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CHAPTER 8

TRADE IN SERVICES

ARTICLE 8.1

Scope

1. This Chapter shall apply to measures by a Party affecting trade in services.
2. Consistent with the provisions of this Chapter, the Parties retain their right to regulate within their respective territories to achieve their legitimate policy objectives.
3. This Chapter shall not apply to measures affecting natural persons of a Party seeking access to the employment market of the other Party, nor shall it apply to measures regarding nationality or citizenship, residence, or employment on a permanent basis.
4. Nothing in this Chapter shall prevent a Party from applying measures to regulate the entry of natural persons of the other Party into, or their temporary stay in, its territory, including those measures necessary to protect the integrity of, and to ensure the orderly movement of natural persons across its borders, provided that those measures are not applied in a manner as to nullify or impair the benefits accruing to the other Party under this Chapter. The sole fact that a Party requires natural persons of the other Party to obtain a visa shall not be regarded as nullifying or impairing the benefits accruing to the other Party under this Chapter.
5. For the purposes of this Chapter, "measures by a Party" means measures taken by:
 - (a) central, regional, or local governments and authorities of that Party; and

- (b) non-governmental bodies in the exercise of powers delegated by central, regional, or local governments or authorities of that Party.

In fulfilling its obligations and commitments under this Chapter, each Party shall take such reasonable measures as may be available to it to ensure their observance by regional and local governments and authorities and non-governmental bodies within its territory.

6. This Chapter shall not apply to measures affecting:

- (a) government procurement of services purchased for governmental purposes and not with a view to commercial resale or with a view to use in the supply of services for commercial sale;
- (b) subsidies or grants, including government-supported loans, guarantees, and insurance, provided by a Party or to any conditions attached to the receipt or continued receipt of such subsidies or grants, whether or not such subsidies or grants are offered exclusively to domestic services, service consumers, or service suppliers, except as provided in Article XX {Subsidies};
- (c) audio-visual services;
- (d) cabotage in maritime transport services¹;
- (e) inland waterways transport; and

¹ For the Union, cabotage in maritime transport services covers, without prejudice to the scope of activities that may be considered cabotage under the relevant national legislation, transportation of passengers or goods between a port or point located in a Member State and another port or point located in that same Member State, including on its continental shelf, as provided for in the United Nations Convention on the Law of the Sea, and traffic originating and terminating in the same port or point located in a Member State. For India, cabotage in maritime transport services means transportation of passengers or goods between any port or place located in India and any other port or place located in India and transportation of passengers or goods originating or terminating in the same port or place located in India including transportation of passengers or goods between a port or a place located in India and another port, place, installation and structures situated in the Exclusive Economic Zone (EEZ) of India or on the continental shelf of India.

- (f) in respect of air transport services, measures affecting traffic rights however granted, or measures affecting services directly related to the exercise of traffic rights, other than measures affecting:
 - (i) aircraft repair and maintenance services;
 - (ii) the selling and marketing of air transport services; and
 - (iii) ground handling services;
 - (iv) computer reservation system services.

9. Annex XX (Entry and Temporary Stay of Natural Persons), Annex XX (Professional Services and Regulated or Licensed Occupations), Annex XX (Financial Services), Annex XX (Telecommunications Services) are integral parts of this Chapter and shall be read with the provisions of this Chapter.

ARTICLE 8.2

Definitions

For the purposes of this Chapter, the following definitions apply:

- (a) "aircraft repair and maintenance services" means such activities when undertaken on an aircraft or a part thereof while it is withdrawn from service and does not include so-called line maintenance;
- (b) "commercial presence" means any type of business or professional establishment, including through:
 - (i) the constitution, acquisition, or maintenance of a juridical person; or

(ii) the creation or maintenance of a branch or a representative office,

within the territory of a Party for the purpose of supplying a service;

- (c) "computer reservation system services" means services provided by computerised systems that contain information about air carriers' schedules, availability, fares, and fare rules, through which reservations can be made or tickets may be issued;
- (d) "ground handling services" means the supply at an airport of the following services, on a fee or contract basis: ramp handling, aircraft servicing, aircraft cleaning, loading or unloading², crew administration, air cargo and mail handling services, baggage handling, administrative support services such as supervision, ramp fuelling or defueling operations, liaison for fuelling and defueling, representational service, passenger handling, catering services – liaison and administration, flight operations and surface transport. Ground handling services do not include: security functions and self-handling, or management or operation of essential centralised airport infrastructure, such as de-icing facilities, fuel distribution systems, baggage handling systems, and fixed intra airport transport systems;
- (e) "juridical person" means any entity duly constituted or otherwise organised under applicable law, whether for profit or otherwise, and whether privately-owned or government-owned, including any corporation, trust, partnership, joint venture, sole proprietorship, or association;
- (f) "juridical person of a Party" means a juridical person which is either:
 - (i) constituted or otherwise organised under the law of that Party, and is engaged in substantive business operations in the territory of that Party or the other Party³; or

² For greater certainty, 'loading or unloading' in this definition includes 'crew administration' for India. For EU, 'crew administration' is not included under 'loading or unloading' and is mentioned separately within this definition.

³ For the Union, the concept of "substantive business operations" is understood as being equivalent to the concept of "effective and continuous link" with the economy of a Member State, as enshrined in Article 54 of the Treaty on the Functioning of the European Union

- (ii) in the case of the supply of a service through commercial presence, owned or controlled by:
 - (A) natural persons of that Party; or
 - (B) juridical persons of that Party identified under subparagraph (e)(i);

- (g) a "juridical person" is:
 - (i) owned by persons of a Party if more than fifty per cent of the equity interest in it is beneficially owned by persons of that Party;
 - (ii) controlled by persons of a Party if such persons have the power to name a majority of its directors or otherwise to legally direct its actions;
 - (iii) affiliated with another person when it controls, or is controlled by, that other person, or when it and the other person are both controlled by the same person;

- (h) "measure" means any measure by a Party, whether in the form of a law, regulation, rule, procedure, decision, administrative action, or any other form;

- (i) "measures by a Party affecting trade in services" include measures in respect of:
 - (i) the purchase or use of, or payment for, a service;
 - ii) the access to and use of, in connection with the supply of a service, services which are

(TFEU). The concept of "effective and continuous link" with the economy of a Member State is equivalent to the concept of "substantive business operations" provided in Article V para 6 of the GATS in line with its notification of the Treaty establishing the European Community to the WTO (WT/REG39/1). The Parties share the understanding that a shell company does not fall within the scope of this Chapter as it does not meet the requirements of having "substantive business operations" or having an "effective and continuous link" with the economy of a Member State of the Union.

required by a Party to be offered to the public generally; and

- iii) the presence, including commercial presence, of persons of a Party for the supply of a service in the territory of the other Party;
- (j) "monopoly supplier of a service" means any person, public or private, which in the relevant market of the territory of a Party is authorised or established formally or in effect by that Party as the sole supplier of that service;
- (k) "natural person of a Party" means:
 - (i) for the European Union, a national of a Member State according to its law;⁴ and
 - (ii) for India, a natural person who resides in the territory of India or elsewhere and who under its law is a national;
- (l) "person" means a natural person or a juridical person;
- (m) "sector of a service" means:
 - (i) with reference to a specific commitment, one or more, or all, subsectors of that service, as specified in a Party's Schedule of Specific Commitments;
 - (ii) otherwise, the whole of that service sector, including all of its subsectors;
- (n) "selling and marketing of air transport services" means opportunities for the air carrier concerned to sell and market freely its air transport services including all aspects of marketing such as market research, advertising, and distribution. These activities do not include the pricing of air transport services nor the applicable conditions;

⁴ Solely for the Republic of Latvia, the definition of natural person also includes persons permanently residing in the Republic of Latvia who are not citizens of the Republic of Latvia or any other state but who are entitled, under the law of the Republic of Latvia, to receive a non-citizen's passport.

- (o) "services" include any service in any sector except services supplied in the exercise of governmental authority;
- (p) "service consumer" means any person that receives or uses a service;
- (q) "service of the other Party" means a service which is supplied
 - (i) from or in the territory of that other Party, or in the case of maritime transport, by a vessel registered under the laws and regulations of that other Party, or by a person of that other Party which supplies the service through the operation of a vessel and/or its use in whole or in part; or
 - (ii) in the case of the supply of a service through commercial presence or through the presence of natural persons, by a service supplier of that other Party;
- (r) "service supplied in the exercise of governmental authority" means any service which is supplied neither on a commercial basis nor in competition with one or more service suppliers;
- (s) "service supplier" means a person that supplies a service.⁵
- (t) "supply of a service" includes the production, distribution, marketing, sale, and delivery of a service;
- (u) "trade in services" means the supply of a service:
 - (i) from the territory of one Party into the territory of the other Party ("mode 1");

⁵ Where the service is not supplied directly by a juridical person but through other forms of commercial presence such as a branch or a representative office, the service supplier (i.e. the juridical person) shall, nonetheless, through such presence be accorded the treatment provided for service suppliers under this Agreement. Such treatment shall be extended to the presence through which the service is supplied and need not be extended to any other parts of the supplier located outside the territory where the service is supplied.

- (ii) in the territory of one Party to the service consumer of the other Party ("mode 2");
- (iii) by a service supplier of one Party, through commercial presence in the territory of the other Party ("mode 3");
- (iv) by a service supplier of one Party, through presence of natural persons of a Party in the territory of the other Party ("mode 4"); and
- (v) "traffic rights" means the rights for scheduled and non- scheduled services to operate or carry passengers, cargo and mail for remuneration or hire from, to, within, or over the territory of a Party, including points to be served, routes to be operated, types of traffic to be carried, capacity to be provided, tariffs to be charged, and their conditions, and criteria for designation of airlines, including such criteria as number, ownership, and control.

ARTICLE 8.3

Scheduling of Commitments

1. Each Party shall make commitments under Article X.X (National Treatment), Article X.X (Most-Favoured-Nation Treatment), Article X.X (Market Access), in accordance with either Article X.X (Schedules of Specific Commitments) or Article X.X (Schedules of Non-Conforming Measures).
2. Each Party may also make commitments under Article X.X (Additional Commitments).

ARTICLE 8.4

Market Access

1. With respect to market access through the modes of supply identified in subparagraph (t) of Article X.1 (Definitions), each Party shall accord to services and service suppliers of the other Party

treatment no less favourable than that provided for under the terms, limitations, and conditions agreed and specified in its Schedule of Specific Commitments.

2. The measures which a Party shall not adopt or maintain either on the basis of a regional subdivision or on the basis of its entire territory, either in sectors where market access commitments are undertaken and in accordance with its specific commitments, as provided in Article X.6 (Schedules of Specific Commitments), or subject to its non-conforming measures, as provided in the Article X.X (Schedules of Non-Conforming Measures), are defined as:

- (a) limitations on the number of service suppliers whether in the form of numerical quotas, monopolies, exclusive service suppliers or the requirements of an economic needs test;
- (b) limitations on the total value of service transactions or assets in the form of numerical quotas or the requirement of an economic needs test;
- (c) limitations on the total number of service operations or on the total quantity of service output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test;⁶
- (d) limitations on the total number of natural persons that may be employed in a particular service sector or that a service supplier may employ and who are necessary for, and directly related to, the supply of a specific service in the form of numerical quotas or the requirement of an economic needs test;
- (e) measures which restrict or require specific types of legal entity or joint venture through which a service supplier may supply a service; and
- (f) limitations on the participation of foreign capital in terms of maximum percentage limit on foreign shareholding or the total value of individual or aggregate foreign investment.

3. If a Party undertakes a market access commitment to grant the treatment specified in

⁶ This subparagraph does not cover measures of a Party which limit inputs for the supply of services.

paragraphs 1 and 2 in accordance with Article X (Schedules of Specific Commitments) or Article X (Schedule of Non-Conforming Measures) in relation to the supply of a service through a mode of supply referred to in subparagraph (t) (i), (ii) or (iv) of Article [X] (Definitions), it shall not require a service supplier of the other Party to establish or maintain a representative office, a branch, or any form of juridical person, or to be resident in its territory as a condition for the supply of that service through the relevant mode of supply, unless otherwise specified in its Schedule of Specific Commitments or Schedule of Non-Conforming Measures.

ARTICLE 8.5

National Treatment

1. A Party making commitments in accordance with Article X.6 (Schedules of Specific Commitments) shall, in the sectors inscribed in its Schedule of Specific Commitments and subject to any conditions and qualifications set out therein, accord to services and service suppliers of the other Party, in respect of all measures affecting the supply of services, treatment no less favourable than that it accords to its own like services and service suppliers.
2. A Party making commitments in accordance with Article X.X (Schedules of Non-Conforming Measures) shall accord to services and service suppliers of the other Party, in respect of all measures affecting the supply of services, treatment no less favourable than that it accords to its own like services and service suppliers, subject to its non-conforming measures as provided in Article X.X (Schedules of Non-Conforming Measures).
3. Nothing in this Article shall be construed to require any Party to compensate for any inherent competitive disadvantage which result from the foreign character of the relevant services or service suppliers.
4. A Party may meet the requirement under paragraph 1 or 2 by according to services and service suppliers of the other Party, either formally identical treatment or formally different treatment to that it accords to its own like services and service suppliers.

5. Formally identical or formally different treatment shall be considered to be less favourable if it modifies the conditions of competition in favour of services or service suppliers of the Party compared to like services or service suppliers of the other Party.

6. If a Party undertakes a national treatment commitment to grant the treatment specified in paragraph 1 in accordance with Article X (Schedule of Specific Commitments) or in paragraph 2 in accordance with Article X (Schedule of Non-Conforming Measures) in relation to the supply of a service through the mode of supply referred to in subparagraph (t) (iii) of Article [X] (Definitions), it shall not require the appointment of individuals of any particular nationality as executives, managers or members of boards of directors as a condition for the supply of that service through commercial presence, unless otherwise specified in its Schedule of Specific Commitments or Schedule of Non-Conforming Measures.

ARTICLE 8.6

Most-Favoured-Nation Treatment

1. A Party making commitments in accordance with Article X.X (Schedules of Specific Commitments) shall, in respect of the sectors and subsectors set out in Appendix X.X (Most-Favoured-Nation Treatment Sectoral Coverage) and subject to any terms, limitations, conditions and qualifications set out therein, accord to services and service suppliers of the other Party, in respect of all measures affecting the supply of services, treatment no less favourable than that it accords to like services and service suppliers of a third country in the context of an economic integration agreement signed after the entry into force of this Agreement.

2. A Party making commitments in accordance with Article X.X (Schedules of Non-Conforming Measures) shall accord to services and service suppliers of the other Party, in respect of all measures affecting the supply of services, treatment no less favourable than that it accords to like services and service suppliers of a third country, subject to its non-conforming measures as provided in Article X.X (Schedules of Non-Conforming Measures).

3. Paragraphs 1 and 2 shall not be construed as obliging a Party to extend to services or service

suppliers of the other Party the benefit of any treatment resulting from:

- (a) an international agreement for the avoidance of double taxation or other international agreement or arrangement relating wholly or mainly to taxation; or
- (b) measures providing for recognition, including the recognition of the standards or criteria for the authorisation, licencing, or certification of a natural person or commercial presence to carry out a service, or the recognition of prudential measures as referred to in paragraph 3 of the GATS Annex on Financial Services.⁷

4. For greater certainty, the "treatment" referred to in paragraphs 1 and 2 does not include dispute settlement procedures provided for in other international agreements.

5. For greater certainty, the existence of substantive provisions in economic integration agreements concluded by a Party with a third country, do not in themselves constitute the "treatment" referred to in paragraphs 1 and 2.

6. This Article shall not be construed as to prevent a Party from conferring or according advantages to adjacent countries in order to facilitate exchanges limited to contiguous frontier zones of services that are both locally produced and consumed.

7. Each Party shall accord the treatment referred to in paras 1 and 2 of Article (X) Most-Favoured-Nation Treatment for a period of 5 years from the date of entry into force of this Agreement. The treatment referred to in paras 1 and 2 of Article (X) Most-Favoured-Nation Treatment shall not apply after 5 years from the date of entry into force of this Agreement, unless otherwise mutually agreed in the review to be carried out in accordance with para 8.

8. At the beginning of the 4th year following the entry into force of this agreement, the Joint Committee shall review the developments pertaining to the granting or maintenance of treatment relating to the entry and stay of Indian students in the Union, including their work rights, in the context of relevant EU law and existing bilateral agreements with India, and the maintenance,

⁷ For greater certainty, this is without prejudice to paragraph 2 of Article X.X Recognition.

conclusion and adoption of social security agreements or similar arrangements or agreements in the context of the temporary movement of service suppliers, and decide whether or not to continue the treatment referred to in para 1 and 2 of this Article after 5 years from the date of entry into force of this Agreement. This review shall be concluded prior to the end of the 5th year following the entry into force of this Agreement.

9. Following the review referred to in Para 8, where the Joint Committee decides to continue the treatment referred to in Paras 1 and 2 of this Article, a Party, at any time after 5 years from the date of entry into force of such decision, may request further review by the Joint Committee, if it considers that subsequent developments pertaining to the elements that were subject to the review carried out under Para 8 adversely affect its interests. Pursuant to that request, the Joint Committee shall review whether or not to continue the treatment referred to in Paras 1 and 2 of this Article.

10. Where the Joint Committee decides not to continue the treatment referred to in paras 1 and 2 of this Article pursuant to the review carried out under Para 8 or 9, neither Party shall have the obligation to accord such treatment. Such decision shall discontinue the accordance of the treatment referred to in paras 1 and 2 of this Article available under this Chapter and shall not affect any benefits or privileges having been accorded by either Party while the treatment referred to in paras 1 and 2 of this Article applied.

ARTICLE 8.7

Additional Commitments

1. The Parties may negotiate commitments with respect to measures affecting trade in services not subject to scheduling under Article X.3 (Market Access) or Article X.4 (National Treatment) or Article X.X (Most-Favoured-Nation Treatment), including those regarding qualifications, standards or licensing matters.

2. A Party making additional commitments shall inscribe such commitments in its Schedule of Specific Commitments or in Part: X (Additional Commitments) of its Schedule in Annex X (Schedules of Non-Conforming Measures).

ARTICLE 8.8

Schedule of Specific Commitments

1. A Party making commitments in accordance with this Article shall set out in its Schedule of Specific Commitments, the specific commitments it undertakes under Article X.3 (Market Access), Article X.4 (National Treatment), and Article X.5 (Additional Commitments). With respect to sectors where such commitments are undertaken, each Schedule of Specific Commitments shall specify:

- (a) terms, limitations, and conditions on market access;
- (b) conditions and qualifications on national treatment;
- (c) undertakings relating to additional commitments; and
- (d) where appropriate, the time frame for implementation of such commitments.

2. Measures inconsistent with both Article X.3 (Market Access) and Article X.4 (National Treatment) shall be inscribed in the column relating to Article X.3 (Market Access). In this case, the inscription shall be considered to provide a condition or qualification to Article X.4 (National Treatment) as well.

3. A Party making commitments in accordance with this Article shall set out in the Appendix to its Schedules of Specific Commitments, the sectors and subsectors on which it undertakes commitments under Article X.X (Most-favoured-nation treatment). With respect to such sectors and subsectors, the Appendix shall specify the terms, limitations, conditions, and qualifications on most-favoured-nation treatment.

4. For greater certainty, the Schedule of Specific Commitments is contained in Annex XX, and shall form an integral part of this Chapter.

ARTICLE 8.9

Non-conforming measures

1. For a Party making commitments in accordance with this Article, Articles X.X [Market access], X.X [National Treatment], X.X [Most-Favoured-Nation Treatment], do not apply to:
 - (a) any existing non-conforming measure that is maintained by a Party at the level of:
 - (i) the central government, as set out in Part A: Existing Measures of its Schedule in Annex X (Schedules of Non-Conforming Measures);
 - (ii) a regional government, as set out in Part A: Existing Measures of its Schedule in Annex X (Schedules of Non-Conforming Measures); or
 - (iii) a local government.
 - (b) the continuation or prompt renewal of any non-conforming measure referred to in point (a) of this paragraph; or
 - (c) a modification to any non-conforming measure referred to in points (a) and (b) of this paragraph, to the extent that it does not decrease the conformity of the measure, as it existed immediately before the modification, with Articles X.X [Market access], X.X [National Treatment], X.X [Most-Favoured-Nation Treatment],.
2. Articles X.X [Market access], X.X [National Treatment], X.X [Most-Favoured-Nation Treatment], do not apply to a measure of a Party which is consistent with the reservations, conditions or qualifications specified with respect to a sector, subsector or activity listed in Part B: Future Measures of its Schedule in Annex X (Schedules of Non-Conforming Measures).
3. For greater certainty, Schedules of Non-Conforming Measures are contained in Annex X,

which shall form an integral part of this Chapter.

ARTICLE 8.10

Transparency of Measures in the Schedule of Specific Commitments

1. Within six years of the date of entry into force of this Agreement, the Party shall set out in its Schedule of Specific Commitments any existing measure maintained at the central government level, and shall also provide an indicative list of existing measures maintained by regional governments, if applicable, that applies to the modes of supply referred to in subparagraph (t) of Article X.1 (Definitions) of the sectors where it has undertaken specific commitments in accordance with Article X.X Schedule of Specific Commitments, where such measures form the basis for specific limitations, terms, qualifications, or conditions that do not conform to all or some of the obligations described in Articles X.X [Market Access], or X.X [National Treatment], as specified in its Schedule of Specific Commitments.
2. Pursuant to para 1, a Party's measures shall be specified solely for the purposes of transparency, and shall be accurate at the time of submission and shall not affect the rights and obligations of that Party under this Chapter. If there are any discrepancies between the measures so specified by the Party and its Schedule in Annex X.X (Schedules of Specific Commitments), the latter shall prevail.
3. Neither Party shall have recourse to Dispute Settlement under Chapter XX Dispute Settlement for any matter arising under this Article.

ARTICLE 8.11

Modification of Schedules

1. A Party (the "modifying Party") may notify to the other Party (the "affected Party") a proposal to modify or withdraw any commitment in its Schedule in Annex XX (Schedules of

Specific Commitments) or Annex XX (Schedules of Non-Conforming Measures) at any time after three years from the date on which that commitment entered into force.

2. Upon notification of such proposal, the Parties shall enter into consultations on the modification and on any appropriate compensatory adjustments.
3. If the Parties fail to enter into consultations, within a time period of 4 months from the date of such notification, or fail to reach a mutually satisfactory understanding within 6 months from the date of entering into consultation, the modifying Party may request the Committee on Services and Digital Trade to consider the proposed modification or withdrawal and compensatory adjustments, if any. If the Committee on Services and Digital Trade does not reach a mutually satisfactory understanding within 6 months, the matter shall be referred to the **[Joint Committee]**.
4. In such consultations on appropriate compensatory adjustments pursuant to paragraph 2 and 3, the Parties shall endeavour to maintain a general level of mutually advantageous commitment that is no less favourable to trade than provided for at the time of the consultations in the Schedules in Annex XX (Schedules of Specific Commitments) or Annex XX (Schedule of Non-Conforming Measures).
5. If the Parties reach a mutually satisfactory understanding pursuant to paragraph 3 and 4, the **[Joint Committee]** shall make a decision to amend the Schedules accordingly pursuant to Article [X.2 Institutional Chapter].

ARTICLE 8.12

Domestic Regulation

1. Each Party shall ensure that all measures of general application affecting trade in services are administered in a reasonable, objective, and impartial manner.
2. This Article shall not apply to:

- (a) a sector which remains non-committed by reason of a Party's Schedule in Annex X (Schedules of Specific Commitments) or Annex X (Schedules of Non-Conforming Measures); and
- (b) a measure to the extent that such measure is not subject to Article X.X (National Treatment) or Article X.X (Market Access) by reason of a Party's commitments made in accordance with either Article X.X (Schedules of Specific Commitments) or Article X.X (Schedules of Non-Conforming Measures).]

3. For the purposes of this Article, the following definitions apply:

- (a) "authorisation" means permission to supply a service, resulting from a procedure to which a person of a Party must adhere to in order to demonstrate compliance with licensing and qualification requirements;
- (b) "competent authority" means a central, regional or local government or authority or non-governmental body in the exercise of powers delegated by central, regional or local governments or authorities, which is entitled to take a decision concerning the authorisation referred to in point (a).

4. With a view to ensuring that measures relating to qualification requirements and procedures, licensing requirements and procedures, and technical standards, do not constitute unnecessary barriers to trade in services, the Parties shall review the results of the WTO negotiations on disciplines on such measures, pursuant to paragraph 4 of Article VI of the GATS, and shall consider amending this Article, as appropriate, after consultation, to bring these results into effect under this Chapter. Such disciplines shall aim to ensure that such requirements, inter alia:

- (a) are based on objective and transparent criteria, such as competence and the ability to supply the service;
- (b) are not more burdensome than necessary to ensure the quality of the service; and
- (c) in the case of licensing procedures, are not in themselves a restriction on the supply of the

service.

5.

(a) In sectors in which a Party has undertaken commitments, pending the entry into force of disciplines in these sectors pursuant to paragraph 4, the Party shall not apply licencing and qualification requirements and procedures, and technical standards that nullify or impair such commitments in a manner which:

(i) does not comply with the criteria outlined in subparagraphs 4(a), (b), or (c); and

(ii) could not reasonably have been expected of that Party at the time the commitments in those sectors were made.

(b) In determining whether a Party is in conformity with its obligations under subparagraph 5(a), international standards of relevant international organisations⁸ applied by that Party shall be taken into account.

6. Each Party shall, to the extent practicable, avoid requiring an applicant to approach more than one competent authority for each application for authorisation. If a service for which authorisation is requested is within the jurisdiction of multiple competent authorities, multiple applications for authorisation may be required.

7. If a Party requires authorisation for the supply of a service, it shall ensure that its competent authorities, to the extent practicable, permit the submission of an application at any time throughout the year⁹. If a specific time period for applying for authorisation exists, the Party shall ensure that the competent authorities allow a reasonable period of time for the submission of an application.

8. If a Party requires authorisation for the supply of a service, it shall ensure that its competent

⁸ "Relevant international organisations" refers to international bodies whose membership is open to the relevant bodies of the Parties.

⁹ Competent authorities are not required to start considering applications outside of their official working hours and working days.

authorities:

- (a) endeavour to accept applications in electronic format, including remotely, and, where applicable, under the equivalent conditions of authenticity as paper submissions, in accordance with its laws and regulations; and
- (b) where they deem appropriate accept copies of documents, that are authenticated in accordance with its laws and regulations, in place of original documents.

9. If a Party requires authorisation for the supply of a service, it shall ensure that its competent authorities:

- (a) to the extent practicable, establish an indicative timeframe for the processing of an application;
- (b) at the request of the applicant, provide without undue delay information concerning the status of the application;
- (c) within a reasonable period of time after the submission of an application is considered complete for the purposes of processing under its laws and regulations inform the applicant of the decision concerning the application, to the extent possible, in writing;¹⁰
- (d) if they consider an application incomplete for the purposes of processing under the Party's laws and regulations, within a reasonable period of time, to the extent practicable:
 - (i) inform the applicant that the application is incomplete;
 - (ii) at the request of the applicant, identify the additional information that is required to

¹⁰ Competent authorities may meet the requirement by informing an applicant in advance in writing, including through a published measure, that a lack of response after a specified period of time from the date of submission of the application indicates either acceptance of the application or rejection of the application. The reference to "in writing" should be understood as including electronic format.

complete the application or otherwise provide guidance on why the application is considered incomplete; and

- (iii) provide the applicant with the opportunity¹¹ to provide the additional information, and to correct deficiencies in the application;
- (e) If an application is rejected, to the extent practicable, either upon their own initiative or upon request of the applicant, inform the applicant, without undue delay and in writing, of the reasons for rejection. The applicant shall have the possibility of resubmitting, at its discretion, a new application.

10. Where a Party requires authorisation for the supply of a service, it shall ensure that any authorisation fees¹² charged by its competent authorities are reasonable and transparent and do not in themselves restrict the supply of the relevant service. Each Party is encouraged to accept payment of authorisation fees by electronic means.

11. Each Party shall provide adequate procedures to verify the competence of professionals of the other Party. In verifying and assessing qualifications, where the competent authority considers it relevant, it shall give due consideration to professional experience, as a complement to educational qualifications, and to membership in a professional association in the territory of the other Party.

12. Provided an applicant has presented all necessary supporting evidence of qualifications, the competent authority, in verifying and assessing qualifications, shall endeavour to identify any deficiency and inform the applicant of requirements to meet the deficiency.

13. If licensing or qualification requirements include the completion of an examination, each Party shall to the extent practicable:

- (a) ensure that the examination is scheduled at reasonably frequent intervals;

¹¹ Such "opportunity" does not require a competent authority to provide extensions of deadlines.

¹² For the purpose of this paragraph, authorisation 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.

- (c) provide a reasonable period of time to enable applicants to submit applications to take the examination;
- (c) accept requests in electronic format to take the examination; and
- (d) consider conducting the examination and other aspects of the examination process through electronic means, including remotely.

14. If a Party adopts or maintains a measure relating to the authorisation for the supply of a service, it shall ensure that the competent authority concerned reaches and administers its decisions in a manner independent from the undue influence of any supplier of the service for which the authorisation is required.¹³

15. If a Party requires authorisation, the Party shall promptly publish the information necessary for obtaining an authorisation. Where it exists, such information may include:

- (a) the licensing and qualification requirements and procedures;
- (b) contact information of relevant competent authorities;
- (c) authorisation fees;
- (d) procedures for appeal or review of decisions concerning applications;
- (e) indicative timeframes for the processing of an application.

For the purposes of this Section, "publish" means to include in an official publication, such as an official journal, or on an official website.

16. Each Party shall encourage its competent authorities to respond to any request for

¹³ For greater certainty, this paragraph does not mandate a particular administrative structure. It refers to the decision-making process and administering of decisions.

information or assistance, to the extent practicable.

ARTICLE 8.13

Recognition

1. For the purposes of the fulfilment, in whole or in part, of its standards or criteria for the authorisation, licensing, or certification of service suppliers, and subject to the requirements of paragraph 5, a Party may recognise the education or experience obtained, requirements met, or licences or certifications granted in a third country. That recognition, which may be achieved through harmonisation or otherwise, may be based upon an agreement or arrangement with the third country concerned, or may be accorded autonomously.
2. Where a Party enters into an agreement or arrangement of the type referred to in paragraph 1 with a third country or accords recognition autonomously, the Party shall, pursuant to a request by the other Party, initiate the negotiation of a mutual recognition agreement or similar arrangement with the other Party with a view to conclude such agreement or arrangement or autonomous recognition, to the extent practicable within 30 months.
3. Each Party shall:
 - (a) within 18 months of the entry into force of this Agreement, inform the other Party of its existing recognition measures and state whether such measures are based on agreements or arrangements of the type referred in paragraphs 1 and 2;
 - (b) promptly inform the other Party of the opening of negotiations on an agreement or arrangement of the Party with a third country in order to provide adequate opportunity to the other Party to indicate its interest in participating in such negotiations;
 - (c) promptly inform the other Party when it adopts new recognition measures or significantly modifies existing ones and state whether the measures are based on an agreement or arrangement of the type referred in paragraphs 1 and 2.

4. A Party shall not accord recognition in a manner which would constitute a means of discrimination between the other Party and non-Parties in the application of its standards or criteria for the authorisation, licensing, or certification of service suppliers, or a disguised restriction on trade in services.

5. As set out in Annex XX (Professional Services), each Party shall endeavour to facilitate trade in professional services, including through negotiating mutual recognition agreements or similar arrangements for recognition of professional qualifications in the professions where the relevant bodies in their respective territories have expressed mutual interest for such recognition.

ARTICLE 8.14

Indian Traditional Medicine Services

1. For the purposes of this Article, "Indian Traditional Medicine services" means services relating to Ayurveda, Yoga, Naturopathy, Unani, Siddha, Sowa-Rigpa and Homeopathy.

2. The Parties recognise Indian Traditional Medicine services as health and wellness-related services and agree to facilitate trade in such services, as set out in this article. The Parties also note the importance of public health, patient safety and consumer protection in the provision of Indian traditional medicine services.

3. This Article applies to measures of a Party affecting the supply of Indian traditional medicine services. It does not apply to the non-conforming aspects of measures adopted or maintained in accordance with Article XX.6 (Non-conforming measures).

4. The Union shall allow suppliers of Indian Traditional Medicine services to supply in its territory their services under the supplier's professional title obtained in India, where the supply of traditional medicine services is not reserved to a regulated profession¹⁴.

¹⁴ For the Union, a regulated profession is understood as defined in Article 3 of Directive

5. Where licensing or registration is required in the Union to supply Indian Traditional Medicine services, the requirements and processes for such licensing or registration shall:
- (a) not be less favourable than the treatment accorded to like traditional medicine services and service suppliers of third countries in accordance with Article XX.5 [MFN]; and
 - (b) not amount to or be equivalent to requalification in the Union.
6. The Union shall allow suppliers of Indian Traditional Medicine services from India to establish a commercial presence in its territory through which such suppliers can supply Indian Traditional Medicine services.
7. The Parties shall endeavour to exchange information on regulations, measures and initiatives related to Indian Traditional Medicine services to facilitate trade in Indian Traditional Medicine services between the Parties.

ARTICLE 8.15

Monopolies and Exclusive Service Suppliers

1. Each Party shall ensure that any monopoly supplier of a service in its territory does not, in the supply of the monopoly service in the relevant market, act in a manner inconsistent with that Party's obligations under Article X.3 [Market Access], Article X.4 [National Treatment] and Article X.5 [Most Favoured Nation-Treatment].
2. Where a Party's monopoly supplier of a service competes, either directly or through an

2005/36/EC of the European Parliament and of the Council of 7 September 2005 on the recognition of professional qualifications. For Member States in which the supply of Indian traditional medicine services is considered to be a regulated profession in accordance with this Directive, suppliers of Indian Traditional Medicine services may be required to hold a specific degree such as a medical degree, sit special exams such as state exams and/or register with a professional body before they can supply such services.

affiliated company, in the supply of a service outside the scope of its monopoly rights and which is subject to that Party's commitments, that Party shall ensure that such a supplier does not abuse its monopoly position to act in its territory in a manner inconsistent with such commitments.

3. If a Party has a reason to believe that a monopoly supplier of a service of the other Party is acting in a manner inconsistent with paragraph 1 or 2, it may request that Party establishing, maintaining, or authorising such a supplier to provide specific information concerning the relevant operations.

4. If, after the date of entry into force of this Agreement, a Party grants monopoly rights regarding the supply of a service covered by its commitments, that Party shall notify the other Party no later than three months before the intended implementation of the grant of monopoly rights and the provisions of paragraphs 2, 3, 4, and 5 of Article XX [Modification of Schedules] shall apply.

5. This Article shall also apply to cases of exclusive service suppliers, where a Party, formally or in effect:

- a) authorises or establishes a small number of service suppliers; and
- b) substantially prevents competition among those suppliers in its territory.

ARTICLE 8.16

Disclosure of Confidential Information

Nothing in this Chapter shall be construed as requiring a Party to provide to the other Party confidential information the disclosure of which would impede law enforcement or otherwise be contrary to the public interest or which would prejudice the legitimate commercial interests of particular juridical persons, public or private.

ARTICLE 8.17

Business Practices

1. The Parties recognise that certain business practices of service suppliers, other than those falling under Article X.10 (Monopolies and Exclusive Service Suppliers), may restrain competition and thereby restrict trade in services.
2. Each Party shall, on request of the other Party, enter into consultations with a view to eliminating practices referred to in paragraph 1. The requested Party shall accord full and sympathetic consideration to such a request and shall cooperate through the supply of publicly available non-confidential information of relevance to the matter in question. The requested Party may also provide other information available to the requesting Party, subject to its laws and regulations and to the conclusion of a satisfactory agreement concerning the safeguarding of its confidentiality by the requesting Party.

ARTICLE 8.18

Denial of Benefits

1. A Party may deny the benefits of this Chapter, Para 1 of Article 4 [Enquiries] of Chapter XX: Transparency; and Article X.X [Current Account] and Article X.X [Capital Movements] of Chapter XX: [Exceptions and General Provisions]
 - a) to the supply of any service, if it establishes that the service is supplied from or in the territory of a third country;
 - b) to a service supplier that is a juridical person, if it establishes that it is not a service supplier of the other Party;
 - c) in the case of the supply of a maritime transport service, if it establishes that the service is supplied:

(i) by a vessel registered under the laws and regulations of a third country; and

(ii) by a person of a third country which operates or uses the vessel in whole or in part.

2. A Party may deny the benefits of this Chapter to a service supplier of the other Party that is a juridical person of that Party and to services of that service supplier if:

(a) a service supplier of a third country owns or controls the juridical person; and

(b) the denying Party adopts or maintains a measure with respect to the third country, or with respect to juridical person or natural persons of the third country, that prohibits transactions with the juridical person or that would be violated or circumvented if the benefits of this Chapter were accorded to the juridical person.

ARTICLE 8.19

Safeguard Measures

1. The Parties note that Article X of GATS provides for multilateral negotiations on the question of emergency safeguard measures based on the principle of non-discrimination. The Parties shall review the issue of emergency safeguard measures related to trade in services in light of any provisions agreed under Article X of GATS with a view to their incorporation into this Chapter.

2. In the event that a Party encounters difficulties in the implementation of its commitments under this Chapter, that Party may request consultations with the other Party to address those difficulties.

ARTICLE 8.20

Subsidies

1. Notwithstanding paragraph XX of Article XX (Scope), the Parties shall review the issue of

disciplines on subsidies related to trade in services in light of any disciplines agreed under Article XV of GATS with a view to their incorporation into this Chapter.

2. A Party which considers that it is adversely affected by a subsidy of the other Party related to trade in services may request information from the other Party on such matters.

3. On receipt of a request for consultation, the requested Party may enter into consultation with the requesting Party, with a view to resolving the matter, provided that the request for consultation includes an explanation of how the subsidy has adversely affected trade in services between the Parties. During the consultation, the Party granting the subsidy may consider a request of the other Party for information relating to the subsidy.

4. Neither Party shall have recourse to dispute settlement under Chapter XX (Dispute Settlement) for any request made or consultations held under this Article, or any other dispute arising under this Article.