

China – Certain Measures Affecting Electronic Payment Services

(DS413)

**CLOSING STATEMENT OF THE UNITED STATES OF AMERICA
AT THE FIRST MEETING OF THE PANEL WITH THE PARTIES**

October 27, 2011

1. The United States would first like to thank the Panel and the Secretariat staff assisting it. The United States would also like to thank China for its participation in this meeting. The United States found that the Panel's written and oral questions were very helpful in fostering a very focused discussion. We also found the third party session useful and consider the third party statements and our meeting confirm our concerns with China's measures.

2. The United States notes that China's defense rests entirely on a series of truly implausible arguments. For example:

3. China expects you to believe that there are no restrictions on foreign EPS suppliers handling RMB card transactions, but no foreign supplier has chosen to enter its market. Is that because foreign suppliers are not eager to enter the Chinese market? Or because the Chinese market is not lucrative enough?

4. China expects you to believe that it took commitments under subsector (d) for "credit, charge and debit cards" but took no commitments for the "payment and money transmission services" we all associate with the use of those cards and that are the heart of the service.

5. China expects you to believe that it restricted the supply of foreign services to "financial institutions" without having used language to indicate that, without any definition of that term, and despite stating in its Schedule that criteria for authorization are solely "prudential."

6. China expects you to believe that it included extensive language qualifying the word "Unbound" under mode 1 for subsector (d), but that those words are entirely redundant of other subsectors, (k) and (l), and that it does not even know why it included those words under mode 1.

7. In contrast, the United States has provided explanations grounded in the text of China's Schedule and the GATS and that are legally sound and fully consistent with the commercial reality of the way EPS for card transactions are supplied.

8. We look forward to further engaging in the process with you and again thank you for your service on the panel.