

Six Goals for the Doha Round Financial Services Negotiations

“First Pillar” Liberalization:

Opening Markets to Foreign Financial Firms and Ensuring that they Receive Substantially the Same Treatment as Domestic Firms (“Market Access” and “National Treatment”)

- **Existing Liberalization:** Eliminate “binding gaps” by obtaining formal GATS commitments for liberalization measures that are already in effect or scheduled to take effect but not yet bound in the GATS.
- **Remaining Barriers:** Remove the remaining barriers that a number of WTO members continue to impose and then bind the resulting liberalization in the GATS.
- **MFN Exemptions:** Narrow or withdraw the broad exemptions that some WTO members have taken from the most-favored-nation (MFN) obligation of the GATS.
- **Cross-Border Services:** Use an incremental approach in negotiations for cross-border services that combines a strengthening of GATS commitments and the achievement of greater liberalization in practice.

“Second Pillar” Liberalization:

Removing Nondiscriminatory Structural Barriers

- **Regulatory Transparency:** Develop stronger GATS rules for transparency in developing and applying regulations as well as for the related principle of procedural “fairness.”
- **Effective Market Access:** Remove barriers that cannot be justified on prudential* grounds and which serve primarily to deny “effective market access” to foreign financial firms, and bind the resulting liberalization.

* “Prudential” regulation aims to ensure the integrity and stability of the financial system and to protect consumers of financial services.