministry noted that AMDALNET – the national system for verifying environmental compliance – had been successfully integrated as an information subsystem within the OSS-RBA, and that the integration was functioning effectively.[68]

With respect to building-related requirements, the Ministry of Public Works and Housing's Building Management Information System (SIMBG), which issues the building approvals and building functionality certificates, has also been integrated with the OSS-RBA platform as of January 2025.[69]

Multiple support channels for users

An integral component of the OSS-RBA ecosystem is its Contact Centre, which provides technical assistance and user support to business persons navigating the licensing system. Between January and July 2023, the Contact Centre recorded a total of 556,529 user interactions across its various communication channels.[70] The social media service WhatsApp emerged as the most frequently used platform, accounting for 352,089 interactions or 63.28 per cent of the total. This was followed by e-mail with 127,580 interactions (22.92 per cent), telephone calls with 65,928 interactions (11.84 per cent), and the social media platform Instagram with 10,932 interactions (1.96 per cent).[71]

In December 2023, the Contact Centre was handling an average of 500 phone calls, 1,000 WhatsApp messages and 1,000 e-mails per day.[72] These figures indicated that approximately 15 per cent of NIBs issued were accompanied by some form of user inquiry or support request.[73] Importantly, the data also suggest that the vast majority of business persons – around 85 per cent – were able to complete the NIB issuance process independently. This underscored the user-friendly nature of the interface, the completeness and clarity of the information published, as well as the effectiveness of the self-service design of the submission process for the majority of applicants.

Implementation challenges

Despite its achievements, the OSS-RBA system has faced challenges that have limited its ability to function as a fully integrated, nationwide licensing platform. The main issues include: (i) regulatory misalignment; (ii) data migration problems; (iii) institutional coordination gaps; (iv) connectivity limitations; (v) and incomplete integration with technical approval systems.

Regulatory misalignment

According to the Audit Board of Indonesia (BPK), at the time of the OSS-RBA system's launch, there was a lack of harmonization between business licensing regulations at the national and local levels. While *Government Regulation No. 5/2021* provided the overarching framework for risk-based licensing, its implementation was constrained by inconsistencies between its licensing requirements and

those in other legal instruments, such as *Government Regulation No. 17/2019 on Water Resources*, *Government Regulation No. 22/2021 on Environmental Protection and Management*, and *Government Regulation No. 27/2021 on Marine and Fisheries*.[74] These regulatory inconsistencies prevented the licensing procedures from being fully carried out through the platform at rollout.

Data migration problems

The transition from OSS Version 1.1 to OSS-RBA was hampered by serious data migration issues. The BPK found that, at the end of 2021, 291,112 business licences had an undetermined status due to incomplete or failed data transfers between the two systems.[75] These unresolved cases not only undermined public confidence in the reliability of the OSS-RBA system but also created legal uncertainty for affected businesses, whose licensing status could not be verified in the new platform. The absence of a robust risk-mitigation and data-validation framework exacerbated these problems.

GAPS in implementing regulations and institutional coordination

By the end of 2021, institutional readiness at both central and local levels had still lagged behind the OSS-RBA's technical deployment. At the central level, the Ministry of Home Affairs had not yet fully formulated policies for licensing service delivery in line with *Law No. 11/2020 on Job Creation* and its implementing regulations, resulting in delays in service delivery at the local level.[76] The Ministry had also not established standard operating procedures for guiding and supervising local licensing services, making it difficult to properly assess the performance of officials and local units responsible for promoting the ease of doing business.[77]

At the local level, many governments had neither established coordination forums with a structured schedule of activities nor adopted defined procedures for coordination and proper documentation.[78] Consequently, investment-related problems were not identified or resolved in a timely way.

Connectivity and infrastructure limitations

At its launch, the OSS-RBA system faced operational challenges in regions with limited infrastructure. As acknowledged by the Minister of Investment, in a speech at its launch, not all areas in Indonesia had full electricity coverage, with certain regions receiving power only part of the day, and internet connectivity remaining inadequate in others.[79] To address these constraints, the government prepared semi-online licensing options, allowing applications to be processed during available electricity hours, while exploring alternative solutions for areas lacking reliable power and internet access.[80]

Incomplete integration with technical approval systems

The OSS-RBA's effectiveness has been significantly constrained by incomplete interoperability amongst key technical approval and information systems, such as GISTARU (for spatial conformity), SIMBG (for building requirements), and AMDALNET (for environmental approvals). As noted in a study conducted by the Regional Autonomy Implementation Monitoring Committee (KPPOD) in 2023, many entrepreneurs complained that these systems were not properly integrated as originally envisaged.[81] In practice, licensing authorities were often forced to rely on manual verification procedures or operate through parallel platforms, leading to delays and undermining the consistency and efficiency of service delivery.

For example, although 367 RDTRs were integrated into the OSS-RBA as of mid-2025, this represents only a small fraction of the approximately 2,000 RDTRs nationwide.[82] As a result, when an area does not yet have an RDTR in place, the spatial use conformity cannot be automatically issued through the OSS-RBA system. Instead, applicants must undergo a separate process with the central government, which reviews the request based on the broader regional spatial plan.[83] This route adds another layer of bureaucracy, slowing down the overall licensing process and diminishing the one-stop-shop objective of the OSS-RBA platform.

The slow pace of RDTR integration stems from challenges at both local and central government levels. At the local level, delays in RDTR preparation are often linked to insufficient budget allocations for conducting spatial planning studies as well as occasional interference from political interests.[84] At the central level, the approval process for RDTR substance by the relevant ministry is frequently time-consuming, further hindering timely integration into the OSS-RBA system.[85]

Public impact

Before the launch of the OSS-RBA system, Indonesia's ease of doing business reforms, including the

implementation of the previous commitment-based OSS system, helped the country climb from 129th place in 2012[86] to 73rd in 2020 in the World Bank's Doing Business index.[87] Since then, other sources, including the BKPM, reported that the implementation of the OSS-RBA system did help streamline procedures for starting a business in Indonesia.[88]

In the World Bank's *Business Ready (B-Ready) 2024 index, Indonesia ranks 32*nd out of 50 studied economies in the 'Starting a Business' topic, with a score of 65.47/100.[89] While this position places Indonesia ahead of several emerging economies, it remains well below other ASEAN performers such as Singapore and Viet Nam. One of the main factors constraining Indonesia's performance is the length of time required to establish a business, particularly for foreign investors who may have to wait up to 65 days to complete all entry procedures.

In an attempt to respond to the existing obstacles, the government has identified the simplification of business entry procedures as a top reform priority and aimed to increase Indonesia's rankings in the coming years.[90]

Next steps

The Indonesian government is actively pursuing further improvements to its business licensing system to consolidate the gains of the OSS-RBA system and address persisting challenges. As a major milestone, in June 2025, the government enacted *Government Regulation No. 28/2025 on Implementation of Risk-Based Business Licensing*, which supersedes *Government Regulation No. 5/2021*.[91] Pursuant to the transition provisions of *Government Regulation No. 28/2025*, within four months from its enactment date, the OSS-RBA system must be adjusted and the implementing regulations of *Government Regulation No. 28/2025* shall be established.[92] The effective implementation of this new regulation is expected to further enhance legal certainty, reduce transaction costs, and improve the overall ease of doing business in Indonesia, thereby strengthening the country's competitiveness as an investment destination.

The new framework introduces three core innovations: (i) the statutory adoption of service level agreements (SLAs) for licensing processes, (ii) the positive fiction ('*fiktif positif*') mechanism, and (iii) the establishment of new integrated subsystems within the OSS-RBA platform. These innovations are outlined below.

Service level agreements

Statutory maximum time limits have been imposed on every stage of the licensing process, particularly in the Chapter on Basic Requirements in the OSS-RBA framework. They include document verification, substantive assessment, correction of deficiencies, re-examination of corrected submissions and issuance of final approvals.[93]

One example of SLA implementation is in the approval process for the spatial use conformity on land. The regulation sets a maximum of 25 working days if documents are complete and correct, or up to 40 working days if improvements and re-verifications are required.[94] Another example is found in the environmental approval process, where *Government Regulation No. 28/2025* sets clear statutory deadlines: 30 working days for wastewater and emission quality assessments, and 16 working days for assessments of hazardous emissions for the management of hazardous and toxic waste.[95]

This action addresses one of the most persistent complaints from businesses: uncertain and often protracted waiting times. By codifying SLAs into law, licensing authorities are placed under a legal obligation to act within prescribed timelines, thereby enhancing procedural certainty and reducing administrative delays.

Fiktif Positif silent approval mechanism

Unlike *Government Regulation No. 5/2021*, *Government Regulation No. 28/2025* explicitly provides for the application of the *fiktif positif* mechanism. Under this mechanism, if a competent authority fails to act within the SLA, the system will automatically advance the application to the next procedural stage.[96]

The *fiktif positif* mechanism applies to three categories of licensing: (i) basic requirements, (ii) business licensing, and (iii) business licensing to support business activities.[97] A list of 258 KBLIs has been identified for implementation under this mechanism.[98]

One example of this mechanism is found in the approval process for spatial use conformity on small islands of less than 100 km^2. Pursuant to Article 35 of the Regulation, the Ministry of Marine Affairs and Fisheries is required to issue a recommendation within 14 working days of receiving complete application documents.[99] However, if the ministry fails to issue the recommendation within this statutory time limit, the law directs that the application process shall continue without the recommendation.[100]

Importantly, the issuance of permits through *fiktif positif* does not remove the obligation of the relevant licensing authorities to verify the accuracy of submitted information.[101] Where discrepancies are later identified, such permits may be evaluated and, if necessary, revoked in accordance with applicable laws and regulations.[102] As the government emphasizes, *fiktif positif* is to accelerate, not to ignore accuracy.[103]

Complementing the SLAs, this mechanism aims to reduce bureaucratic inertia and ensure that administrative silence does not disadvantage business actors, while enhancing legal certainty and accelerating licensing processes.

New integrated subsystems

To address persistent integration gaps and broaden the functionality of the OSS-RBA platform, *Government Regulation No. 28/2025* also mandates the introduction of three new subsystems: the basic requirements subsystem, the investment facilities subsystem, and the business partnership subsystem.

Basic requirements subsystem[104]: This module integrates pre-licensing approvals – such as spatial conformity, environmental approvals and building permits – directly into the OSS-RBA platform. Previously, these processes were often conducted outside of the OSS-RBA, resulting in fragmented procedures. The reform positions the OSS-RBA as a genuine one-stop platform, enabling foundational clearances to be processed seamlessly alongside licensing applications.

Investment facilities subsystem[105]: This subsystem enables investors to apply for government-provided investment incentives, such as tax holidays and import duty exemptions, directly through the OSS-RBA. By combining licensing and incentive facilitation in a single digital window, the system streamlines administrative steps and encourages greater uptake of available fiscal facilities.

Business partnership subsystem[106]: Certain sectors regulated under *Law No. 11/2020 on Job Creation* require large-scale investors to establish partnerships with, or otherwise empower, MSMEs. This subsystem provides a centralized digital record of such partnership arrangements within the OSS-RBA database, thereby facilitating compliance monitoring and enforcement.

Lessons learned

Indonesia's OSS-RBA reform offers valuable lessons on the implementation of a digital licensing system within a complex regulatory environment. These lessons relate to the importance of regulatory coherence, inter-agency coordination, technical and infrastructure preparedness, user engagement and continuous policy refinement.

1. Policy coherence and inter-agency coordination are essential

Digital platforms cannot operate effectively without harmonized regulatory frameworks and clearly defined institutional responsibilities. Early misalignments between central and local regulations created bottlenecks that limited the OSS-RBA's intended efficiency.

2. Complete and updated information strengthens accessibility and compliance

Transparent, comprehensive information makes licensing systems more accessible, predictable and compliant. The OSS-RBA puts this into practice through its information subsystem, which makes a broad range of up-to-date data openly available to business actors and the public.

3. Digital systems integration must be matched by institutional capacity and planning

Full interoperability between licensing and technical approval systems requires both technical compatibility and administrative readiness. Incomplete integration with RDTR, building and environmental approval systems undermined the seamless user experience envisioned by the reform.

4. Infrastructure gaps must be addressed early

Connectivity and power supply limitations in certain regions constrained the reach of the OSS-RBA. Provision of semi-online options and infrastructure development are essential for ensuring equitable access to digital licensing platforms.

5. User support services drive efficiency and compliance

The OSS-RBA Contact Centre's multi-channel assistance proved crucial for facilitating compliance,

especially during the early stages of implementation. High responsiveness to user enquiries built confidence in the system and enabled more businesses to transition to the formal sector.

6. Reforms are iterative, not static

The enactment of *Government Regulation No. 28/2025* demonstrates that major regulatory and digital reforms require continuous adjustment. Iterative policy updates allow governments to respond to implementation realities while maintaining reform momentum.

Conclusion

Indonesia's licensing reform trajectory illustrates how embedding GRP principles into digital governance frameworks can substantially improve the ease of doing business. Central to this transformation is the OSS-RBA system, which has enabled the formalization of millions of MSMEs, improved transparency and created a foundation for coordinated, risk-based regulation. By directing oversight efforts to the areas of greatest risk, the system has allowed limited resources to be deployed more strategically, reducing unnecessary burdens on low-risk businesses while strengthening oversight where it matters most. In this way, regulatory quality and efficiency have advanced together, reinforcing confidence in the system and laying the groundwork for more adaptive and responsive governance.

However, the reform's full potential has yet to be realized. Persistent regulatory fragmentation, uneven system integration, and infrastructure disparities underscore the complexity of translating legal innovation into uniformly effective service delivery. The adoption of *Government Regulation No. 28/2025* with its statutory service level agreements, silent approval mechanism and expanded subsystem integration offers a renewed opportunity to close these gaps.

If implemented effectively, these measures would not only further streamline licensing procedures but also strengthen Indonesia's competitiveness in global markets, improve business confidence, and support sustainable economic growth. The Indonesian case thus provides insightful narratives for other economies seeking to combine regulatory quality with digital transformation in business licensing.

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Case study

The Philippines

Ease of Doing Business Act

1. Overview
2. The Philippine economy and the importance of the services sector
3. GRP commitments in the Philippines' services trade agreements
4. Ease of doing business reform in the Philippines
5. Next steps in strengthening the EoDB reform
6. Lessons learned
7. Conclusion

Overview

The Philippines has embarked on a long-term effort to transform its regulatory environment and public service delivery through the adoption of GRPs. These efforts are rooted in the recognition that efficient, transparent and predictable regulation is essential to fostering economic growth, improving citizen experience and enhancing national competitiveness, particularly in an increasingly services-driven economy.

This study presents the Philippines' journey in embedding GRP elements across licensing authorities, emphasizing their importance for businesses and investment, where complex licensing and administrative procedures often affect market entry and operational efficiency. It focuses on the implementation of two major pieces of legislation: the *Anti-Red Tape Act* of 2007 (RA 9485) and the *Ease of Doing Business and Efficient Government Service Delivery Act* of 2018 (RA 11032). Together, these pieces of legislation provide the legal and institutional foundation for regulatory simplification, digital transformation and improved service delivery at both national and local levels.

The purpose of this study is to highlight how GRP elements have been introduced and operationalized in the Philippine context. It draws lessons from implementation, identifies continuing challenges, and outlines the next steps. Through this lens, the study seeks to offer a practical reference for understanding how GRP elements can support broader public sector reform and economic development.

The Philippine economy and the importance of the services sector

The Philippines has established itself as one of the most dynamic economies in the Asia-Pacific region.[1] Its economic dynamism is underpinned by rapid urbanization, a large and young population, and high consumer demand, supported by a vibrant labour market and robust remittance inflows.[2] In 2024, the country's GDP reached US$ 461.62 billion[3] and expanded by 5.6 per cent, making it one of the region's top performers.[4]

The services sector plays a pivotal role in the Philippine economy, serving as a key engine of growth, employment and international competitiveness. In 2024, services value added represented about 63.2 per cent of the Philippines' GDP, making it the largest contributor among all economic sectors.[5]

The Philippines' commercial services trade expanded significantly between 2015 and 2024. Exports rose from US$ 29.05 billion to US$ 51.95 billion over the period.[6] In 2024, other commercial services accounted for the largest share at US$ 33.66 billion, followed by travel services at US$ 9.71 billion and goods-related services at US$ 5.02 billion.[7] On the import side, commercial services increased from US$ 23.36 billion in 2015 to US$ 37.02 billion in 2024.[8] Of this total, other commercial services represented US$ 16.60 billion, while travel services and transport services amounted to US$ 12.75 billion and US$ 7.44 billion, respectively.[9] Figure 1 illustrates the growth of the Philippines' commercial services trade between 2015 and 2024 and its sectoral composition in 2024.

Digitally delivered services also form a substantial and growing component of the Philippines' services trade. Exports nearly doubled from US$ 11.63 billion in 2015 to US$ 22.97 billion in 2024.[10] In 2024, this category was led by other business services, valued at US$ 14.47 billion, followed by computer services at US$ 7.24 billion, telecommunications services at US$ 0.46 billion and financial services at US$ 0.44 billion.[11] Imports increased from US$ 6.82 billion in 2015 to US$ 15.78 billion in 2024, with other business services comprising the largest share at US$ 8.64 billion. This was followed by financial services at US$ 2.45 billion and insurance and pension services at US$ 2.03 billion.[12] Figure 2 provides an overview of the growth of digitally delivered services trade between 2015 and 2024 and its sectoral composition in 2024.

As of July 2024, the services sector continued to be the top sector in terms of the number of employed persons with a share of 60.8 per cent of the 47.7 million employed persons.[13] In 2018, among the major economic sectors, services accounted for the overwhelming majority, with 298,021 establishments, comprising 89.1 per cent of the total.[14]

GRP commitments in the Philippines' services trade agreements

Since becoming a member of the WTO in 1995, the Philippines has entered into multiple trade agreements that liberalize trade in services. These agreements not only facilitate cross-border services trade but also increasingly incorporate commitments to adopt and implement GRPs.

Figure 1: Commercial services trade between 2015 and 2024, and sectoral composition in 2024

Figure 1.1: Commercial services exports (2015-2024)

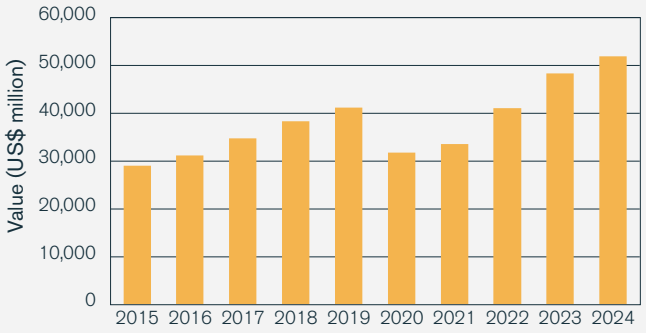


Figure 1.2: Commercial services imports (2015-2024)

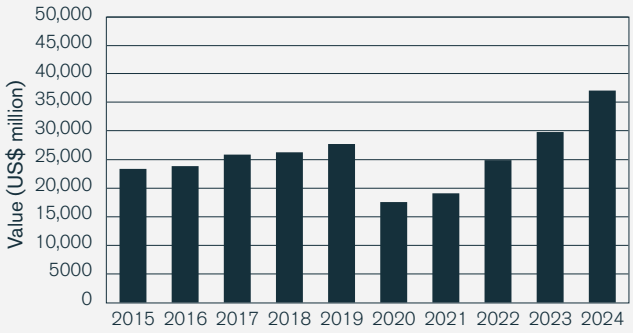
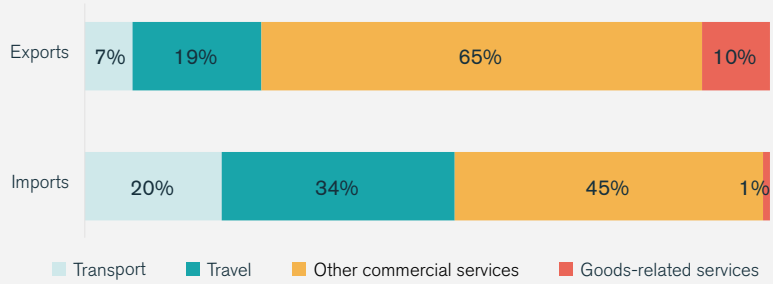


Figure 1.3: Breakdown by main sectors in 2024



Source: WTO, Statistics – Trade in commercial services.

Figure 2: Digitally delivered services trade between 2015 and 2024, and its sectoral composition in 2024

Figure 2.1: Digitally delivered services exports

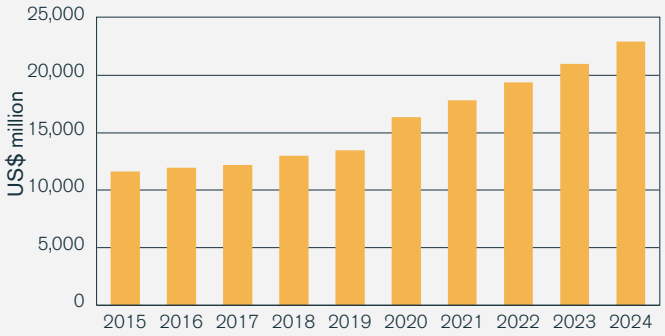


Figure 2.2: Digitally delivered services imports

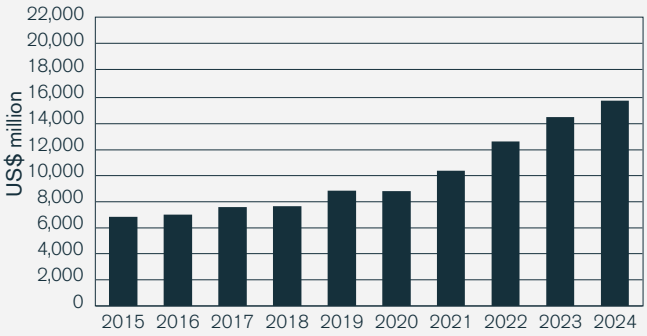


Figure 2.3: Structure of digitally delivered services exports

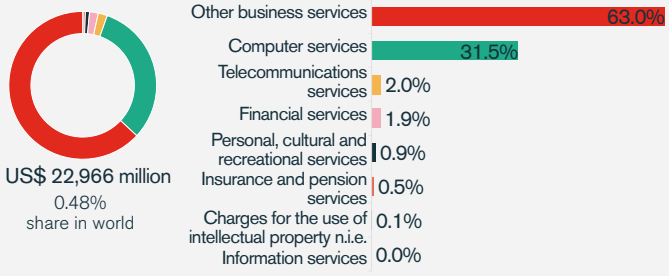
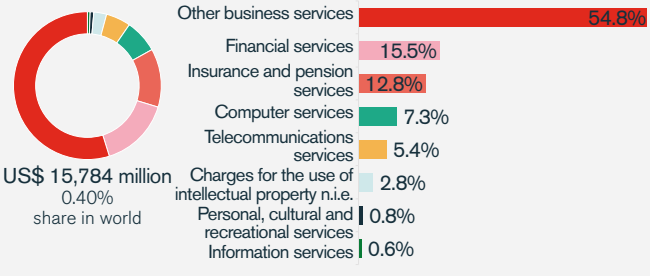


Figure 2.3: Structure of digitally delivered services exports



Source: WTO, Statistics – Digitally delivered services trade dataset.

Through its membership in the ASEAN, the Philippines is party to trade agreements with China, India, Japan, the Republic of Korea, Australia and New Zealand. In November 2020, the Philippines, together with 14 other economies, signed the RCEP – the world's largest free trade agreement.[15] The Philippines also engages as a founding and active participant of APEC.[16] Earlier commitments under these agreements typically incorporated basic GRPs, such as publishing authorization requirements and procedures[17]; providing updates on application status and decisions[18]; allowing applicants to correct minor deficiencies[19]; and ensuring that authorization measures are based on objective and transparent criteria.[20] More recently, the Philippines adopted in its trade agreements more ambitious GRP commitments, such as specifying time frames for processing applications[21]; accepting applications in electronic format and authenticated copies of documents[22]; establishing mechanisms to respond to inquiries from interested parties[23]; and providing opportunities for public comment on proposed regulations.[24] Additionally, in 2018, APEC economies endorsed the *Non-binding Principles for Domestic Regulation of the Services Sector*, which aim to promote transparent, open and efficient regulatory environments for services authorizations.[25]

Further strengthening its commitment to regulatory reforms, the Philippines formally announced its participation in the WTO Joint Initiative on Services Domestic Regulation in November 2021.[26] This engagement aligns with the country's domestic reform efforts and the existing commitments under its PTAs.

Ease of Doing Business reform in the Philippines

In the early 2000s, Filipinos encountered widespread challenges in accessing timely and efficient government services. To start a business, entrepreneurs were required to navigate at least 11 separate procedures with a waiting period of 48 days for approval.[27] These numbers were reflected in the *Doing Business 2007* report of the World Bank, which ranked the Philippines 126th out of 175 economies in terms of the ease of doing business.[28]

Recognizing the urgent need for institutional reform, the Philippine government initiated many legislative and administrative reforms to modernize public sector processes, enhance transparency and reduce red tape. Among these, the *Anti-Red Tape Act* of 2007 (RA 9485)[29] and the *Ease of Doing Business and Efficient Government Service Delivery Act* of 2018 (RA 11032)[30] were enacted to more closely align the Philippines' regulatory system with GRPs for business facilitation and public service delivery.

Anti-Red Tape Act of 2007 (RA 9485)

Signed into law by President Gloria Macapagal-Arroyo on 2 June 2007, RA 9485 was the country's first major legislative step towards reducing bureaucratic inefficiency and improving public service delivery. At its core, the law sought to promote greater transparency by simplifying procedures for frontline services[31], developing clear service standards for every transaction (i.e. "the step-by-step procedure for availing a particular service, and the guaranteed performance level that are to be expected for that service")[32] and communicating these standards to clients, who may be individuals or entities.[33]

The law applied to government offices and agencies, including local government units (LGUs) and government-owned or -controlled corporations (GOCCs) providing frontline services, excluding those performing judicial, quasi-judicial and legislative functions.[34] The agencies responsible for issuing the implementing rules and regulations (IRR) of RA 9485 were the Civil Service Commission (CSC), Office of the Ombudsman (OMB), Presidential Anti-Graft Commission (PAGC), and the Development Academy of the Philippines (DAP).[35]

GRP elements in RA 9485

RA 9485 sought to implement several GRP elements. These include provisions on the Citizen's Charter, application processing, automatic approval mechanism, Report Card Survey and penalties for non-compliance. The key provisions are outlined below.

a. Citizen's Charter[36]

The Citizen's Charter is an official document, a service standard, or a pledge, used by government agencies to communicate government service delivery standards to their citizens.[37] Under RA 9485, it was mandatory for all government agencies to implement the Charter in the form of information billboards and published materials. The Charter had to be posted at the main entrance or in a conspicuous area of the government office and written in English, Filipino or the local dialect.

The purpose of the Charter was to guide clients seeking frontline services from government offices by providing information on (1) the procedures for accessing government services, (2) identifying the officials responsible for each step, (3) stating the maximum processing time for applications, (4) listing the required documents and (5) applicable fees, and (6) explaining the procedure for lodging complaints on decisions.

b. Application processing[38]

RA 9485 required government officers to accept applications and acknowledge receipt of such applications by clearly indicating their full name, working unit and the time of receipt. In addition, the assigned officer was required to perform a preliminary assessment of the application to facilitate processing.

The law set clear deadlines for processing applications. Government offices and agencies were required to act on simple transactions within five working days and on complex transactions within 10 working days from the date of application. The maximum processing time for frontline services could be extended, particularly when the nature of the requested service or the specific mandate of the office or agency would require it under exceptional circumstances. When such extensions were necessary, the adjusted time frame for delivery of a specific frontline service needed to be indicated in the Citizen's Charter. The agency then had to notify the applicant in writing, on a case-by-case basis, of the reason for the extension and the final date of release of the requested service.

Furthermore, no application could be returned to the applicant without any action. In case of rejection (i.e. typically due to failure to meet requirements), the competent office making the decision was required to issue a written notice within five days, state the reason for the rejection and specify any missing requirements. Likewise, any denial of a request for access to a government service (for example, if an application is deemed ineligible or outside the scope of the agency's mandate) had to be fully explained in writing, indicating the name of the officer issuing the denial and the grounds on which the decision was based. To streamline internal procedures, the law also limited the number of required signatories on any document to a maximum of five.

Offices providing frontline services were required to adopt appropriate working schedules to ensure that all clients within their premises would be attended to and served, including during lunch breaks and beyond regular office hours. The law also required the establishment of a public assistance/complaints desk in each office.

c. Automatic extension of existing authorization[39]

In the case of a government agency's failure to act within the prescribed period on an application for renewal of a permit, licence or other form of authorization, the law mandated that the existing authorization be automatically extended until a decision is made. This provision, however, excluded applications related to activities that would pose risks to public health, safety, moral order or public policy.

d. Report Card Survey[40]

To monitor performance of government agencies and ensure their compliance with the provisions of the Citizen's Charter, RA 9485 introduced the Report Card Survey (RCS). The survey was designed to gather public feedback on the actual implementation of the Citizen's Charter and assess how well agencies would deliver the government services. It also aimed to capture information on hidden costs experienced by clients, such as bribes or payments to fixers. The results of these surveys were required to be included in the agencies' annual performance reports.

Implementation of RA 9485

One year after the enactment of RA 9485, the CSC promulgated the IRR of the said law through *Resolution No. 081471*.[41] The promulgation was carried out in collaboration with the DAP, the OMB, and PAGC[42], following a series of consultative meetings with various stakeholders to gather comments and recommendations on the implementation of the law.[43]

Under RA 9485, the CSC, in coordination with DAP, was responsible for overseeing the implementation of the Citizen's Charter across government agencies through the Report Card Survey.[44] In its 2017 report, the CSC found that more than 80 per cent of the offices assessed met the required standards for service delivery.[45] According to the CSC Chairperson, compliance steadily improved over time, with the percentage of offices meeting the required standard increasing from 78 per cent in 2010 to 81.65 per cent in 2017.[46]

Several studies were conducted to examine successes and challenges from the implementation of the Citizen's Charter. For example, one study found that the Bureau of Customs and the Development Corporation in the Clark Freeport Zone – a special economic zone of the Philippines – failed to comply with the requirements to provide information on the procedure for lodging complaints and contact details for submitting feedback.[47]

The overall impact of RA 9485 after a decade of implementation reflected both progress and areas for further improvement. According to the World Bank's *Doing Business* reports, the Philippines improved its ranking from 126th out of 175 economies in 2007 to 99th out of 190 in 2017.[48] Furthermore, while the time required to start a new business was reduced from 48 to 28 days[49], the number of procedures increased from 11 to 16.[50] This indicates that, although processing times improved, the procedures did not necessarily get simpler and less bureaucratic. This may be attributed to the narrow scope of RA 9485, which focused mainly on mandating fixed processing times for frontline services rather than evaluating the appropriateness of the underlying regulatory requirements themselves.[51]

Ease of Doing Business and Efficient Government Service Delivery Act of 2018

In response to public demand for an even more efficient, accessible and transparent system for business registrations and other public service transactions, President Rodrigo Roa Duterte signed the *Ease of Doing Business and Efficient Government Service Delivery Act* (RA 11032) into law on 28 May 2018. This landmark legislation was also seen as a necessary step towards boosting the Philippines' competitiveness within the Southeast Asian region by creating a more business-friendly environment conducive to attracting foreign suppliers and investors.[52]

Strengthened GRP elements in RA 11032

RA 11032 significantly expanded and deepened the integration of GRP elements into the legal framework established by RA 9485. The new law is broader in terms of scope and applies to all government offices and agencies, including LGUs, GOCCs and other government instrumentalities, whether in the Philippines or abroad.[53] At the core of the law is the creation of the Anti-Red Tape Authority (ARTA), which serves as the oversight body responsible for ensuring effective implementation of the law. In addition to updating the key provisions of RA 9485, RA 11032 introduces several new and important legal requirements. These key provisions are presented in the following sections (see Figure 4 for a summary of these provisions).

The Anti-Red Tape Authority

The creation of ARTA is perhaps the most salient feature of RA 11032, particularly given that earlier efforts to establish an oversight body for regulatory reform in the Philippines had not been successful.[54] According to Section 17 of the law, the Authority is attached to the Office of the President and mandated to ensure that the law's objectives are attained.[55] ARTA has 13 formal powers and functions[56], which can be grouped into two main categories: empowerment and enforcement (Figure 3).[57]

ARTA's empowerment functions focus on simplifying procedures, removing unnecessary requirements and promoting transparent, efficient and inclusive service delivery.[58] ARTA works closely with NGAs, LGUs and stakeholders to implement reform initiatives, conduct RIAs and support digital transformation.[59]

At the same time, ARTA exercises a strong enforcement mandate to uphold compliance with RA 11032. It monitors government agency performance, handles public complaints about red tape and inefficiencies and recommends sanctions for officials who fail to meet service standards.[60] By facilitating accountability through investigations and case referrals to the CSC and the OMB, ARTA ensures that government institutions are held responsible for delivering timely and effective services.[61]

Enhanced Citizen's Charter[62]

The requirements of the Citizen's Charter are enhanced in RA 11032. All government agencies are mandated not only to set up the Charter in physical form and display it in the most conspicuous area of the office, but also to publish the most current and updated version of the Charter on the agency's respective website.

Furthermore, RA 11032 requires that the Charter include a comprehensive and uniform checklist of requirements for each type of application or request. This is in addition to the pieces of information on procedures, responsible personnel, maximum processing time, required documents, applicable fees and the procedure for filing complaints, which were already required under RA 9485.

Figure 3: ARTA's powers and functions

EMPOWERMENT

Equipping citizens and businesses with tools to demand simpler, faster, and more transparent services

ENFORCEMENT

Holding agencies accountable for red-tape practices

Powers and functions

- Oversee national EoDB and anti-red tape policy
- Implement EoDB and anti-red tape initiatives
- Recommend policies, processes, systems to improve regulatory management and increase efficiency of business licensing agencies
- Review proposed major regulations of government agencies by using RIAs
- Build capacity of national government agencies (NGAs) and LGUs through regulatory management training programmes
- Consult with other agencies to develop regulatory management manuals
- Provide technical assistance and advisory opinion to government agencies in the review of proposed regulations
- Ensure public access to information on regulatory management system and changes in laws and regulations
- Coordinate with and mobilize support from other agencies in the implementation of ARTA's powers and functions
- Monitor agencies' compliance and issue warning to non-complying government agencies
- Investigate, on its own initiative or upon receipt of a complaint; refer to competent agency, or file cases for violations of the law
- Assist complainants in filing cases with competent authorities
- Take other necessary actions to attain the objectives of the law

Source: WTO/World Bank, based on Section 17 of RA 9485 (amended by RA 11032).

Beyond being a transparency tool, the Citizen's Charter also serves as a basis for holding government offices accountable for imposing additional requirements or costs not explicitly indicated therein.

Application processing[63]

In addition to the mandatory acknowledgement of receipt and preliminary assessment of application upon receipt provided under RA 9485, RA 11032 requires the receiving officer to assign a unique identification number to each application, which serves as a permanent identifier for the transaction. It also enables both the agency and the applicant to track progress through every stage of the application process.

RA 11032 also introduces stricter time frames for processing applications. Simple transactions are now to be completed within three working days, while complex ones are to be resolved within seven working days. Applications involving highly technical evaluations or issues of public health, safety, or policy shall be completed within a maximum of 20 working days.

Unlike the previous law, RA 11032 allows for only one extension of processing time, which is of equal duration to the original period and indicated in the Citizen's Charter. The competent agency is required to notify the applicant if such an extension applies to the specific case in writing, prior to the expiration of the first deadline. The written notice shall also include the reason for the delay and a definitive date for the release of the requested service.

Furthermore, all agencies are encouraged to produce electronic versions of authorizations, which are considered equivalent to hard-copy versions. The maximum number of signatures of responsible officers is reduced from five to three and the use of electronic signatures is permissible, provided that appropriate security and control mechanisms are in place.

Extended automatic approval[64]

While the automatic approval mechanism only applied to requests for extension of authorization under RA 9485, under RA 11032 this mechanism extends to also cover

original applications. Accordingly, if an agency fails to decide on an application for authorization within the set processing time and the applicant has submitted all required documents and paid all fees, the application is deemed approved. In such a case, the receipt of acknowledgement together with the receipt of payment issued to the applicant serve as valid proof of authorization.

Zero-contact policy[65]

A new feature introduced in RA 11032 is the implementation of the zero-contact policy. Accordingly, no government officer is permitted to communicate with an applicant once the initial assessment and validation of submitted requirements have been completed, unless such contact is deemed strictly necessary. All related transactions shall be carried out through a web-based software-enabled business registration system developed by the Department of Information and Communications Technology (DICT).

Single unified business application form[66]

The requirement of a single or unified business application form, which was not present in RA 9485, is introduced under RA 11032. Pursuant to this provision, LGUs are mandated to use a single or unified business application form for both new applications and renewals. This form is intended to consolidate all information required by various local departments, including information relating to taxation, zoning, sanitation and fire safety, into one application form to reduce the need for multiple submissions. The law further provides that the unified form must be made available both in physical form in designated office areas as well as online, through technology-neutral platforms, such as the central business portal or LGUs' websites.

Business One-Stop Shop (BOSS)[67]

In line with the new provision on a single unified business application form, RA 11032 mandates LGUs to establish a BOSS. This mechanism is designed to streamline the processing of local business authorizations by consolidating the functions of various LGU offices, such as those handling treasury, zoning, building, sanitation and fire safety, into a single location. For example, a bank would be required to submit its application for a banking licence directly to the Central Bank, but it would act through the BOSS to request any required local branch office authorization. Through the BOSS, applicants may submit the application form either manually or electronically, and the necessary authorizations are processed collectively by co-located offices.

The law further requires LGUs to automate their business permitting and licensing system or set up an electronic BOSS (eBOSS) within 3 years from the entry into force of the law. The detailed operational requirements for eBOSS are provided in the *ARTA-DILG-DICT-DTI Joint Memorandum Circular No. 1*, Series of 2021.[68] Pursuant to Section 8.3.1 of the Circular, the gold standard for a one-step, end-to-end digital authorization process through an eBOSS requires the system to accept electronic submission of applications using a unified application form, support digital payments, issue authorizations electronically, and provide a gateway facility linked to courier services for applicants who prefer to receive hard copies. It must also ensure that a customer support system is available, at a minimum, during working hours.

Central business portal[69]

RA 11032 mandates the establishment of a central business portal (CBP), which functions as a central system for receiving and capturing application data of business-related transactions, including primary authorizations handled at the national level and secondary authorizations issued by LGUs. The CBP may also provide links to the NGA's online registration systems.

In June 2022, the CBP was relaunched as the Philippine Business Hub (PBH).[70] Currently, the PBH platform allows new enterprises to register, obtain a tax identification number, and register as an employer with the social-insurance agencies.[71] After these national registrations are completed via the PBH, businesses can then proceed to obtain the permits required at the local level through the LGU's BOSS or, where available, the eBOSS.

The functionality of the eBOSS will be significantly enhanced when it is integrated with the CBP/PBH, as local business-permitting processes and national-level registrations will be able to be carried out in a unified, end-to-end system.[72] DICT is mandated to develop rules and guidelines for the operation of the portal in consultation with the National Privacy Commission, NGAs and LGUs. DICT is also tasked with developing interconnectivity infrastructure among NGAs and LGUs and leading public awareness campaigns about the CBP to promote its use and benefits.

Philippine Business Databank[73]

Another feature introduced in RA 11032 is the establishment of the Philippine Business Databank (PBD), which is a government-managed database providing NGAs and LGUs with access to verified information on legal existence, registration status and other relevant details of businesses. Government agencies with access to the PBD must not require applicants to resubmit documents that are already available in the system. Instead, required information must be retrieved and crosschecked directly through the PBD.

At the local level, business process and licensing offices are prohibited from requiring previously submitted documents, such as tax clearances, occupancy permits, or neighbourhood clearances, if these have already been presented to other departments in connection with other business-related authorizations. Within one year from the entry into force of the law, DICT is mandated, in collaboration with other agencies, to develop, maintain, and operate the PBD.

Report Card Survey[74]

The provision on Report Card Survey has been upgraded in RA 11032. Now conducted by ARTA in collaboration with the Philippine Statistics Authority (PSA), the survey's scope is expanded to assess not only agencies' compliance with the Citizen's Charter but also their adherence to the broader requirements of the law. Furthermore, it also serves as a tool for recognizing high-performing agencies: the survey's results can indeed be used as a basis for granting awards, incentives and recognition for excellent service delivery, which adds a motivational element to compliance and performance improvement.

Figure 4: GRP elements embedded in RA 11032

Citizen's Charter

A publicly available service standard detailing:

- Complete checklist of requirements for each type of application.
- Steps to obtain a particular service.
- Responsible person(s) for each step.
- Maximum time to complete an application.
- Document(s) required.
- Fee(s) required.
- Procedure for filing complaints.

Application processing

- Preliminary assessment and acknowledgement of receive required upon submission.
- Application deficiencies must be communicated to applicant during preliminary assessment.
- Rejections must be justified and notified to the applicant.

Processing time limit

- Three working days for simple transactions.
- Seven working days for complex transactions.
- Twenty business days for highly technical transactions.

One-time extension is allowed if indicated in the Citizen's Charter and notified in writing with reason for delay and release date.

Automatic approval

Original application or request for extension of authorization is deemed approved if the competent authority fails to process within the time limit.

Electronic business one-stop shop (eBOSS)

Streamlining the processing of local business authorizations by consolidating the functions of various LGU offices, including those dealing with business licensing, treasury, fire safety and construction.

Central Business Portal (CBP) and Philippines Business Data Bank (PBD)

- CBP serves as a central system to receive and capture data for business transactions, including authorizations from LGUs, and may link to online application systems of NGAs.
- PBD serves as a repository of data on registered businesses, which can be used by NGAs and LGUs for verification purposes.

Single unified application form

A streamlined form for business authorization applications that consolidates all required information required by various LGU departments, including those dealing with treasury, zoning, sanitary and fire safety.

ARTA

Anti-Red Tape Authority

- Empowers agencies to improve efficiency in services delivery.
- Enforces compliance with the provisions of RA 11032.

Electronic authorization and signature

- Issuance of electronic authorization is encouraged.
- Maximum of three signatories per authorization document.
- Electronic signatures are allowed.

Public assistance/complaints desk

Each government agency must set up a public assistance/complaints desk in their offices.

Zero-contact policy

No contact between government personnel and applicants allowed after preliminary assessment, unless strictly necessary.

Source: WTO/World Bank, based on relevant provisions of RA 11032.

Implementation of RA 11032

To translate the broad mandate of RA 11032 into concrete actions, a series of memorandum circulars were issued to provide detailed guidance on the implementation of specific provisions of the law. The implementation of RA 11032 embraces a whole-of-government approach, which requires close collaboration among government agencies.[75] The implementation of the GRP elements embedded in RA 11032 will be discussed in the subsections that follow.

a. Implementation of the Citizen's Charter

In accordance with *ARTA Memorandum Circular No. 2019-002*[76], the Compliance Monitoring and Evaluation Office (CMEO) of ARTA provides a handbook template to guide agencies in preparing complete, accurate and standardized Citizen's Charters.[77] As of 31 December 2023, 10,724 out of 11,286 government agencies and LGUs had completed and submitted their Citizen's Charters.[78] This translates to a 95.02 per cent compliance rate and exceeds ARTA's target of 9,456 submissions for 2023.[79]

To ensure agencies' compliance with the law's requirement, the CMEO regularly conducts inspections to evaluate completeness and proper display of the Citizen's Charters in the form of information billboards, handbooks and online copies.[80] The CMEO also facilitates orientation sessions for government agencies to deepen their understanding of RA 11032's requirements.[81]

b. Implementation of the Report Card Survey

The implementing guidelines for the Report Card Survey are provided through Memorandum Circulars No. 2022-04[82] and 2023-04.[83] To ensure objectivity and credibility of the survey, ARTA contracted People Dynamics, Inc. as a third-party provider to develop and implement the survey instruments across participating offices.[84]

Initially piloted in September 2022 with 50 participating agencies[85], the Report Card Survey 2.0 moved into first cycle implementation in November 2023.[86] During this phase, the survey attempted to expand its reach to 860 government offices nationwide. Despite the large-scale rollout, only 740 offices, i.e. 86 per cent of the total agencies, were successfully surveyed. The remaining 120 agencies, accounting for 14 per cent of the targeted pool, were not assessed due to lack of data.[87] To complete the first cycle, 904 agencies were subjected to the 2024 Report Card Survey 2.0 implementation.[88] Out of these 904 agencies, 868 agencies successfully surveyed and 36 agencies did not obtain complete scores due to incomplete data.[89]

ARTA's report on the 2024 implementation of Survey 2.0 presents a mixed landscape of government service delivery. Only 227 agencies (around 26 per cent) were rated at least "compliant", meaning they met the minimum standards set under RA 11032. Within this group, 99 agencies obtained a "compliant" rating, 69 achieved a "satisfactory" rating (reflecting basic service delivery that nonetheless leaves room for improvement), 49 were rated "very satisfactory", and 10 agencies distinguished themselves by earning the highest classification of "excellent". By contrast, 641 agencies (around 74 per cent) fell below the minimum standard: 106 agencies were marked "needs improvement", and 535 were categorized as "requires thorough review of RA 11032 requirements", indicating significant shortcomings in service quality and legal compliance. Compared with 2023, when 96 agencies were rated "very satisfactory," 64 "excellent", 83 "needs improvement", and 311 "requires thorough review", the 2024 results reflect a deterioration in both service quality and compliance under RA 11032.

c. Implementation of the eBOSS

As mentioned above, all LGUs were required to setup eBOSS within three years from the date the law took effect – a deadline that lapsed on 17 June 2021.[90] However, as of 31 December 2023, progress towards full implementation remained limited, with only 19 LGUs (1 per cent of all 1,634 LGUs nationwide) having established fully automated eBOSS systems, and an additional 611 LGUs (37.45 per cent) achieving partial automation.[91] According to ARTA, by end-2024, 112 LGUs had fully implemented end-to-end eBOSS systems[92], and this figure rose to 115 LGUs by May 2025.[93]

It has been noted that one major reason for the delay in compliance was the issue of connectivity.[94] Smaller LGUs, particularly those in remote areas or those separated from business centres by seas, mountains or rugged terrain, often lacked the basic digital infrastructure necessary to support automation.[95] Recognizing this challenge, ARTA engaged with telecommunications companies and tower providers to develop a collaborative solution.[96] The resulting

arrangement encouraged LGUs to streamline their internal permitting processes to hasten the construction of telecom infrastructure in return for the prioritized delivery of connectivity services to their localities.[97]

d. Implementation of CBP/PBH

As already mentioned, in June 2022, the CBP was relaunched under the new banner of the PBH.[98] The latter was further improved through ARTA's Business Process Mapping (BPM) project, which involved mapping all permits and licences throughout the business lifecycle for integration into the PBH.[99] According to ARTA, the implementation of the PBH shortened the time required to register a business to just three days and six procedural steps.[100]

By December 2022, the PBH had facilitated the registration of 13,237 corporations and 9,994 sole proprietorships. The momentum continued into the following year.[101] By 15 December 2023, the PBH had recorded a substantial increase, with 37,395 corporate registrations and 15,403 sole proprietorship registrations processed through the system.[102] In addition, the PBH also processed 8,658 registrations for the Philippine Health Insurance Corporation, 9,704 for the Home Development Mutual Fund, and 10,127 for the Social Security System, as well as 11,381 tax identification numbers. These figures reflect the growing reliance on the PBH as a central hub for business-related transactions in the Philippines.

e. Complaint resolution

With a dedicated team of approximately 70 personnel, including the Contact of Service in ARTA's Legal Department, the Office of the Deputy Director General for Legal is tasked with addressing all complaints received. As of 31 December 2023, ARTA had received a total of 16,099 initial complaints. Of these, 15,898 were either resolved or referred to the appropriate government agencies for further action. Notably, four cases resulted in convictions for violating provisions of RA 11032. This translates to a remarkable complaint closure rate of 98.75 per cent.[103]

However, ARTA encountered certain challenges in its complaint resolution efforts. In its 2022 report, the Commission on Audit (COA) noted areas where improvements could be made, particularly in the timeliness of resolving cases. While ARTA's procedures were designed to ensure prompt action, a few cases took ARTA over 100 days to resolve.[104] COA also pointed out opportunities to strengthen documentation practices[105] and suggested ARTA review its current guidelines.[106] ARTA explained that some delays were related to the deferment of its electronic complaints management system, an initiative introduced in 2022 by the previous administration.[107] Due to budgetary constraints, full implementation of the system had to be postponed, which affected efforts to streamline and monitor complaints handling more effectively.[108]

Other highlighted reform initiatives

The Philippine government has undertaken various initiatives to further embed GRP elements across public institutions. One of the flagship initiatives in this respect is the National Effort for the Harmonization of Efficient Measures of Inter-Related Agencies (NEHEMIA) programme, which seeks to promote a whole-of-government approach to regulatory simplification and efficiency. The programme targets critical sectors such as common towers in telecommunications infrastructure and interconnectivity, housing, food and pharmaceuticals, logistics, and energy.[109] The goal of the programme was to reduce by at least 52 per cent the time, cost, requirements and procedures associated with securing government approvals within a 52-week period.[110]

Parallel to sectoral streamlining efforts, ARTA issued several policy frameworks and manuals to institutionalize regulatory best practices. Notably, the *Philippine Good Regulatory Principles* (PGRP) were issued to provide a foundational guide on how government agencies should regulate.[111] Ten core principles have been identified: clarity in policy rationale; legal and empirical basis; benefits versus costs; assessment of alternative options through RIA; stakeholder engagement; policy coherence; whole-of-government approach; continuous evaluation of regulations' relevance, efficiency and effectiveness; regulations' compatibility with competition, trade and investment-facilitation; and risk management at every stage of the decision-making process.

Alongside the PGRP, ARTA released the *RIA Manual*, which provides government agencies with a structured methodology for conducting RIA to ensure the quality of existing and proposed regulations.[112] Additionally, the *National Policy on Regulatory Management System* (NPRMS) was issued to promote the adoption of a systematized approach to managing regulations in the Philippines. It provides a common framework on

GRPs, as well as establishing institutional arrangements and coordinating all regulatory activities across government.[113] The NPRMS aims to ensure that all proposed and existing regulations are rational, fit-for-purpose and do not impose undue regulatory burden and cost on stakeholders.

Further to the strong political commitment to regulatory reform, President Ferdinand R. Marcos Jr. proclaimed the month of May as the official EoDB Month through a presidential declaration issued in March 2025.[114] EoDB Month serves as a platform to raise public awareness, showcase reform achievements and renew inter-agency collaboration under the whole-of-government approach mandated by RA 11032.

During the first EoDB Month, ARTA launched the first *Philippine EoDB Reform Guidebook*, which was developed in collaboration with government agencies and private sector stakeholders.[115] The Guidebook sets out priority reform areas and provides an implementation road map aligned with the EODB agenda. It is designed to serve as a reference document for policymakers, government offices and industry actors involved in efforts to improve the country's business environment.

Public impact

Over the course of approximately six years, the implementation of RA 11032 has produced measurable public impacts as reflected in the World Bank's first *Business Ready (B-Ready)* report, issued in 2024.[116] The Philippines achieved a ranking within the top 20 of 50 assessed economies. The evaluation covered three principal areas critical to the ease of doing business: the quality of regulatory framework and public services, and operational efficiency within the business environment. In these areas, the Philippines ranked 16th, 24th and 46th respectively.[117]

These results highlight both progress and areas that require further attention. The country's strong performance in its regulatory framework underscores the impact that initiatives such as streamlined licensing procedures, the establishment of one-stop shops and the digitalization of business-related services make. Meanwhile, the mid-range ranking in public services and the relatively lower performance in operational efficiency point to ongoing challenges in service delivery and institutional coordination that need to be addressed to fully realize the goals of RA 11032.

Technical assistance

The rollout and implementation of RA 11032 have been bolstered by the support of the Philippines' development partners and international organizations. Among these, New Zealand emerged as a key partner in the country's EoDB reform[118] that eventually led to a formal partnership with ARTA in 2021.[119] The partnership aimed to advance EoDB initiatives on e-governance, capacity building, regulatory management, data-sharing across government agencies and public awareness campaigns in the Philippines.[120]

Through the Improving Business Environment for Prosperity programme, the World Bank Group advised the Philippines on the implementation of RA 11032 and produced benchmarking reports that analysed the legal powers and organizational structure of ARTA against those of 13 regulatory oversight bodies from various other countries.[121] The programme also contributed to the implementation of several key provisions of the Act, particularly those related to the Citizens' Charter, process reengineering, report card surveys, and the establishment of complaints referral and feedback mechanisms.[122] The World Bank also supported the development of the *Philippine EoDB Reform Guidebook*.[123]

Furthermore, in partnership with the UK[124], ARTA developed the PGRP through the review and adoption of established principles from the 2012 OECD *Recommendation of the Council on Regulatory Policy and Governance*[125], the *ASEAN Guidelines on Good Regulatory Practices*[126] and the UK *Regulators' Code*.[127] The formulation of the *RIA Manual* also benefited from the technical assistance provided by USAID.[128]

Next steps in strengthening the EoDB reform

Building on its initial successes, the Philippine government is committed to making even greater strides towards a more efficient, transparent and responsive public services delivery. Several key next steps for advancing the EoDB reform in the country have been identified in ARTA's Accomplishment Reports[129] and the National Economic and Development Authority's *Philippine Development Plan 2023-2028*.[130]

Expediting automation and streamlining for business authorization processes

NGAs and LGUs will fully operationalize existing initiatives aimed at automating and streamlining government services.[131] Central to this effort is the integration of LGU

and NGA processes into the PBH and the PBD, enabling information-sharing among agencies, digital payment of fees, and the issuance of electronic certificates, permits and licences.[132] The PBH is expected not only to ease compliance with regulatory and licensing requirements throughout the entire life cycle of a business – from initial registration to eventual closure – but also to support business in making necessary changes to their purposes or re-aligning their operations in response to evolving market opportunities and challenges.[133]

In parallel, ARTA is scaling up its efforts to onboard additional LGUs into the eBOSS system; ARTA has set an ambitious target to bring more than 200 new LGUs into the eBOSS network, aiming to surpass 300 fully compliant LGUs nationwide by the end of 2025.[134]

Continuing to eliminate redundant requirements and increasing regulation quality

Under the stewardship of ARTA and DICT, both NGAs and LGUs will intensify efforts to eliminate redundant, duplicative and unnecessary permits and licensing requirements.[135] ARTA will remain steadfast in promoting a whole-of-government approach to regulatory reform and will continue the NEHEMIA programme to streamline regulatory processes in priority sectors, including transportation, telecommunications infrastructure and financial technology.[136]

This work will be complemented by the Modernizing Government Regulations Program led by DAP, NEDA and the Department of Budget and Management, which reviews and streamlines existing regulations with the goal of reducing compliance costs and improving GRPs across NGAs and LGUs.[137]

To reinforce regulatory efficiency and coherence, the government will also implement the NPRMS. Building capacity for NPRMS implementation will be prioritized across NGAs and LGUs.[138] As part of this effort, the Philippine Business Regulations Information System, a web-based platform that ensures the dissemination of and access to information on regulatory management and changes in laws and regulations, will likewise be rolled out.[139]

Strengthening monitoring and evaluation mechanisms

The Philippine Ease of Doing Business (PH EoDB) Reporting System is to be established.[140] This system will adopt localized methodologies and criteria for evaluating the quality of regulatory practices in relation to their adherence to the PGRP and the compliance of government agencies with RA 11032.[141] Furthermore, the system will provide a baseline for identifying and reporting EoDB reform initiatives and introduce incentive mechanisms linked to agency performance.[142] In February 2025, the PSA granted clearance for the conduct of the PH EoDB Reporting System. Data will be collected from six NGAs and 321 LGUs, on all officially required procedures, as well as those commonly practised, along with the time and cost necessary for an entrepreneur to start and formally operate a business in the country. Findings are expected in late 2025.[143]

Enhancing engagement with domestic and international stakeholders

Recognizing that meaningful reform requires active collaboration with a broad network of partners, ARTA will strengthen its engagement with stakeholders across the country and around the world to promote shared learning, build consensus and advance regulatory improvements.[144] Through various initiatives, ARTA aims to create inclusive platforms for dialogue, encourage the exchange of best practices and foster stronger partnerships in support of the EoDB agenda.[145]

Lessons learned

The journey of the Philippines' EoDB reform through the implementation of RA 9485 to RA 11032 offers valuable insights on successes and challenges of regulatory reform. It demonstrates the incremental nature of institutional change, the central role of GRPs, and the enduring efforts of building a responsive, efficient and citizen-centred bureaucracy. Several key lessons emerge from this experience:

1. A progressive and evolving legal framework is essential

RA 9485 laid the groundwork for service standardization and transparency but was limited in scope. RA 11032 built on this foundation by embedding broader regulatory principles and creating a more holistic reform architecture. This progression underscores the importance of continuously updating legal frameworks to deepen and institutionalize reform.

2. Central oversight must be matched with operational capacity

The establishment of ARTA under RA 11032 was a major advancement, providing centralized leadership for reform. However, challenges in complaint resolution and monitoring capacity revealed that strong legal mandates must be supported by sufficient resources, staffing and operational readiness to be fully effective.

3. Digital tools transform service delivery, but infrastructure gaps must be addressed

The rollout of digital platforms such as the PBH and eBOSS accelerated reform implementation and improved service delivery. Yet, many rural and remote LGUs struggled due to limited connectivity and technological readiness, highlighting the need for parallel investment in digital infrastructure and capacity-building.

4. Standardization must be balanced with flexibility

While national standards ensure uniformity and predictability, the diversity in local government capacity calls for adaptable approaches. Effective reform must allow for localized implementation strategies while upholding core service delivery principles.

5. Feedback mechanisms are critical for adaptive reform

Tools such as the RCS have provided essential data on performance, bottlenecks and public satisfaction. These mechanisms have helped calibrate interventions and build public trust, demonstrating the value of continuous, institutionalized feedback loops in maintaining reform momentum.

6. International partnerships can accelerate change

Technical assistance from partners such as New Zealand, the World Bank and the United Kingdom played a catalytic role in supporting regulatory management, capacity development and the adoption of international best practices. Strategic collaboration with development partners can significantly enhance reform impact and sustainability in the long run.

7. Reform is most effective when pursued collaboratively across sectors and levels of society

Fragmented efforts yield limited results, while broad, coordinated initiatives are more likely to produce lasting, system-wide change. The Philippines' experience underscores the importance of collective action across government institutions, local authorities and the wider public in driving meaningful and sustainable reform.

Conclusion

The evolution of the Philippines towards regulatory reform tells a story of steady, deliberate progress in building a government that is more responsive, transparent and effective. Through the *Anti-Red Tape Act* of 2007 and the *Ease of Doing Business and Efficient Government Service Delivery Act* of 2018, the government has made tangible strides in reducing administrative burdens and enhancing the accessibility of public services. These reforms, rooted in GRPs, reflect a vision of regulation not as an obstacle, but as an instrument for inclusion, innovation and progress.

Key innovations, such as the establishment of the ARTA, the rollout of digital platforms, and the use of performance monitoring tools, have contributed to a gradual shift in government culture towards greater transparency and accountability. Yet, like any long-term reform effort, the path has not been without its challenges. Variations in implementation across local governments, gaps in digital infrastructure, and the need for stronger coordination highlight the complexities of systemic change.

Still, the Philippine experience offers a hopeful and grounded lesson: that meaningful reform is possible when driven by clear purpose, inclusive engagement and a willingness to learn and adapt. The government's ongoing efforts to strengthen regulatory governance may serve as a valuable reference for others on similar paths. As reforms continue to take root and evolve, they hold the potential to shape a more equitable, dynamic and citizen-centred future for the Philippines.

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Case study

Thailand

Ease of Doing Business reforms

1. Overview
2. Thailand's economy and the importance of the services sector
3. GRP commitments in Thailand's services trade agreements
4. Ease of Doing Business reforms in Thailand
5. Next steps
6. Lessons learned
7. Conclusion

Overview

Over the past decade, Thailand has undertaken a comprehensive reform agenda to enhance regulatory transparency, simplify administrative procedures and improve the overall ease of doing business in the country. Spurred by critical findings from international assessments and domestic legal reviews, the Thai government sought to move away from a legacy of control-based regulation and towards a more service-oriented model of governance. Beginning in 2015, a suite of legal and institutional reforms laid the groundwork for embedding GRPs across the public sector.

This case study examines the evolution and implementation of Thailand's ease of doing business (EoDB) reforms, focusing on the legislative and policy tools used to institutionalize GRPs, including the *Licensing Facilitation Act 2015, the Rules on Legislative Drafting and Evaluation of the Outcomes of Law Act 2019, the Constitution of the Kingdom of Thailand 2017, the Digitalization of Public Administration and Services Delivery Act 2019, and the Act on Carrying Out of Public Services via Electronic Means 2022.* It also explores the operationalization of these reforms through the establishment of digital platforms and regulatory streamlining initiatives. Finally, the study considers the ongoing challenges of implementation and reflects on broader lessons. Thailand's experience offers interesting insights on building a transparent, efficient and user-focused regulatory system.

Thailand's economy and the importance of the services sector

Thailand's economic trajectory reflects a successful shift from agricultural dependence to a modern, industrial and export-led economy.[1] Over the past two decades, the services sector has emerged as a cornerstone of the Thai economy. Since 2020, Thailand has experienced a deficit in trade in services. This deficit was driven by the collapse of tourism following the COVID-19 pandemic, which led to a sharp fall in travel service exports. The tourism industry has gradually recovered but travel service exports have not yet reached their pre-pandemic levels.

In 2024, Thailand generated US$ 526.41 billion in GDP[2], of which the services sector accounted for 59.2 per cent of total value added.[3] Service exports were valued at around US$ 71.36 billion, while service imports reached US$ 73.33 billion.[4] Exports were headed by travel services at US$ 42.69 billion, followed by other commercial services at US$ 21.08 billion and transport services at US$ 7.58 billion. On the import side, other commercial services reached US$ 34.62 billion, transport US$ 23.01 billion, and travel US$ 15.70 billion. Figure 1 shows the development of Thailand's commercial services trade between 2015 and 2024 and its sectoral distribution in 2024.

Between 2019 and 2024, Thailand experienced strong growth in digital trade, outpacing the global average and despite starting from a relatively low base. Over this period, exports of digitally delivered services nearly doubled, from US$ 9.67 billion to US$ 17.60 billion in 2024, while imports increased from US$ 22.36 billion to US$ 33.37 billion.[5] Figure 2 depicts the 2015–2024 growth of Thailand's digitally delivered services trade and its 2024 sectoral structure.

In terms of employment, about half of all Thai workers are employed in the services sector. The National Economic and Social Development Council (NESDC) of Thailand reported that, in 2022, the services sector employed 20.8 million people (53 per cent of total employment).[6]

GRP commitments in Thailand's services trade agreements

Since joining the WTO in 1995, Thailand has actively pursued the liberalization of services trade through a series of bilateral and regional trade agreements. The latter have increasingly placed emphasis on the adoption and implementation of GRPs to promote transparency, administrative efficiency and regulatory predictability of trading relations. As a member of ASEAN, Thailand has entered into PTAs with several major economies, including Australia, China, India, Japan, New Zealand and the Republic of Korea. In January 2022, Thailand further deepened its regional integration with the entry into force of the RCEP.[7]

Thailand's earlier trade agreements generally incorporated basic elements of GRPs, including the obligation to publish information on licensing procedures and requirements[8], inform applicants of the status and outcome of their applications[9], permit the correction of minor errors[10], and decide on authorization

Figure 1: Commercial services trade between 2015 and 2024, and sectoral composition in 2024

Figure 1.1: Commercial services exports (2015-2024)

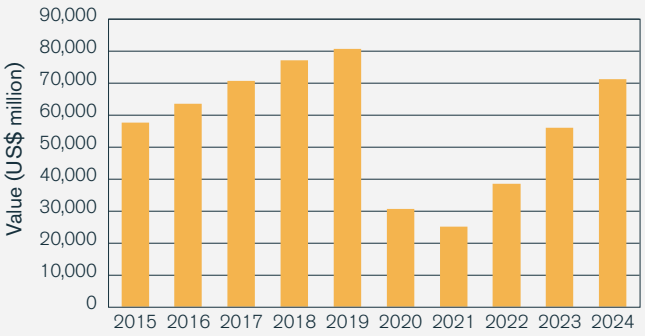


Figure 1.2: Commercial services imports (2015-2024)

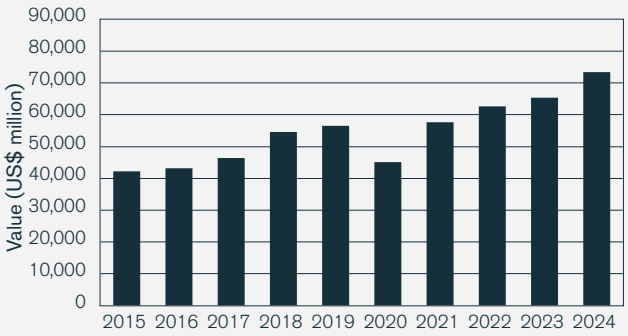
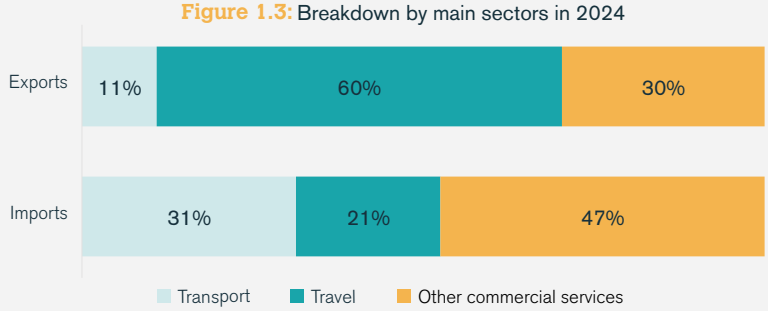


Figure 1.3: Breakdown by main sectors in 2024



Source: WTO, Statistics – Trade in commercial services.

Figure 2: Digitally delivered services trade between 2015 and 2024,and its sectoral composition in 2024

Figure 2.1: Digitally delivered services exports

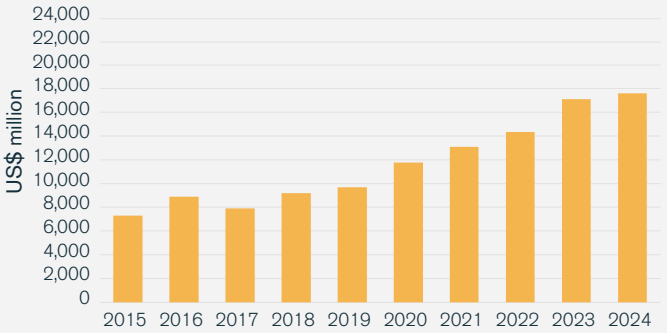


Figure 2.2: Digitally delivered services imports

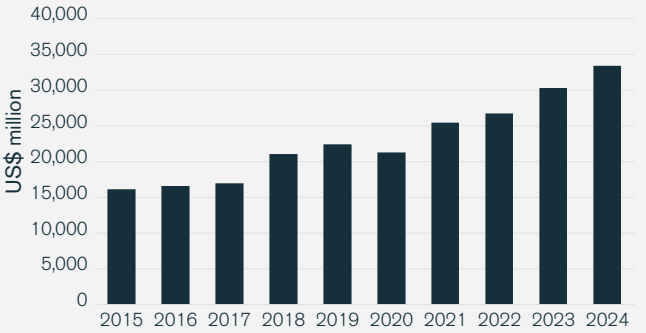


Figure 2.3: Structure of digitally delivered services exports

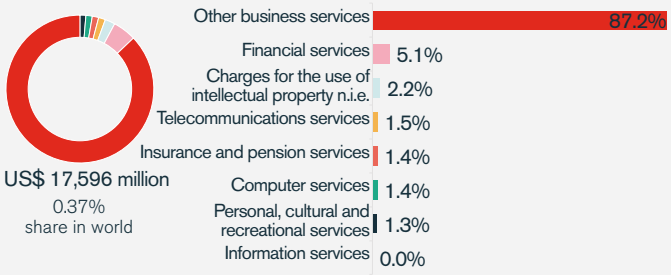
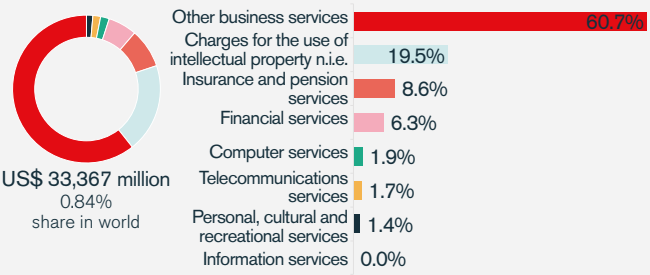


Figure 2.3: Structure of digitally delivered services exports



Source: WTO, Statistics – Digitally delivered services trade dataset.

applications based on transparent and objective standards.[11] More recent agreements, such as RCEP and certain ASEAN+1 PTAs, mark a notable shift toward incorporating more robust GRP provisions. These include commitments on establishing indicative time frames for processing applications[12], acceptance of electronic submissions[13], and reasonable opportunity for public comments on proposed regulatory measures.[14]

In 2018, together with other APEC member economies, Thailand endorsed the APEC *Non-binding Principles for Domestic Regulation of the Services Sector*.[15] These principles encourage the adoption of GRPs, such as publication of information, administrative efficiency and stakeholder consultation, to foster a more open, efficient and predictable regulatory environment for services trade across the APEC region.

At the WTO, in 2024, Thailand adopted the SDR Disciplines in its schedule of specific commitments.[16] This underscores Thailand's commitment to enhancing the quality and coherence of its domestic regulatory frameworks in a manner consistent with internationally agreed rules.

Ease of Doing Business reforms in Thailand

Prior to 2014, with the ambition of enhancing the country's investment and business prospects, successive Thai governments had heavily invested in hard infrastructure, such as roads, power grids, airports, seaports and similar assets.[17] However, studies by international institutions consistently placed Thailand's national competitiveness in relatively modest positions. In 2014, in the World Economic Forum (WEF)'s *Global Competitiveness Report*, Thailand ranked 31st out of 133 countries[18], while in the International Institute for Management Development (IMD)'s *World Competitiveness Yearbook*, it ranked 29th out of 60 economies.[19] These rankings suggest that investing in infrastructure development is only one component of a strategy to enhance national competitiveness.[20] As pointed out in the WEF's *Global Competitiveness Report 2014-2015*, key obstacles to doing business in Thailand, besides government instability, were mainly related to good governance, including concerns about corruption, bureaucratic inefficiency and policy instability.[21]

Against this backdrop, the government led by General Prayuth Chan-o-cha, who assumed office in 2014, commissioned the Law Reform Commission (LRC) of the Office of the Council of State (OCS) to conduct a comprehensive review of over 650 legislative instruments, including both acts in force and draft bills pending approval at that time.[22] The findings of the analysis revealed that approximately 90 per cent of Thai legislation was still based on a close government control model that was developed for the trade protectionism regime during the 1950s to 1970s.[23]

Under this antiquated model, nearly all economic and social activities required licensing or prior authorization.[24] As there were no standard rules on licensing procedures, licensing authorities had broad discretionary powers. The predictability of regulatory decisions, therefore, depended largely on individual officials handling them.[25] Moreover, authorities were empowered to issue secondary legislation, the purpose of which was often to facilitate the operations of government agencies rather than to serve or protect the public interest.[26] Cost-benefit and cost-effectiveness analyses, as well as stakeholder consultation were virtually absent in the regulatory process.[27]

Based on its findings, the LRC recommended a set of measures to the Council of Ministers (Cabinet) for further action. These recommendations laid the groundwork for Thailand's subsequent efforts to modernize its regulatory framework and shift toward a more transparent, efficient and user-oriented model of governance.

Embedding GRP elements into Thailand's regulatory framework

Building on the LRC's recommendations, the Thai government initiated a comprehensive legal overhaul aimed at embedding GRP elements into its regulatory system. The LRC specifically proposed three pieces of legislation[28] – the *Licensing Facilitation Act 2015*, the *Royal Decree on Revision of Law 2015* (also known as the Sunset Law), and a draft law on regulatory impact assessment. These were subsequently complemented by a broader framework, including the Constitution of the Kingdom of Thailand 2017, the *Rules on Legislative Drafting and Evaluation of the Outcomes of Law Act 2019*, the *Digitalization of Public Administration and Services Delivery Act 2019*, and the *Act on Carrying Out of Public Services via Electronic Means 2022*. The following sections will examine the key GRP-related provisions contained in these laws.

Licensing Facilitation Act 2015

The *Licensing Facilitation Act, B.E. 2558* (LFA) was adopted by the National Legislative Assembly

on 22 January 2015 and took effect from 21 July 2015.[29] Its enactment is seen as a pioneering piece of legislation paving the way for various reform efforts to improve the efficiency of the public sector.[30] Promoting two overarching principles of greater transparency and less administrative discretion, the Act aims to streamline the processes by which individuals and businesses obtain licenses and approvals from government agencies. The Act applies to all government authorities responsible for issuing authorizations that are required by law, except for certain agencies or procedures.[31]

The LFA incorporates several important GRP elements into Thailand's licensing system. These are (a) the mandatory publication of licensing manuals; (b) the establishment of procedures for document verification and applicant protection; (c) the imposition of time frames for application processing; (d) the creation of a One-stop Shop Service Centre; as well as (e) the requirement for the periodic review of licensing procedures. These GRP elements are examined in the subsections that follow.

a. Publication of licensing manuals[32]

A key element of the LFA is the obligation for all licensing authorities to create licensing manuals for public use. Under Section 7, these manuals contain, at a minimum, the rules, procedures and conditions applicable to the licensing applications; the workflow and the time required for the granting of the license; and the list of documents or evidential materials that must accompany the application. While the Act permits the submission of applications via electronic means, this option is only available if the competent authority expressly provides for it in the licensing manual. The time frame for processing applications is likewise left to the discretion of each authority.

The licensing manual must be available at the location where applications are submitted and disseminated via electronic media. Upon request, the competent official must provide a physical copy of the manual, subject to the payment of an appropriate service charge, the amount of which must also be specified in the manual.

b. Document verification and applicant protection[33]

Under Section 8 of the LFA, competent officials, upon receiving a licensing application, must promptly examine the completeness of the application, including all required documents or evidential materials. Should deficiencies be identified, the official is obliged to advise the applicant to make corrections. If such corrections can be made immediately, they must be carried out on the spot. If not, the official must record the deficiencies, the specific requirements for rectification, and the time frame within which corrections must be made. This record must be signed by both the official and the applicant, and a copy must be provided to the latter.

If the application is complete as specified in the licensing manual, or if the application has been corrected as suggested by the official on the spot or as recorded in the deficiency record, the official is barred from requesting additional documentation or refusing to process the application on grounds of prior deficiencies. Should a license be wrongfully withheld on the basis of such claims, the law requires that the responsible official be subject to disciplinary or criminal proceedings. This provision is designed to serve as a safeguard against arbitrary or repetitive demands that could undermine procedural fairness during the licensing process.

However, it appears that the Act does not require a formal record of when an application is deemed complete. This procedural gap creates a degree of ambiguity as to the precise point at which the official's obligation to proceed with the application, along with the prohibition against requesting additional documents, takes effect – thereby diluting the effectiveness of the intended safeguard.

c. Time-bound decision-making[34]

Section 10 of the LFA establishes binding time frames for licensing decisions. Authorities are required to complete their consideration of an application within the time specified in the licensing manual. Upon concluding the decision-making process, the competent official must notify the applicant of the result within seven days. If the official fails to conclude processing the application within the prescribed period, a written clarification must be issued to explain the cause of delay to the applicant every seven days until a final decision is rendered. Each such notification must also be transmitted to the Public Sector Development Commission (OPDC).

The Act further empowers the OPDC to review whether such delays are the result of inefficiency or other unreasonable causes. If so, it must report its findings to the Cabinet and submit recommendations for institutional or procedural improvement.

In cases where no explanation is provided, and the delay is not attributable to *force majeure*, the failure to act is deemed an omission causing damage to another person. This approach introduces a measure of administrative accountability and reinforces the principle that licensing agencies must not only act, but act within clearly defined time limits to ensure predictability.

d. Establishment of the One-stop Shop Service Centre[35]

Another innovation introduced by the LFA is the establishment of the One-stop Shop Service Centre (OSSC). Under the Act, the OSSC operates as a government agency attached to the Office of the Prime Minister. Branches of the OSSC can be established in any ministry or province as necessary.

The OSSC's duties are set out in Section 16 of the Act. It is authorized to receive license applications, fees, and appeal requests and forward them to the competent licensing authority. The OSSC is also tasked with providing the public with information and clarification regarding licensing rules and procedures. Importantly, the OSSC is bound by the same procedural obligations and accountability standards as those applied to the licensing authorities.

To support the OSSC's functions, licensing authorities are required to disseminate up-to-date licensing manuals to the OSSC and to provide training to the OSSC officials to ensure consistency and competence in service delivery.

e. Regulatory review[36]

The LFA imposes on government agencies the obligation to periodically review the legal frameworks underpinning their licensing powers. Specifically, every five years – or earlier, if deemed necessary – each competent authority must examine the laws that authorize it to issue licenses. This review is intended to determine whether the existing procedures remain appropriate or should be repealed or replaced with alternatives that are more streamlined, less time-consuming and better aligned with principles of administrative efficiency.

Constitution of the Kingdom of Thailand 2017

Section 77 of the 2017 Constitution formalizes the implementation of GRPs across governmental institutions and throughout the decision-making process.[37] It mandates that laws should be enacted only when necessary and that outdated, unsuitable or unnecessarily burdensome laws be revised or repealed. Additionally, laws must be easily accessible and understandable to the public to facilitate compliance. Prior to enacting any new legislation, the government is required to conduct stakeholder consultations and systematically assess the potential impact of the proposed law. The findings from these consultations and assessments must be publicly disclosed and considered at every stage of the legislative process. After a law comes into effect, its implementation and outcomes must be regularly reviewed, again involving stakeholder consultation, with a view to ensuring its continued relevance amid changing circumstances.

Furthermore, the Constitution requires laws to clearly define the rules governing the exercise of official discretion and to set time limits for each procedural step. These provisions are particularly relevant for the services sector, where complex licensing and regulatory requirements often affect market entry and operation. By mandating stakeholder consultation, regulatory impact assessment and regular review, Section 77 helps ensure that service-related regulations remain transparent, proportionate and responsive to business needs.

Section 258 of the Constitution complements these provisions by setting specific targets related to national reforms and includes related directives tied to Section 77. These include the establishment of a mechanism for reviewing existing laws, regulations and rules prior to the date of promulgation of the Constitution; enhancing legal education to promote ethical and informed legal practitioners; developing a public legal database to improve access and understanding; and facilitating public participation in lawmaking through assistance mechanisms for proposing draft laws.[38]

Rules on Legislative Drafting and Evaluation of the Outcomes of Law Act 2019

The *Rules on Legislative Drafting and Evaluation of the Outcomes of Law Act*[39] was established in 2019 to implement the requirements under Section 77 of the Constitution, consolidating provisions on the processes and tools necessary for good quality regulation into a single legal instrument.[40] As such, it serves as the key reference text for the application of GRPs in Thailand.[41]

This Act builds upon and expands the principles set out in the Sunset Law 2015[42] by providing more systematic processes of legislative review. While the Sunset Law only required *ex post* review of laws at least once every five years from their entry into force[43], the 2019 Act looks at the entire regulatory cycle and also mandates *ex ante* RIA, stakeholder engagement procedures and regular assessment of existing laws.[44] Under the 2019 Act, regulatory quality standards, such as necessity, proportionality, effectiveness, transparency and minimization of public burden, apply not only to the review of existing laws but also to the drafting of new legislation.[45] Notably, the 2019 Act only requires *ex ante* RIA for draft primary legislation, and not for secondary legislation, whereas *ex post* review is required for both primary and secondary legislation. In 2022, the scope of *ex ante* RIA was extended to all secondary legislation that has an impact on people or businesses under a Ministerial Regulation titled *Prescribing Draft Regulations Which Must Conduct Public Consultation and Impact Assessment*.[46]

Since the entry into force of the Act and its *Guidelines for Evaluation of the Outcomes of Law* in 2019[47], the Sunset Law has been repealed.

Digitalization of Public Administration and Services Delivery Act 2019

Thailand's first dedicated law on digital government[48], the Digitalization of *Public Administration and Services Delivery Act, B.E. 2562*[49], was introduced in 2019 to drive digital transformation forward across the public sector. The Act focuses on three key areas: (a) user-focused digital service delivery; (b) cross-agency data integration; and (c) open government data promotion.

a. User-focused digital service delivery

Section 4 mandates that all state agencies provide services via digital means, with the aim of enhancing efficiency, accessibility and responsiveness in public service delivery. Section 11 provides that, where a law or regulation requires an applicant to submit a government-issued document, this obligation shall not fall on the applicant if the document originates from another state agency. Instead, the receiving agency is required to obtain necessary data or documentation directly from the issuing agency through digital means. Furthermore, in Section 12, government agencies are required to develop supporting systems, including a digital payment system and a system for digital identification and identity verification. Additionally, competent agencies must implement appropriate security and protection measures for accessing digital services, including cybersecurity safeguards, to ensure readiness, credibility and transparency in digital government service delivery.

b. Cross-agency data integration

Concerning data integration and interoperability among government agencies, Section 4(2) calls for the development of standards and infrastructure to enable secure and efficient data sharing across government agencies. The obligation to facilitate such integration is further elaborated in Sections 13 and 14, which require agencies to share digital data with one another upon request, provided it is relevant to their official duties. To support this, Section 15 establishes a centralized data exchange centre that acts as an intermediary platform for coordinating inter-agency digital connectivity.

c. Open government data promotion

To promote open government data, Section 17 requires state agencies to publish government information digitally, ensuring public access without cost, and enabling the reuse of data for the development of services and innovations. Section 18 reinforces this by establishing an open government data centre and mandating that data disclosure standards align with internationally accepted open data principles.

Act on Carrying Out of Public Services via Electronic Means 2022

The *Act on Carrying Out of Public Services via Electronic Means, B.E. 2565* (2022) came into force on 10 January 2023.[50] This legislation marks another important step in Thailand's efforts to modernize government service delivery by requiring state agencies to provide public services through electronic means.[51]

At the core of the Act lies the principle that electronic processes are to be treated as legally equivalent to traditional paper-based ones. Section 7 explicitly authorizes applicants to submit license applications, supporting documents and related filings electronically.[52] Importantly, it prohibits state officials from rejecting such applications solely on the grounds that they were submitted through digital channels. This principle also

extends to payments made to government agencies, including application fees, taxes, fines and other forms of payment.[53] Additionally, Section 11 requires that any subsequent correspondence or issuing of documents following such filings be carried out electronically, unless the applicant expressly requests otherwise.[54]

The Act further sets out procedural rules to facilitate electronic filings. Copies of documents submitted electronically are not required to bear physical signatures to be considered certified.[55] Where laws require submission of multiple copies of the same document, a single electronic submission of such a document is deemed sufficient.[56] Moreover, in cases where copies of original paper documents presented by the applicant are necessary, the relevant agency is responsible for making and certifying copies at its own expense.[57] The key milestones in embedding GRP elements in Thailand's regulatory framework are presented in Figure 3.

Making GRPs work: implementation of EoDB reforms

While great strides in embedding the GRP elements in the legal instruments have been made, the practical success of these reforms ultimately depends on their implementation. This section examines how the GRP elements have been put into practice to simplify procedures, increase transparency and improve public service delivery through the implementation of the LFA, the expansion of e-government platforms, and the operationalization of regulatory review mechanisms.

Implementation of the LFA

Since the enactment of the LFA, significant progress has been made in enhancing the transparency, efficiency and accessibility of government licensing procedures. One of the Act's most notable achievements has been the development and dissemination of the licensing manuals. By the end of 2020, 3,418 licensing manuals had been produced and made publicly available.[58] As of 2023, this number had risen to 3,997 – an increase of approximately 17 per cent over the three-year period.[59]

Furthermore, the reform has resulted in a measurable reduction in regulatory burden. As of 2023, 63 government agencies had managed to reduce licensing procedural steps by between 30 and 50 per cent for a total of 532 types of licenses, with the average processing time reduced by 41.7 per cent.[60] In some cases, the impact was even greater. For 41 specific licenses, the time required to complete the licensing process dropped by more than 70 per cent.[61] Equally noteworthy was the reduction in documentary requirements imposed on applicants: a total of 1,212 document types were eliminated from application processes across 58 agencies, affecting 530 types of licences.[62]

Figure 3: Key milestones in embedding GRP elements in Thailand's regulatory framework

LFA: introduced licensing manuals, document verification and deficiency correction, time-bound application processing, a One-stop Shop Service Centre, and periodic review of licensing laws every 5 years

Sunset Law: required review of existing laws every 5 years

Constitution of the Kingdom of Thailand: set out GRP tools and formalized their implementation across administrative processes

Rules on Legislative Drafting and Evaluation of the Outcomes of Law Act: prescribed rules for drafting legislation, including RIA, stakeholder engagement, and *ex post* review

Digitalisation of Public Administration and Services Delivery Act: provided a legal framework on digital government, focusing on (i) digitalisation of public services with a user-focused approach; (ii) cross-agency data integration; (iii) open government data

Act on Carrying Out of Public Services via Electronic Means: recognized electronic processes as legally equivalent to paper-based ones and established procedural rules for e-filings, e-payments, and correspondence

Source: WTO/World Bank, based on Thai legislative instruments adopted between 2015 and 2022.

In support of Thailand's broader digital government agenda, the issuance of electronic documents has also been implemented. As of 2023, 50 agencies had issued 148 types of official documents, including electronic receipts and corporate registration certificates, through digital platforms.[63] To complement these developments, legal reviews had been undertaken for 56 licensing schemes across 22 agencies to ensure that existing laws were compatible with digital service delivery.[64]

An example of the implementation of the LFA can be seen in the education sector. The Office of the Private Education Commission (OPEC) implemented reforms under the LFA to improve licensing processes for international schools. In line with Section 7 of the LFA, OPEC published a detailed licensing manual for the establishment and operation of international schools.[65] The manual outlines procedures, required documents, fees and expected timelines, and is available in Thai. Licensing timelines were established and published online.[66] Specifically, the process for the establishment of a school is broken down into specific steps across a 30-day window, including 1 day for document receipt, 7 days for document review, 6 days for school inspection, 15 days for license issuance and 1 day for license notification. While Section 19 of the *Private School Act 2007* already requires completion of the process within 30 days[67], OPEC's updated timeline provides a more detailed and structured breakdown of each procedural step, improving clarity and consistency in implementation.

Beyond the services sector, the LFA's provisions have also been implemented across a wide range of regulatory domains. One such example are the reforms undertaken by Thailand's Food and Drug Administration (FDA) which came into effect on 1 May 2024. In compliance with Section 7 of the LFA, the FDA revised its manuals to reflect the updated procedures, which now cover more than 100 guiding documents. Additionally, the FDA has upgraded its information systems and revised 375 procedures to support the implementation of the electronic application submission system. Furthermore, the FDA removed the requirement for three commonly required documents: copies of national ID cards, house registration documents and business registration certificates. These documents, which can now be retrieved electronically through system linkages with the Department of Provincial Administration (DOPA) and the Department of Business Development (DBD), are no longer required to be submitted by entrepreneurs seeking health product approvals.

E-Government Services

As part of Thailand's digital government strategy, e-government platforms such as the Centralized Information System for Government Services (info.go.th), the Government Central Service System for Businesses (bizportal.go.th), and the DBD Biz Regist (edbr.dbd.go.th) – available only in Thai – have been developed. This subsection looks at how these platforms contribute to the practical implementation of GRP elements by enhancing regulatory transparency and streamlining administrative procedures for investors and businesses.

a. Centralized Information System for Government Services

To facilitate the dissemination of the licensing manuals to the public, the Digital Government Development Agency (DGA), in collaboration with the OPDC, launched in 2015, the Centralized Information System for Government Services (accessible via info.go.th).[68]

From the user's perspective, the platform significantly simplifies access to information and has become an essential feature of Thailand's digital government architecture. Users can search for licensing requirements and procedures by service, agency, or type of document, and receive information tailored to their needs. The platform also maps data for public service offices, offers navigational support by linking location data to mapping applications for showing directions, and includes public feedback mechanisms to express satisfaction or lodge complaints. For government agencies, the platform provides a structured digital environment to manage, review and update information in real time. Agencies can also monitor user satisfaction, and record data on instances where processing times exceed the timelines set under the LFA. As of August 2023, all licensing manuals were published on the online system.[69]

b. Government Central Service System for Businesses

Launched in 2016, through the joint efforts of the OPDC, the DGA, and other relevant bodies, the Government Central Service System for Businesses (accessible via bizportal.go.th) was developed as an integrated one-stop electronic government services system to support entrepreneurs and businesses.[70]

In terms of functions, the portal supports entrepreneurs' applications, renewals, modifications, and cancellations of certificates, licenses, and various official documents digitally. It consolidates data from multiple agencies and allows applicants to submit requests, track progress, make fee payments, and receive electronic licenses entirely online. For government agencies, the Biz Portal serves as a shared service infrastructure, especially useful for those without their own digital systems, to streamline application processing, collect fees and issue licenses.

By 2022, the portal had offered services for 94 licenses across 25 business categories in Bangkok and 18 licenses across 10 business categories in all 76 provinces.[71] Between 2020 and 2021, 36 of these licensing procedures – approximately 38 per cent – were upgraded to fully digital status.[72] As of August 2024, the number of services available through the portal had increased to 134, reflecting a 20 per cent rise compared to 2022.[73] However, this accounted for only a limited share of government services available.

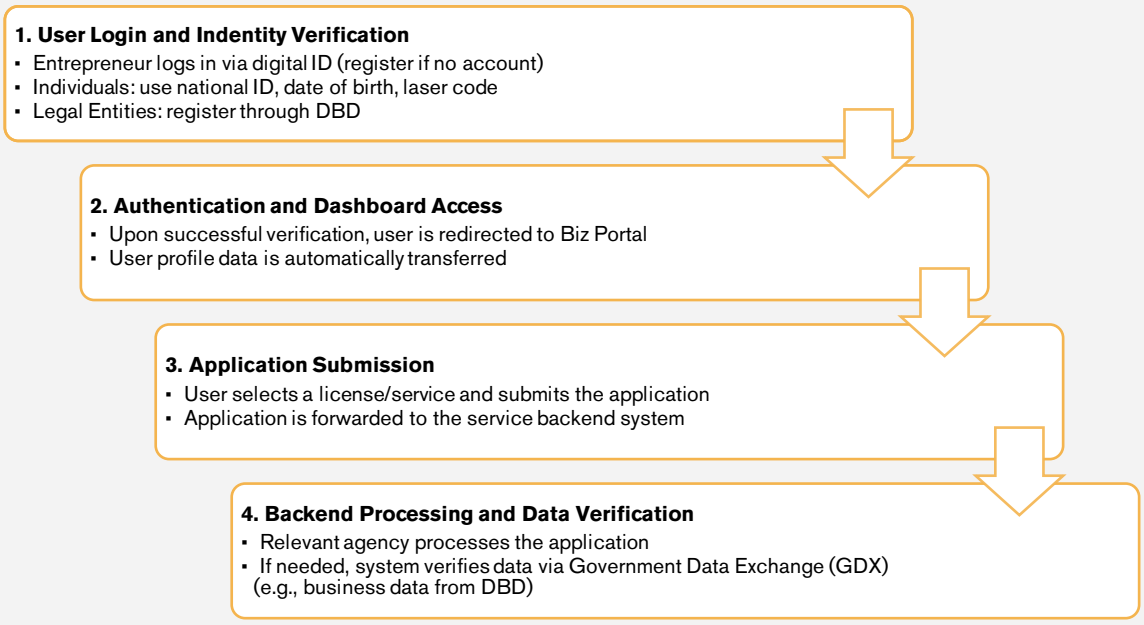
In fact, by 2022, there had been approximately 343 e-services offered by 117 agencies[74], out of several thousand public services nationwide.

The application submission workflow and the corresponding backend processing steps through the Biz Portal are shown in Figures 4 and 5.[75]

c. DBD Biz Regist

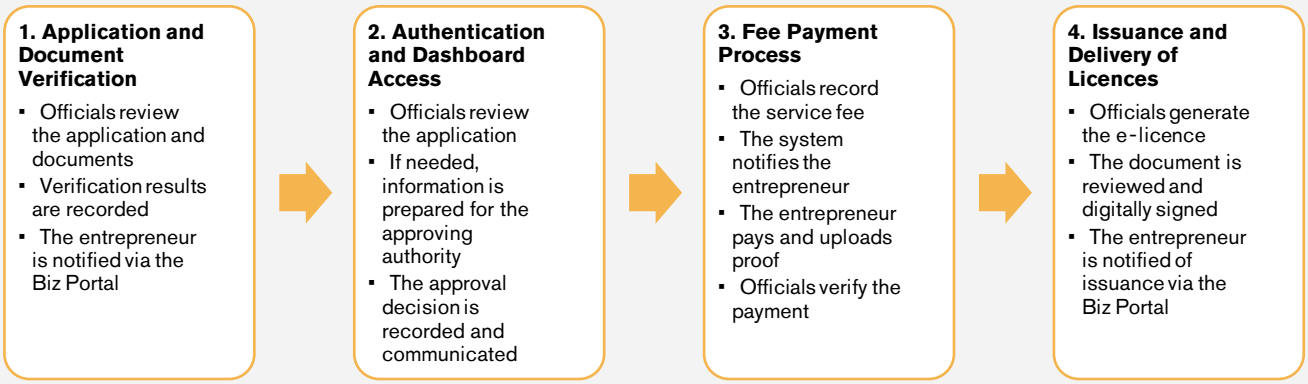
In January 2025, the DBD launched a digital platform called "Biz Regist" (accessible via edbr.dbd.go.th). This platform offers a fully digital, end-to-end solution for the registration of partnerships and private limited companies in Thailand. This initiative marks another important step forward in Thailand's efforts to modernize and streamline its corporate registration system, particularly in the light of a 2022 government report revealing that paper-based registrations still accounted for 96 per cent of all submissions, while online registrations made up only 4 per cent.[76]

Figure 4: Application Submission Workflow through the Biz Portal[75]



Source: WTO/World Bank, based on information provided on the Biz Portal, https://www.dga.or.th/en/bizportal-2/.

Figure 5: Backend Processing Workflow for Licensing Applications through the Biz Portal[76]



Source: WTO/World Bank, based on information provided on the Biz Portal, https://www.dga.or.th/en/bizportal-2/.

A key feature of the new system is the possibility to complete the entire application and identity verification process online. Users can create accounts on the platform and authenticate their identity through secure digital channels.[78] The platform also supports the use of electronic signatures, allowing applicants to sign and submit documents without the need for their physical presence.[79] Upon approval, certified corporate documents are issued in digital format and made available for immediate download through the platform.[80] The platform is designed to facilitate the completion of the full registration process within a single business day.[81]

Although the DBD had set 1 July 2025 as the target date for shifting all business registration services to the DBD Biz Regist platform, data from May 2025 indicated that the transition was still underway.[82] Specifically, walk-in registrations still accounted for 47 per cent of total submissions, while 53 per cent were processed through the online platform.[83] Recognizing that a large portion of users had yet to fully adapt to the digital system, the DBD decided to extend the availability of walk-in services until the end of December 2025, with full migration to the online platform expected to take effect from 1 January 2026.[84]

Ex ante and ex post review

As previously mentioned, the LFA and the Sunset Law of 2015 introduced formal requirements for *ex post evaluations at least every five years. This concerned in particular: (i)* licensing procedures to be reviewed by the competent authorities under the LFA, as well as (ii) laws to be assessed by the responsible ministries under the Sunset Law. In practice, however, the implementation of these review mechanisms remained limited. By 2020, only a small number of government agencies had undertaken evaluations in accordance with the Sunset Law, and no reviews of licensing procedures had been reported under the LFA.[85]

Since the repeal of the Sunset Law and the entry into force of the 2019 Act, regulatory reviews in Thailand have become more structured and systematic. As of 2024, more than 200 *ex post reviews had been conducted by Thai authorities, many of which resulted in the amendment or repeal of outdated laws and regulations*.[86] These reviews are guided by methodological templates and manuals developed by the OCS, in coordination with the LRC.[87]

With respect to *ex ante* review, however, persistent challenges remain. While a RIA process is now formally required for most primary and secondary legislation, this is often treated as a procedural formality with limited influence on decision-making.[88] In many cases, RIAs are not initiated during the early stages of policy formulation, when consideration of alternative policy options would be most meaningful, but are instead prepared shortly before the draft law is submitted to the Cabinet.[89] This sequencing reduces the potential of RIAs to inform the design of regulatory instruments and undermines the broader objective of evidence-based policy-making.

Regulatory Guillotine Project

Complementing the legal review requirements under the LFA and the Sunset Law, the Regulatory Guillotine project was a distinct, fast-track mechanism to screen licences, permits and other rules and accordingly, repeal, amend or simplify those which were obsolete, redundant or disproportionately costly. It formed part of the broader wave of reforms launched between 2015 and 2017, which aimed to modernize Thailand's regulatory landscape and improve the country's performance in international competitiveness indices.[90] Unlike agency-led reviews mandated under the LFA and the Sunset Law, the Regulatory Guillotine was centrally coordinated and driven by strong political backing from the Office of the Prime Minister.[91]

In 2016, the Thai government launched the project by engaging the Thailand Development Research Institute (TDRI) to conduct a review of the existing laws and regulations, since many of these were considered redundant, outdated, or incompatible with the regulatory environment.[92] Through the project, the government aimed to eliminate approximately 1,000 unnecessary laws from the country's regulatory framework, which comprised around 100,000 laws in total.[93] It was estimated that this removal could reduce compliance costs for the private sector and the Thai public by approximately 133.8 billion baht (US$ 3.75 billion) per year, equivalent to 0.8 per cent of GDP.[94]

Building on the political support, the implementation of the Guillotine scheme has led to concrete reforms. Permits and licenses were cut or simplified in several sectors. For example, in the financial sector, the Securities and Exchange Commission of Thailand (SEC) engaged in the Guillotine scheme during 2020-2023[95] and subsequently developed fully digital procedures for the establishment and management of mutual funds through the Online Fund Approval and Management System (OFAM). The latter was finalized and became operational in the first quarter of 2020.[96] Additionally, the SEC undertook a comprehensive review of the filing process for debt instrument offerings and expected to reduce the number of required forms from 32 to 13.[97]

Implementation challenges

Despite the progressive ambition of the LFA and related regulatory reform initiatives, their full realization in Thailand has faced several implementation challenges. These include insufficient implementation support, institutional workarounds, lack of compliance, limited coordination among government agencies, fragmented digital infrastructure and uneven political momentum behind reform efforts.

Insufficient implementation support

In the early phase of implementation, confusion over institutional responsibilities and the scope of obligations under the LFA led to inefficiencies and misallocation of resources. For instance, over 700,000 licensing manuals were created due to misunderstandings regarding which services had to be prescribed in manuals and which units were responsible for preparing them.[98] This duplication was particularly widespread among provincial and local government agencies, suggesting a lack of operational guidance and training from the central level.[99] The OPDC later resolved this issue by consolidating and standardizing the manuals into a single national set of 3,418 manuals.[100] While this solution addressed the immediate problem, the incident revealed the limitations of a top-down legislative approach without adequate implementation planning and institutional capacity-building.

Institutional workarounds through gaps in the LFA

Although the requirements on licensing manuals under the LFA were designed to provide clarity by specifying procedures and time frames, the delegation of authority to individual licensing agencies to determine these parameters has resulted in problems. As reported by the OPDC, within the first five years of the LFA implementation, some agencies adopted excessively generous timelines to shield themselves from performance pressure.[101] Others imposed unrealistically short deadlines to demonstrate efficiency, which in turn contributed to procedural backlogs.[102]

Moreover, in responding to complaints, certain agencies resorted to repeatedly issuing seven-day delay notifications to avoid legal accountability.[103] In more problematic cases, officials circumvented formal processing altogether by requesting applicants pre-submit documents for informal review of the applications, thereby postponing the official commencement of the licensing timeline.[104]

Institutional non-compliance and limited inter-agency coordination

Institutional non-compliance has also posed a critical obstacle to realizing the full potential of the regulatory reforms. In practice, many public agencies have lagged in complying with the mandated reforms, in part due to insufficient personnel or lack of effective oversight mechanisms at the central level.[105] As a result, competent agencies have often defaulted to a business-as-usual approach, rather than adapting to new regulatory practices.[106] This has been evident in the implementation of the licensing manuals, as many agencies have failed to operationalize them effectively and often demonstrated a limited understanding of the procedures and requirements outlined by their own institutions.[107]

Between 2015 and 2020, a total of 21 public complaints were filed concerning the implementation of the LFA.[108] Among these, eight cases involved agencies establishing inappropriate procedures and timelines, failing to clearly display required steps, and granting officials excessive discretion. In five cases, agencies did not complete the licensing process within the time frame specified in the licensing manual and failed to provide progress updates or reasons for delay. Another five cases concerned agencies requesting additional documents not listed in the manuals, including copies of government-issued documents. In two cases, applicants fully complied with the licensing procedures but were still denied a license. One case involved an unjustified suspension of licensing procedures, causing serious harm to the public.

Lack of institutional compliance has, in turn, led to coordination gaps among agencies, undermining the Act's transparency objectives, particularly those linked to the central portals.[109] When agencies neglected to prepare or update licensing manuals, the result was regulatory ambiguity, as the public faced difficulty accessing essential sector-specific information. While the portals are meant to consolidate such data, their effectiveness depends on consistent inter-agency collaboration and communication to ensure the information is complete, updated and accessible from single sources.

Fragmented digital infrastructure and data incompatibility

Thailand has made notable efforts to develop digital platforms aimed at streamlining public service delivery, including both multi-agency platforms, such as info.go.th and the Biz Portal, as well as single-agency platforms, like the DBD Biz Regist. However, the implementation of the multi-agency platforms has revealed broader systemic challenges that limit their overall effectiveness.

A key limitation is that many of these platforms still follow a conventional e-government model that prioritizes one-way information provision rather than offering fully digital, interactive and user-centred services.[110] A major barrier lies in the fragmentation of data systems across government agencies. Since agencies manage their own datasets independently, information is stored in diverse formats and lacks standardization.[111] This fragmentation impedes efforts to link and integrate services across platforms, such as Biz Portal, which relies heavily on cross-agency data interoperability to function effectively as a one-stop service for business procedures.

A further limitation is the language of these digital platforms, which are currently only operated in Thai. While this is suitable for domestic users, it significantly limits accessibility for foreign investors and service providers seeking regulatory information.

Inconsistent political backing

Another challenge lies in the regulatory review process. The implementation of the Regulatory Guillotine has advanced more slowly than anticipated. Although the initiative initially gained momentum, private sector stakeholders have repeatedly urged the government to expedite reforms and repeal outdated or unnecessary laws.[112] However, progress in responding to these proposals has been limited.[113] This slowdown can be attributed to a combination of factors in the current Thai context, including inconsistent political support, resistance from certain government agencies and shifting institutional mandates.[114]

Public impact

Overall, Thailand's regulatory reforms have yielded significant improvements in transparency and administrative efficiency including through digital solutions. These gains are reflected in key international benchmarks. Notably, in the World Bank's *Doing Business* rankings, Thailand advanced significantly from 49th place in 2016[115] to 21st in 2020, out of 190 economies.[116]

Between 2016 and 2024, the country also advanced on the United Nations *E-Government Development Index* (EGDI), moving from 77th to 52nd place out of 193 countries.[117] This steady climb reflects the impact of successive digital government reforms and inter-agency coordination initiatives. As of 2024, Thailand holds the position of the second highest-ranked country in ASEAN on the EGDI and aspires to further improve its standing, with an ambitious goal of reaching the global top 40.[118]

Next steps

As Thailand continues to advance its regulatory reform agenda, the government has outlined a series of next steps to modernize its regulatory environment and enhance public service delivery. Among the various reforms underway, this chapter focuses on two initiatives that illustrate Thailand's strategic shift toward more transparent, efficient and technology-driven governance. The first is the revision of the LFA and the second is the nationwide expansion of e-government platforms.

Revisions to the LFA

In April 2024, the Cabinet approved the *Draft Act on Licensing Facilitation and Public Service Delivery*, which is expected to be passed into law and enter into force soon.[119] This revision process is undertaken as a consequence of the legal review requirement under Section 77 of the Constitution and is driven by practical challenges identified during the implementation of the LFA.

The Draft Act introduces several key reforms designed to further streamline administrative procedures, improve service delivery and increase transparency and accountability across all levels of government. One of the major changes is the envisaged expansion of the LFA's scope. The Draft Act will no longer be limited to licensing procedures but will also apply to requests for any public services that fall within the authority of government agencies. To support this shift, the definition of government agency under the Draft Act will be expanded to cover all public-sector entities, not only those authorized to grant licenses.[120]

The Draft Act also seeks to rectify certain procedural shortcomings of the LFA, as discussed above. Regarding the discretion granted to licensing authorities in determining processing time frames in the licensing manuals, the Draft Act retains this discretion but introduces an important safeguard: the licensing authorities must take into account public convenience and avoid imposing unreasonable burdens on applicants.[121] Additionally, whereas the LFA does not impose an explicit obligation to issue a formal record stating the completeness of a received application – only requiring such documentation in cases where deficiencies are identified – the Draft Act now envisages that officials must issue a formal record in both cases.[122]

Furthermore, the revised Draft Act will introduce three important procedural changes. First, in line with the *Act on Carrying Out of Public Services via Electronic Means 2022,* it incorporates provisions on electronic interactions between the public and government agencies. These include recognition of the right to submit applications electronically[123], a requirement that licensing manuals must prescribe provisions for submission of applications electronically[124], and procedures for receiving those applications.[125] Second, a fast-track processing option would be made available to applicants who require urgent attention, provided that this option is specified in the licensing manual and subject to additional fees set by the relevant authority.[126] Third, the Draft Act introduces a consolidated licensing mechanism known as the super licence.[127] This mechanism is designed for business operators who require multiple permits to carry out their activities, under which the holder of a super licence is deemed to have received all related subsidiary licences. The specific requirements and conditions for the super licences will be prescribed by Royal Decree.

Lastly, the Draft Act also seeks to enhance accessibility, particularly for non-Thai speakers, by authorizing government agencies to provide English-language or bilingual versions of application forms.[128] While not mandatory, this change is expected to benefit foreign investors, businesses and individuals navigating Thai administrative procedures.

Expansion of e-government platforms

To accelerate the implementation of digital government policies in line with the *Digitalization of Public Administration and Services Delivery Act* (2019) and the *Digital Government Development Plan (2023–2027)*, the *Digital Government Integration Plans* for Fiscal Years 2025[129] and 2026[130] have been developed by the DGA. Both plans are structured across three levels – upstream, midstream and downstream – each representing a distinct phase in Thailand's digital transformation journey. At the upstream level, efforts focus on laying the institutional and technical groundwork, which includes strengthening digital foundations, developing core infrastructure and disclosing master datasets to facilitate data interoperability between agencies.

The midstream phase emphasizes the development of shared platforms and digital tools across the public sector to avoid duplication, reduces administrative overheads and ensures that all agencies can benefit from common digital resources. Finally, at the downstream level, the full integration of public services into end-to-end digital platforms is envisioned. This includes not only the digitization of forms and workflows, but the reimagining of service delivery through user-centred design and cross-platform connectivity. Compared to the 2025 plan, the 2026 plan has introduced a sharper focus on emerging technologies, particularly artificial intelligence and cloud computing, reflecting a policy shift under the administration led by Prime Minister Paetongtarn Shinawatra.

The government has introduced a series of initiatives to operationalize the goals set out in the integration plans. In May 2024, the Joint Corporate Data Linkage initiative was announced.[131] By allowing government agencies to share corporate information through a centralized platform, the initiative aims to reduce redundant documentation requirements, such as repeated submissions of ID cards, house registrations and company affidavits. As an initial phase, 10 key agencies have joined the platform, with the potential for expansion. The system is expected to eliminate nearly 400 document retrieval procedures and reduce administrative costs. It operates via the government data exchange infrastructure, which was mandated under the *Digitalization of Public Administration and Services Delivery Act (2019)*. A practical example of the benefits of this initiative can already be seen in the reforms implemented by the FDA.

Furthermore, on 4 June 2025, the Cabinet endorsed a proposal by the OPDC to accelerate the integration of 2,101 government services into either the Biz Portal (for business users) or the Citizen Portal (for the general public), in alignment with the country's *Digital Government Development Plan (2023-2027)*.[132] As of the most recent report, only 182 government services have been successfully integrated into these platforms. Under the approved framework, government agencies must follow one of two pathways: those without existing electronic service channels are required to launch their services directly via the central platforms, while agencies with existing digital services must migrate and integrate them into the Biz or Citizen Portal. The implementation of this initiative is scheduled to take place from 2025 to 2027.

Lessons learned

Thailand's EoDB reforms offer important lessons on how legal, institutional and digital reforms can transform governance. Through the adoption of important regulatory instruments and digital government initiatives, Thailand has moved towards a more transparent, efficient and user-oriented regulatory system. Key lessons include the following:

1. Regulatory reform must focus on users' experience

Thailand's regulatory landscape was historically shaped by a legacy of discretionary, control-based regulation. The adoption of laws, such as the LFA and subsequent digital government legislation, marked a meaningful shift towards institutionalizing transparency, time-bound procedures and digital service provision, laying the foundation for a more user-focused public administration.

2. Central guidance and oversight are critical for implementation and operational clarity

The initial proliferation of over 700,000 licensing manuals under the LFA revealed that, without detailed central instructions and training, local agencies could misinterpret or inconsistently apply reform mandates. Standardized templates, centralized oversight and ongoing capacity-building are essential to translate legal mandates into coherent action at all administrative levels.

3. Reform design must anticipate and close procedural loopholes

Discretion left to agencies under the LFA regarding processing timelines and licensing manual content led to both over-cautious and overly ambitious behaviours, undermining efficiency and accountability. The experience suggests that reform frameworks should include safeguards against potential non-compliance or procedural inaccuracies by public officials.

4. Digital tools enhance service delivery but require interoperability

Digital platforms, such as info.go.th and bizportal.go.th, have improved access to public services, but fragmented data systems and at times poor inter-agency coordination have limited their effectiveness. Reform success depends on integrated digital infrastructure and shared standards.

5. High-level political support drives, but does not guarantee, reform

Initial momentum from the government enabled major initiatives, including the Regulatory Guillotine. Yet uneven political backing and bureaucratic resistance later slowed progress, highlighting the need for sustained leadership and institutional incentives.

6. Implementation and monitoring matter as much as regulatory frameworks

Despite strong legal frameworks, inconsistent compliance by line agencies revealed gaps in operational capacity. Effective reform requires follow-through mechanisms, regular monitoring, as well as continuous training for government officials.

Conclusion

This case study demonstrates a significant and multifaceted effort to modernize Thailand's regulatory framework and improve the delivery of public services. Anchored in the LFA and complemented by a broader legislative and digital infrastructure, the reform agenda marked a decisive shift from discretionary, control-based regulation towards a system grounded in transparency, efficiency and service orientation.

The implementation of digital platforms, such as info.go.th and bizportal.go.th, along with the rollout of the Regulatory Guillotine, demonstrated Thailand's commitment to simplifying procedures, reducing administrative burdens and leveraging technology for good governance.

However, reform outcomes have been uneven. While there have been measurable gains in processing times, document reductions and international rankings, persistent challenges, including inter-agency fragmentation, uneven compliance and limited data interoperability, have constrained the full realization of the reform goals.

Looking ahead, the planned revisions to the LFA and expansion of end-to-end digital government services signal a continued push to deepen and sustain regulatory reform to improve the business environment. To achieve its ambitions, Thailand must continue investing in institutional capacity, enforce implementation across all levels of government and strengthen the governance frameworks that support digital integration and regulatory coherence. Thailand's experience provides reflections that could be informative for other economies seeking to modernize public administration and embed GRP elements in a complex and evolving policy environment.

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SECTION 4

The diagnostic and reform planning tool

Introduction

The Diagnostic and Reform Planning Tool (the Tool) is a new instrument developed to assist policymakers and regulators in mapping their domestic regulatory frameworks against the 14 GRPs set out in this Handbook.

The Tool builds on the extensive information contained in the WTO-World Bank STPD. With more than 130 additional questions targeting the various aspects and features of GRPs, the Tool makes it possible to collect a large amount of information on their implementation in domestic regimes.

The Tool is designed to capture the practical implementation of GRPs, whether implementation is grounded in legal obligations or reflects day-to-day administrative practice without an explicit legal basis. It therefore goes beyond the scope of the WTO-World Bank STPD, which records only formal legal requirements.

The data collected through the Tool can be used to assess the implementation of GRPs, identify areas of regulatory strength and weakness, and prioritize areas for reform to improve the business environment for the supply of services.

The data can also be used to evaluate the alignment of domestic regulatory regimes with the SDR Disciplines. Such analysis can inform domestic discussions on adopting the SDR Disciplines at the WTO, including identifying issues for transitional periods as well as priority areas of technical assistance and capacity building needs.

A visualization board is being developed to present the data collected through the Tool in a user-friendly and concise manner.

The Diagnostic and Reform Planning Tool

For each GRP, the Tool offers two sets of questions – baseline and additional questions – enabling comparisons within and across sectors.

- **Baseline questions** are taken from the WTO-World Bank regulatory survey used for the STPD. Information on the baseline questions is available for 138 jurisdictions from all regions of the world. It covers 34 core subsectors, which account for approximately two thirds of the services economy (e.g. business, professional, computer, communication, construction, distribution, financial, health, tourism and transport services).
- **Additional questions** are designed to complement the baseline questions to enable a more detailed and nuanced mapping. They also aim to assess existing administrative practices, even in instances where these are not underpinned by legal requirements. The purpose of the additional questions is to allow governments to gain deeper insights into how regulatory processes function both legally and in practice and to identify areas where improvements may be needed.

The current version of the Tool will be progressively refined on the basis of field testing and experience gained in its use with governments.

The visualization board

The visualization board is being developed and has been designed with three key objectives: (i) summarizing in a user-friendly manner the results of the data collected through the Tool; (ii) highlighting strengths and weaknesses in terms of implementation of specific GRPs and in different sectors; and (iii) where needed, providing a detailed overview of the alignment of domestic regulatory frameworks with the SDR Disciplines.

Interested governments may seek practical support from the WTO and the World Bank to deploy the Tool, including in partnership with other cooperation partners. Subject to demand and resources, WTO assistance includes preparatory sessions, methodological planning and quality assurance, as well as data validation with relevant stakeholders. Furthermore, upon data collection, the WTO can assist in the preparation of the visualization board, including by adapting it to specific areas of interest identified.

Abbreviations

ADB	Asian Development Bank
AEC	architecture, engineering and construction
AFRC	Accounting and Financial Reporting Council (Hong Kong, China)
AGTO	annual gross turnover
AI	artificial intelligence
AMDALNET	Environmental Document Information System (Indonesia)
AMIE	Associate Member of the Institution of Engineers (India)
Anti-Dumping Agreement	Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (WTO)
APEC	Asia-Pacific Economic Cooperation
ARTA	Anti-Red Tape Authority (The Philippines)
ASEAN	Association of Southeast Asian Nations
AUASB	Auditing and Assurance Standards Board (Australia)
B-READY	Business Ready (World Bank)
B.E.	Buddhist Era
BCBS	Basel Committee on Banking Supervision
BIM	building information modelling
BIS	Bank for International Settlements
BKPM	Indonesian Investment Coordinating Board (Indonesia)
BOS	Blue Ocean Strategy (Malaysia)
BOSS	Business One-Stop Shop (The Philippines)
BPK	Audit Board of Indonesia (Indonesia)
BPM	Business Process Mapping
CA	chartered accountant
CAT	computerized adaptive testing
CBP	Central Business Portal (The Philippines)
CFE	Common Final Examination (Canada)
CGE	Computable general equilibrium
CMEO	Compliance Monitoring and Evaluation Office (The Philippines)
COA	Commission on Audit (The Philippines)
COMESA	Common Market for Eastern and Southern Africa
COMEX	Ministry of Foreign Trade (Costa Rica)
CONAMER	National Commission for Regulatory Improvement (Mexico)
CPA	Certified Public Accountant
CSC	Civil Service Commission (The Philippines)
DAP	Development Academy of the Philippines
DBD	Department of Business Development (Thailand)
DBT	Department for Business and Trade (UK)
DCEI	Digital Citizen Engagement Index
DDA	Doha Development Agenda
DGA	Digital Government Development Agency (Thailand)
DICT	Department of Information and Communications Technology (The Philippines)

DIE	German Development Institute
DLI(s)	Disbursement-linked indicator(s)
DOPA	Department of Provincial Administration (Thailand)
DSU	Dispute Settlement Understanding (WTO)
DTI	Department of Trade and Industry (The Philippines)
e-BOSS	Electronic Business One-Stop Shop (The Philippines)
EEA	European Economic Area
EFTA	European Free Trade Association
EGDI	E-Government Development Index (UN)
EoDB	Ease of Doing Business
ESA	Electronic submission of applications
EU	European Union
FBO	Facilities-based operator
FCC	Federal Communications Commission (US)
FDA	Food and Drug Administration (Thailand)
FE	Fundamentals of Engineering (US)
FMA	Financial Markets Authority (Austria)
FMA	Financial Markets Authority (New Zealand)
FMGE	Foreign Medical Graduate Examination (India)
GAM	Greater Metropolitan Area
GATE	Graduate Aptitude Test in Engineering (India)
GATS	General Agreement on Trade in Services (WTO)
GATT	General Agreement on Tariffs and Trade (WTO)
GDP	Gross domestic product
GISTARU	Geographic Information System for Spatial Planning (Indonesia)
GMC	General Medical Council (UK)
Go-Invest	Office for Investment (Guyana)
GOCC	Government-owned or -controlled corporation (The Philippines)
GPA	Agreement on Government Procurement (WTO)
GRP(s)	Good regulatory practice(s)
GTMI	GovTech Maturity Index (World Bank)
GVC(s)	Global value chain(s)
HCI	Human Capital Index
IAASB	International Auditing and Assurance Standards Board
IAC	Inter-agency coordination
IAIS	International Association of Insurance Supervisors
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
ICC	International Chamber of Commerce
ICMRA	International Coalition of Medicines Regulatory Authorities
ICT	Information and communications technology
ID	Identification
IDB	Inter-American Development Bank
IDR	Indonesian rupiah
IEI	Institution of Engineers (India)
IFAC	International Federation of Accountants
IFD Agreement	Agreement on Investment Facilitation for Development
IFRS	International Financial Reporting Standards

IMD	International Institute for Management Development
IMDA	Infocomm Media Development Authority (Singapore)
IMO	International Maritime Organization
IOSCO	International Organization of Securities Commissions
IRC	International regulatory cooperation
IRR	Implementing rules and regulations (The Philippines)
ISAs	International Standards on Auditing
ISO	International Organization for Standardization
IT	Information technology
ITC	International Trade Centre
ITU	International Telecommunication Union
JSON	JavaScript Object Notation
KBLI	Indonesian Standard Classification of Business Fields
KPPOD	Regional Autonomy Implementation Monitoring Committee (Indonesia)
LDAC	Legislation Design and Advisory Committee (New Zealand)
LDC	Least-developed country
LFA	Licensing Facilitation Act, B.E. 2558 (2015) (Thailand)
LGU	Local government unit (The Philippines)
LLM(s)	Large language model(s)
LPC	Legal Practice Council (South Africa)
LRC	Law Reform Commission (Thailand)
MCCQE	Medical Council of Canada Qualifying Examination
MEF	Ministry of Economy and Finance (Mozambique)
MEIC	Ministry of Economy, Industry and Commerce (Costa Rica)
MERCOSUR	Southern Common Market
MFN	Most-favoured nation
MHz	megahertz
MIDEPLAN	Ministry of National Planning and Economic Policy (Costa Rica)
MRA	Mutual recognition arrangement
MSME	Micro, small and medium-sized enterprise
NCLEX	National Council Licensure Examination (nursing)
NCSBN	National Council of State Boards of Nursing (US)
NEDA	National Economic and Development Authority (The Philippines)
NEDLAC	National Economic Development and Labour Council (South Africa)
NEHEMIA	National Effort for the Harmonization of Efficient Measures of Inter-Related Agencies (The Philippines)
NESDC	National Economic and Social Development Council (Thailand)
NGA	National government agency (The Philippines)
NGO	Non-governmental organization
NIB	Business identification number (Indonesia)
NNAS	National Nursing Assessment Service (Canada)
NPRMS	National Policy on Regulatory Management System (The Philippines)
NSPK	Norms, Standards, Procedures and Criteria (Indonesia)
NSWS	National Single Window System (India)
NZBORA	New Zealand Bill of Rights Act (1990)
NZD	New Zealand dollar
OBLS	Online Business Licensing Service (Singapore)
OCS	Office of the Council of State (Thailand)
OECD	Organisation for Economic Co-operation and Development

OFAM	Online Fund Approval and Management System (Thailand)
Ofcom	Office of Communications (UK)
OMB	Office of the Ombudsman (The Philippines)
OPDC	Public Sector Development Commission (Thailand)
OPEC	Office of the Private Education Commission (Thailand)
OSCE	Objective Structured Clinical Examination
OSFI	Office of the Superintendent of Financial Institutions (Canada)
OSI	Online Services Index
OSS-RBA	Online Single Submission Risk-Based Approach (Indonesia)
OSSC	One-stop Shop Services Centre (Thailand)
PAGC	Presidential Anti-Graft Commission (The Philippines)
PBD	Philippine Business Databank
PBH	Philippine Business Hub
PE	Professional Engineer (US licensure)
PECC	Pacific Economic Cooperation Council
PGPR	Philippine Good Regulatory Principles
PH	The Philippines
PLAB	Professional and Linguistic Assessments Board (UK)
PNDIP	National Bicentennial Development and Public Investment Plan (Costa Rica)
PROCOMER	Foreign Trade Promotion Office (Costa Rica)
PSA	Philippine Statistics Authority
PTA(s)	Preferential trade agreement(s)
RA	Republic Act (The Philippines)
RCF	Regulatory Cooperation Forum
RCS	Report Card Survey (The Philippines)
RDTR	Detailed Spatial Plan (Indonesia)
Revalida	Exame Nacional de Revalidação de Diplomas Médicos (Brazil)
RIA(s)	Regulatory impact assessment(s)
RIAS	Regulatory impact analysis statement (Canada)
SBO	Service-based operator
SCM Agreement	Agreement on Subsidies and Countervailing Measures (WTO)
SDG	Sustainable Development Goal
SDR	Services Domestic Regulation
SEC	Securities and Exchange Commission (Thailand)
SEIAS	Socio-Economic Impact Assessment System (South Africa)
SETENA	National Environmental Technical Secretariat (Costa Rica)
SGD	Singapore dollar
SIA	Sustainability impact assessment
SIMBG	Building Management Information System (Indonesia)
SLA	Service level agreement
SME(s)	Small and medium-sized enterprise(s)
SPIPISE	Electronic Investment Licensing and Information Service System (Indonesia)
SPS Agreement	Agreement on the Application of Sanitary and Phytosanitary Measures (WTO)
SQE	Solicitors Qualifying Examination (England and Wales)
STPD	Services Trade Policy Database (WTO–World Bank)
STRI	Services Trade Restrictions Index
TBT Agreement	Agreement on Technical Barriers to Trade (WTO)
TDRI	Thailand Development Research Institute

TFA	Trade Facilitation Agreement (WTO)
TII	Telecommunications Infrastructure Index
TRIPS Agreement	Agreement on Trade-Related Aspects of Intellectual Property Rights (WTO)
TSA	Technology Safeguards Agreement between the US and New Zealand (2016)
TTMRA	Trans-Tasman Mutual Recognition Arrangement
UAE	United Arab Emirates
UK	United Kingdom
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNECE	United Nations Economic Commission for Europe
US	United States
USAID	United States Agency for International Development
USMLE	United States Medical Licensing Examination
VAT	Value-added tax
VUCEM	Mexican Foreign Trade Single Window
VUI	One-Stop Shop for Investors (Mexico)
VUI	Single Window for Investment (Costa Rica)
VUN	National Single Window (Mexico)
WEF	World Economic Forum
WPDR	Working Party on Domestic Regulation
WTO	World Trade Organization
XML	Extensible Markup Language

Preferential trade agreements

Short title	Agreement
AANZFTA Second Protocol (2025)	Second Protocol to Amend the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area, signed 21 August 2023, entered into force 21 April 2025
AJCEP First Protocol (2020)	First Protocol to Amend the Agreement on Comprehensive Economic Partnership among Japan and Member States of ASEAN, signed 27 February 2019, entered into force 1 August 2020
ASEAN Services Facilitation Framework (2024)	ASEAN Services Facilitation Framework endorsed by ASEAN Economic Ministers on 9 March 2024 (non-binding)
ASEAN-China Trade in Services Agreement (2007)	Agreement on Trade in Services of the Framework Agreement on Comprehensive Economic Cooperation between ASEAN and China, signed 14 January 2007, entered into force 1 July 2007
ASEAN-India Trade in Services Agreement (2015)	Agreement on Trade in Services under the Framework Agreement on Comprehensive Economic Cooperation between ASEAN and India, signed 13 November 2014, entered into force 1 July 2015
ASEAN–Republic of Korea Trade in Services Agreement (2009)	Agreement on Trade in Services under the Framework Agreement on Comprehensive Economic Cooperation between ASEAN and Republic of Korea, signed 21 November 2007, entered into force 1 May 2009
ATISA (2021)	ASEAN Trade in Services Agreement, signed 7 October 2020, entered into force 5 April 2021
Australia-Malaysia FTA (2012)	Free Trade Agreement between Australia and Malaysia, signed 22 May 2012, entered into force 1 January 2013
China-Costa Rica FTA (2011)	Free Trade Agreement between China and Costa Rica, signed 8 April 2010, entered into force 1 August 2011
China-Georgia FTA (2018)	Free Trade Agreement between China and Georgia, signed 13 May 2017, entered into force 1 January 2018
COMESA Regulations on Trade in Services (2009)	Regulations on Trade in Services of the Common Market for Eastern and Southern Africa, adopted 4 June 2009
CPTPP (2018)	Comprehensive and Progressive Agreement for Trans-Pacific Partnership, signed 8 March 2018, entered into force 30 December 2018
EFTA-Central American FTA (2014)	Free Trade Agreement between the EFTA States and the Central American States, signed 24 June 2013, entered into force 19 August 2014
EFTA-Philippines FTA (2018)	Free Trade Agreement between the EFTA States and the Philippines, signed 28 April 2016, entered into force 1 June 2018
EFTA-Thailand (2025)	Free Trade Agreement between the EFTA States and Thailand, signed 23 January 2025 (pending entry into force)
EFTA–Hong Kong, China FTA (2012)	Free Trade Agreement between the EFTA States and Hong Kong, China, signed 21 June 2011, entered into force 1 October 2012
EU-Central America Association Agreement (2024)	Association agreement between the EU and Central America, signed 29 June 2012, entered into force 1 May 2024
EU-Republic of Korea FTA (2011)	Free Trade Agreement between the EU and the Republic of Korea, signed 6 October 2010, entered into force 1 July 2011
EU–Armenia CEPA (2021)	Comprehensive and Enhanced Partnership Agreement between the EU and Armenia, signed 24 November 2017, entered into force 1 March 2021

EU–Canada CETA (2017)	Comprehensive Economic and Trade Agreement between the EU and Canada, signed 30 October 2016, entered into force 21 September 2017
EU–Georgia Association Agreement (2016)	Association Agreement between the EU and Georgia, signed 27 June 2014, entered into force 1 July 2016
EU–Japan EPA (2019)	Agreement between the EU and Japan for an Economic Partnership, signed 1 July 2018, entered into force 1 February 2019
EU–UK TCA (2021)	Trade and Cooperation Agreement between the EU and the UK, signed 30 December 2020, entered into force 1 May 2021
EU–Viet Nam FTA (2020)	Free Trade Agreement between the EU and Viet Nam, signed 30 June 2019, entered into force 1 August 2020
Hong Kong, China–Australia FTA (2020)	Free Trade Agreement between Hong Kong, China and Australia, signed 26 March 2019, entered into force 17 January 2020
Hong Kong, China–New Zealand CEPA (2011)	Closer Economic Partnership Agreement between Hong Kong, China and New Zealand, signed 29 March 2010, entered into force 1 January 2011
Iceland-China FTA (2014)	Free Trade Agreement between Iceland and China, signed 15 April 2013, entered into force 1 July 2014
India-Singapore CECA (2005)	Comprehensive Economic Cooperation Agreement between India and Singapore, signed 29 June 2005, entered into force 1 August 2005
India–Australia ECTA (2022)	India-Australia Economic Cooperation and Trade Agreement, signed 2 April 2022, entered into force 29 December 2022
Indonesia-Republic of Korea CEPA (2023)	Comprehensive Economic Partnership Agreement between Indonesia and Republic of Korea, signed 18 December 2020, entered into force 01 January 2023
Indonesia–Australia CEPA (2020)	Comprehensive Economic Partnership Agreement between Indonesia and Australia, signed 4 March 2019, entered into force 5 July 2020
Malaysia–India CECA (2011)	Comprehensive Economic Cooperation Agreement between Malaysia and India, signed 18 February 2011, entered into force 1 July 2011
MERCOSUR Services Protocol (2005)	Montevideo Protocol on Trade in Services of MERCOSUR, signed 15 December 1997, entered into force 7 December 2005
EU–Mexico Modernized Global Agreement	Modernisation of the Trade part of the EU-Mexico Global Agreement, published upon its political conclusion in April 2018 and updated in April 2020 and January 2025
PACER Plus (2020)	Pacific Agreement on Closer Economic Relations Plus, signed 14 June 2017, entered into force 13 December 2020
Pacific Alliance Additional Protocol (2016)	Additional Protocol to the Framework Agreement of the Pacific Alliance, signed 10 February 2014, entered into force 1 May 2016
Pakistan-Malaysia CEPA (2008)	Agreement between Pakistan and Malaysia for a Closer Economic Partnership, signed 8 November 2007, entered into force 1 January 2008
Peru–Australia FTA (2020)	Free Trade Agreement between Peru and Australia, signed 12 February 2018, entered into force 11 February 2020
RCEP (2022)	Regional Comprehensive Economic Partnership, signed 15 November 2020, entered into force 1 January 2022
Republic of Korea-United States FTA (2012)	Free Trade Agreement between the Republic of Korea and the United States, signed 30 June 2007, entered into force 15 March 2012
Singapore-Australia FTA (2003	Free Trade Agreement between Singapore and Australia, signed 17 February 2003, entered into force 28 July 2003
Singapore–Jordan FTA (2005)	Agreement between Singapore and Jordan on the Establishment of a Free Trade Area, signed 16 May 2004, entered into force 22 August 2005
Switzerland–China FTA (2014)	Free Trade Agreement between the Switzerland and China, signed 6 July 2013, entered into force 1 July 2014
UAE-Costa Rica CEPA (2025)	Comprehensive Economic Partnership Agreement between the UAE and Costa Rica, signed 17 April 2024, entered into force 1 April 2025
UK-Australia FTA (2023)	Free Trade Agreement between the UK and Australia, signed 17 December 2021, entered into force 31 May 2023
UK-Japan CEPA (2021)	Agreement between the UK and Japan for a Comprehensive Economic Partnership, signed 23 October 2020, entered into force 1 January 2021
UK-New Zealand FTA (2023)	Free Trade Agreement between the UK and New Zealand, signed 28 February 2022, entered into force 31 May 2023

UK–Iceland, Liechtenstein and Norway FTA (2023)	Free Trade Agreement between Iceland, Liechtenstein, Norway and the UK, signed 8 July 2021, entered into force 1 February 2023
United States-Australia FTA (2005)	Free Trade Agreement between the United States and Australia, signed 18 May 2024, entered into force 1 January 2005
United States-Chile FTA (2004)	Free Trade Agreement between the United States and Chile, signed 6 June 2003, entered into force 1 January 2004
United States-Colombia Trade Promotion Agreement (2012)	United States-Colombia Trade Promotion Agreement, signed 22 November 2006, entered into force 15 May 2012
United States–Ecuador Protocol on Trade Rules and Transparency (2021)	Protocol to the Trade and Investment Council Agreement between the United States and Ecuador relating to Trade Rules and Transparency, signed 8 December 2020, entered into force 5 August 2021
United States–Oman FTA (2009)	Agreement between the United States and Oman on the Establishment of a Free Trade Area, signed 19 January 2006, entered into force 1 January 2009
USMCA (2020)	Agreement between the US, Mexico and Canada, signed 30 November 2018, entered into force 1 July 2020

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Services are currently the largest and most dynamic sector of many economies, underpinning growth, productivity and employment. Yet, the costs of trading services remain significantly higher than those for goods, largely due to regulatory and governance differences across economies. Furthermore, opaque and inefficient authorization procedures for service providers can limit participation in services trade, particularly for developing economies.

To address these challenges, over 70 WTO members adopted new Disciplines on Services Domestic Regulation, which entered into force in 2024. These disciplines aim to embed good regulatory practices (GRPs) into services policies and facilitate services trade by fostering transparency, predictability and efficiency in regulatory frameworks.

This publication examines how GRPs can reduce trade costs, enhance economic performance and support financial inclusion. It outlines 14 core GRPs for improving transparency and efficiency in authorization and licensing processes, with the aim of promoting international regulatory cooperation. Four case studies, focusing on Costa Rica, Indonesia, the Philippines and Thailand, illustrate how reforms anchored in clear legal frameworks can reduce compliance costs, enforce quality standards and reduce processing times. The publication also introduces the Diagnostic and Reform Planning Tool, a new instrument developed to assist policymakers and regulators in mapping their domestic regulatory frameworks against the 14 GRPs set out in this publication.

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