

Council approves a multi-party interim appeal arbitration arrangement to solve trade disputes

The EU is taking steps to protect key features of the multilateral trading system.

The Council today gave the go-ahead to the **multi-party interim appeal arbitration arrangement** (MPIA), a new system that will allow the EU, together with other participating WTO members, to **overcome** the current **paralysis** of the WTO's **Appellate Body** and **solve trade disputes amongst themselves**.

The new arrangement will be temporary, and based on Article 25 of the WTO Dispute Settlement Understanding (DSU). It mirrors the main features of the WTO appeal system.

The MPIA will enable the participating members to benefit from a binding resolution of trade disputes and have the right to an independent and impartial appeal review of panel reports, as it is the case in the WTO system.

The MPIA is meant as a temporary arrangement, as the EU remains committed to working with all WTO members to find a permanent and urgent solution to the paralysis of the WTO Appellate Body.

Background

The WTO's Appellate Body has not been able to hear appeals since 11 December 2019. This is because there is an insufficient number of members of the Body following the blocking of new appointments since 2017.

On 27 March 2020 the ministers of the following WTO member countries announced that they had decided, subject to the completion of their respective domestic procedures, to put in place the MPIA on the basis of a document negotiated among them: Australia, Brazil, Canada, China, Chile, Chinese Taipei, Colombia, Costa Rica, the European Union, Guatemala, Hong Kong, Mexico, New Zealand, Norway, Singapore, Switzerland, and Uruguay. The MPIA is open for any WTO member to join, and will become operational upon its notification to the WTO's Dispute Settlement Body which is expected in the coming weeks.

The Council approved the multi-party interim appeal arbitration arrangement through written procedure.