

Economic and Social Council

Distr.: General 13 April 2016 English

Original: Russian

Economic Commission for Europe

Inland Transport Committee

Working Party on Inland Water Transport

Working Party on the Standardization of Technical and Safety Requirements in Inland Navigation

Forty-ninth session Geneva, 22-24 June 2016 Item 9 (a) of the provisional agenda Recreational navigation: Promotion of recreational navigation

Recreational navigation: creation of a single market for services

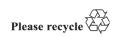
Transmitted by the Eurasian Economic Commission

I. Mandate

- 1. This document is submitted in line with cluster 5: Inland Waterway Transport, paragraph 5.1 of the programme of work 2016-2017 (ECE/TRANS/2016/28/Add.1), adopted by the Inland Transport Committee at its seventy-eighth session (26 February 2016).
- 2. The Eurasian Economic Commission (EEC) sent letter No. 20-40 of 9 March 2016 to the secretariat, proposing that the development of recreational navigation in the Eurasian Economic Union and the establishment of a single market for services in the field of rental and leasing of pleasure craft without operator be included on the agenda of the Working Party on Inland Water Transport and the Working Party on the Standardization of Technical and Safety Requirements in Inland Navigation (SC.3/WP.3) in 2016. EEC thus prepared and submitted the present paper to inform SC.3/WP.3 about the situation of bareboat charter recreational vessels in the member States of the Eurasian Economic Union.
- 3. SC.3/WP.3 may wish to take note of the information provided by EEC. SC.3/WP.3 may wish to exchange information on regulatory practices concerning rental and leasing services for pleasure craft without operator in ECE member countries.

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II. The creation of a single market for rental and leasing services for pleasure craft without operator (bareboat charter) in the member States of the Eurasian Economic Union

- 4. The Treaty on the Eurasian Economic Union entered into force on 1 January 2015. Section XV of the Treaty concerns trade in services and a special protocol on trade in services, incorporation, activities and investment is included in Annex No. 16 to the Treaty (the Protocol). It should be emphasized that the section of the Treaty and the Protocol govern not only trade in services, but also almost any business activity, including the production of goods, and investment.
- 5. The Treaty defines the concept of and explains detailed criteria for a single market for services, which is understood to cover specific market services in respect of which member States, whether supplying or receiving the service, assure each other the following rights:
 - The provision or reception of services according to the national system and the most-favoured-nation principle, without any additional restrictive measures, including of a quantitative nature or in respect of investment;
 - The use of all four modes of supplying services, as in the World Trade Organization (WTO) General Agreement on Trade in Services;
 - Mutual recognition of licences and other authorization documents;
 - The possibility for persons of another member State to implement the type of activity concerned throughout the Union without any additional institution in the form of a legal person (the establishment of a subsidiary is sufficient);
 - The rights of recipients of the service, including under the national system and the most-favoured-nation principle, not to have quantitative or investment restrictions applied.
- 6. Even before the entry into force of the Treaty, the member States identified services sectors for which a single market would be launched when the Union was established. The list includes 43 service sectors for which a single market has been in operation since 1 January 2015. The member States are seeking to disseminate single market rules for services on a reciprocal basis in as many services sectors as possible, including by gradually reducing the exclusions and restrictions provided for in national lists.
- 7. The procedure for and stages in the formation of single markets for services by sector are included in liberalization plans developed from proposals agreed to by member States of the Union and the Commission, and approved by the Supreme Eurasian Economic Council. Thus, the Supreme Council adopted a decision approving a list of services sectors (21) in which single markets for services would be established pursuant to liberalization plans (during a transitional period) and laying out a series of actions to be taken by the Governments of the member States and the Eurasian Economic Commission.
- 8. The list includes the sector of rental and leasing of pleasure craft without operator (bareboat charters) and a plan of measures for its liberalization is currently being developed. The aim of the plan is to achieve the following:
- (a) The convergence of admission mechanisms (including licence requirements and procedures) through the harmonization of legislation;
 - (b) Recognition of the professional qualifications of service providers;
 - (c) The establishment of administrative cooperation mechanisms.

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- 9. The following will be carried out in implementation of the plan:
 - An analysis of the national legislation of member States (identify provisions that restrict the access of nationals of other member States to supply of the services);
 - Definition of the need for and extent and forms of harmonization, for example: whether it would be preferable to harmonize individual parts of legislation or the complete acts themselves; whether an international agreement is required for harmonization or if decisions of the Union bodies and EEC would suffice;
 - Identification of superfluous and ineffective standards in current regulations (ambiguities, inconsistencies, irrelevance, non-compliance with regulatory objectives, duplication, non-substantive nature).
- 10. There would be no point in conducting this type of analysis or using its results in future work to liberalize the services sector if existing best practices in regulation were not taken into account. The draft liberalization plan therefore includes measures such as the identification of international best practices in the regulation of rental and leasing services for pleasure craft without operator. From an analysis of such practices, the best possible regulatory model will be developed and used in harmonizing legislation to establish a single market for services.
- 11. To that end, as part of the existing cooperation between EEC and ECE, EEC proposes sharing information on current European regulatory practices in respect of rental and leasing services for pleasure craft without operator.

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