

31 MAY 2025

**NATIONAL LAW UNIVERSITY, JODHPUR**  
End Term Examination April-May - 2025  
Semester: UG X Semester (Trade and Investment Law Honors)  
Subject: Trade in Services and Agriculture

**Time: Three Hours**

**Marks: 100**

**Instructions:**

1. All questions carry equal marks. Attempt any five questions.
2. Use of all kinds of electronic devices is prohibited.
3. In this examination no materials and texts of Agreements are permitted.

For Questions 1 and 2; refer to the below mentioned factual matrix:

El Macho Inc., a leading financial technology company based in the Moors (a WTO Member State), specializes in digital payment processing, algorithmic trading platforms, and online financial advisory services. After significant success in its domestic market, El Macho Inc. plans to expand into Ashridge Estate (another WTO Member State), a large emerging economy with a rapidly growing middle class and increasing digital adoption.

Ashridge Estate is a WTO member and has made the following commitments in its GATS Schedule for financial services:

Mode 1 (Cross-border supply):

- Payment processing services: No limitations on market access; National treatment unbound
- Trading platforms: Unbound for market access and national treatment
- Financial advisory services: Limitations requiring local data storage; National treatment unbound

Mode 3 (Commercial presence):

- Payment processing: Foreign equity limited to 49%; Requirement to partner with local banks
- Trading platforms: Market access limited to joint ventures with maximum 51% foreign ownership; National treatment requires hiring at least 60% local staff
- Financial advisory services: No limitations on market access; Licensing requirements equivalent to domestic providers

El Macho Inc. is considering multiple entry strategies:

1. Offering its payment processing services directly to Ashridge Estate's consumers through its website hosted in the Moors;
2. Establishing a wholly-owned subsidiary in Ashridge Estate to offer its full range of services;
3. Setting up a joint venture with FinLocal, a prominent financial institution in Ashridge Estate;
4. Acquiring BankTech, an existing financial technology company in Ashridge Estate with domestic licenses.

Recently, Ashridge Estate implemented new regulations requiring:

- All financial data to be processed and stored locally;
- All algorithmic trading platforms to undergo a technical certification process with more stringent requirements for foreign-owned platforms;
- A digital services tax of 5% on revenue generated by foreign digital service providers without physical presence;



- A requirement that all financial advisory services must be provided by advisors certified under Ashridge Estate's regulatory framework.

Q.1).

Drawing on your understanding of market access (Article XVI) and national treatment (Article XVII) obligations under GATS; analyze whether each of Ashridge Estate's commitments in its GATS Schedule for financial services complies with its market access and national treatment obligations under GATS. Identify any potential inconsistencies.

(Marks: 20)

Q.2).

Critically assess whether Ashridge Estate's recently implemented regulations are consistent with its GATS commitments. For any inconsistent measures, explain whether they could potentially be justified under any GATS exceptions (Article XIV).

(Marks: 20)

Q.3).

MediCare International, a healthcare provider from Country X, is exploring opportunities to serve patients from Country Y. They are evaluating four options: (a) offering telemedicine consultations to patients in Country Y, (b) treating patients from Country Y who travel to their facilities in Country X, (c) establishing a hospital in Country Y, and (d) sending their medical specialists to work temporarily at existing hospitals in Country Y.

While defining "trade in services" under GATS; classify each of MediCare's options according to the appropriate GATS mode of supply.

(Marks: 20)

Q.4).

Write short notes on the following:

- Schedule of Specific Commitments under GATS
- Amber Box Subsidies under Agreement on Agriculture

(Marks : 10+10 =20)

Q.5).

The Regional Comprehensive Economic Partnership (RCEP) includes provisions on services trade liberalization among its 15 member countries across Asia-Pacific. Country A, a developing country member of RCEP, has agreed to substantial liberalization in financial services but maintains certain restrictions for non-RCEP countries.

Analyze whether RCEP's services provisions meet the requirements of Article V of GATS, particularly focusing on the "substantial sectoral coverage" and "elimination of substantially all discrimination" criteria. Given Country A's status as a developing country, evaluate how the flexibility provided under Article V applies to its implementation timeline for financial services liberalization. What specific elements would WTO dispute settlement bodies likely examine to determine RCEP's compliance with Article V?

(Marks: 20)

Q.6).

What are the three main "pillars" of the Agreement on Agriculture, and how does each pillar aim to reform agricultural trade among WTO member countries?

(Marks: 20)

