



**AFTINET**  
Australian Fair Trade  
& Investment Network Ltd

128 Chalmers Street  
Surry Hills, NSW, 2010  
Phone: 02 9699 3686  
Fax: 02 9699 3717  
Email: [campaign@aftinet.org.au](mailto:campaign@aftinet.org.au)  
ACN 097 603 131  
ABN 83 659 681 462  
[www.aftinet.org.au](http://www.aftinet.org.au)

**MEDIA RELEASE**

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## **Leaked Trade in Services proposals would restrict regulation in the public interest**

Wikileaks has [released the most updated draft texts](#) on the proposed Trade in Services Agreement (TISA)<sup>1</sup> on three new annexes: State-Owned Enterprises (SOEs); Professional Services, and New Provisions Applicable to All Services.

The TISA is currently being negotiated among 50 mostly industrialised and service-exporting countries including Australia, the US, 23 EU countries, Japan and Korea.

The negotiating texts were supposed to remain secret now and for five years after the deal is finalized or abandoned, but with this leak, nearly every proposed annex has been released. Updated texts on financial services, e-commerce, movement of natural persons, telecommunications, and transparency were also leaked.

Dr Patricia Ranald, Convenor of the Australian Fair Trade Investment Network, said that the TISA New Provisions proposals would restrict any job-stimulating localization requirements that governments could place on foreign companies. The leaked proposals would make it harder for all TISA countries to effectively regulate global services companies including potentially in the finance sector. She said that, at a time when the Panama Papers revelations had made it obvious that global corporations need more rather than less regulation, these proposals could prevent governments from regulating in the public interest and that secrecy was unacceptable.

According to an extensive [analysis by Sanya Reid Smith](#), legal adviser to the Third World Network, the proposals would also would restrict developing countries' ability to regulate foreign investment to promote development the way the industrialised TISA countries did when they were developing.

The Professional Services annex would restrict how governments and professional associations regulate market access, cross border supply, local presence requirements, foreign capital limitations, and licensing requirements for foreign services providers in specified professional fields including accounting, taxation, architectural services, engineering, urban planning and landscape architecture, technical testing and analysis, and potentially also legal services, engineering related scientific and consulting services, veterinary services, private education services, and construction related engineering services.

According to a new [analysis of the proposed annex on State Owned Enterprises](#) by University of Auckland Law Professor [Jane Kelsey](#), "the US proposal for state-owned enterprises in TISA adapts key parts of the Trans-Pacific Partnership Agreement chapter on SOEs as part of its strategy to create new global rules through the triumvirate of new mega-deals: TPPA, TISA and TTIP. The proposal would force majority-owned SOEs to operate like private sector businesses. It doesn't directly require countries to privatise, but removes the rationale for them to remain public entities, creating conditions for privatisation by stealth.

The most extreme, complicated and potentially unworkable provisions in the TPPA relating to state support are not included – yet. But mandatory negotiations would be triggered if a country with a high proportion of SOEs wanted to join TISA. China is the real target. There is an unmistakable message: adopt the US model or stay out of the club.”

"Changes to the e-commerce chapter continue to be negotiated in complete isolation from the stakeholders it affects, notably the global Internet community of users and innovators. This legacy, closed model of trade negotiation is no way to be making public policy for the digital environment," noted Jeremy Malcolm, Senior Global Policy Analyst at the Electronic Frontier Foundation.

The documents, along with the analysis, highlight the way that the TISA responds to major corporate lobbies' desire to deregulate services, even beyond the existing World Trade Organization (WTO) rules. This leak exposes the corporate aim to use TISA to further limit the public interest regulatory capacity of democratically elected governments by imposing disciplines on domestic issues from government purchasing and immigration to licensing and certification standards for professionals and business operations, not to mention the regulatory process itself.

## **Background Information**

Today's leak follows others, including a June 2014 Wikileaks revelation of a previous version of the [Financial Services secret text](#); the December 2014 leak of a U.S. proposal on [cross-border data flows, technology transfer, and net neutrality](#) (available in English and Spanish), which raised serious concerns about the protection of data privacy in the wake of the Snowden revelations; the February 5, 2015 release of a background paper promoting [health tourism in the TISA](#) (available in English, French, German, and Spanish); the June 2015 Wikileaks massive publication of [17 documents on the TISA, along with accompanying analysis](#); the July 2015 publication of an updated batch of texts, including the [core text](#) and [accompanying analysis](#); and the December 2015 leak of annexes on energy and environmental services which showed that states' ability to implement their Paris climate commitments would be highly constrained if the TISA were adopted according to the existing proposals.

**Contact Dr Patricia Ranald 0419 695 841**

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<sup>1</sup>.TISA aims to expand and strengthen the provision of the existing General Agreement on Trade in Services (GATS) in the WTO. However, even worse than the opaque talks at the WTO, the TISA negotiations are being conducted in complete secrecy. Public Services International (PSI) global union federation published the first critique, [TISA vs Public Services](#) in March 2014, and PSI and OWINFS jointly published [The Really Good Friends of Transnational Corporations Agreement](#) report on Domestic Regulation in September 2014. A factsheet on the TISA can be found [here](#) and more information on the TISA implications for Australia can be found at <http://aftinet.org.au/cms/trade-in-services-agreement-tisa>