Learning Objectives

This chapter aims to help students understand:
1. The legal structure of the WTO Agreement compared with that of GATT;
2. The operating system of the WTO compared with other international organizations such as World Bank and International Monetary Fund;
3. The contractual nature of the WTO Agreements;
4. Distinguishing factors of the WTO system from the GATT system, from the viewpoints of a legal nature, multilateral agreements and single undertaking and dispute settlement system;
5. The main functions of the WTO Agreement, particularly in relation with the member countries;
6. The main principles of the multilateral trading system as embodied in the WTO Agreement.

1.1 Structure of the WTO Agreement

1.1.1 Final Act

The Final Act\(^1\) is the legal instrument by virtue of which participants in the Uruguay Round of Multilateral Trade Negotiations certify that the annexed agreements, including the legal texts, the schedules of concessions and commitments in trade in goods, and the schedules of specific commitments in trade in services, are the result of their negotiations. Their commitment to bring these results for consideration by their domestic authorities, and to seek their ratification, is also set out in the

\(^1\) Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiation, Apr. 15, 1994, 33. I.L.M. 1125.
Final Act. The Final Act embodying the results of the Uruguay Round of Multilateral Trade Negotiations was signed by Ministers in Marrakesh on April 15, 1994.2

1.1.2 The WTO Agreement

The agreement establishing the World Trade Organization (the WTO Agreement)3 is the legal instrument through which all countries participating in the Uruguay Round decided to create the WTO. The WTO Agreement includes provisions on establishment, scope, functions and structure, relations with other organizations, secretariat, budget and contributions, legal status, decision-making procedures, including special voting procedures, amendment, definition of original Members,4 accession, non-application, acceptance, entry into force and deposit, denunciation and final provisions. Since all the other agreements are annexed to the agreement establishing the World Trade Organization, the expression “the WTO Agreement” is understood to cover the totality of all the agreements.5

1.1.3 Annexes

The Annexes to the agreement establishing the World Trade Organization include:
Annex 1A: Multilateral Agreements on Trade in Goods: GATT 1994; Agriculture; Sanitary and Phytosanitary Measures; Textiles and Clothing; Technical Barriers to Trade; Trade-Related Investment Measures; Application of Article VI of GATT 1994 (Anti-dumping); Application of Article VII of GATT 1994 (Customs Valuation); Pre-shipment Inspection; Rules of Origin, Import Licensing Procedures; Subsidies and Countervailing Measures; and Safeguards.
Annex 1B: General Agreement on Trade in Services.
Annex 4: Plurilateral Trade Agreements: Civil Aircraft; and Government Procurement.6

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4 Hereforth, “Members” in its capitalized form refers to member nations of the WTO/GATT.
5 WTO Agreement. Id. List of Annexes.
6 Matsushita et al. (2006, pp. 7–8).