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### INFORMAL WORKING GROUP ON MSMEs

#### PROPOSED GOOD REGULATORY PRACTICE AND SMALL BUSINESS LENS LANGUAGE FOR A MINISTERIAL DECLARATION

##### *Communication from Uruguay*

The following communication, dated 14 October 2019, is being circulated at the request of the delegation of Uruguay.

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As noted in document INF/MSME/W/9, Good Regulatory Practices (GRP) are a set of practices to ensure efficient and effective regulations. This alone influences MSMEs. The Small Business Lens or Think Small principle is a subcomponent of GRP whereby inputs from MSMEs and the impact on MSMEs is included in GRP.

These processes are usually applied at the domestic level, but provisions on these subjects are increasingly included in Regional Trade Agreements (RTAs). RTA provisions on GRP and Small Business Lens relate both to the domestic application of these principles, but also to their application at the RTA level (i.e. provisions requiring the assessment of the RTA's impact on MSMEs).

Language for a MSME Ministerial Declaration could recognize that:

1. GRP practices are beneficial to trade and MSMEs; and
2. A small business lens principle – i.e. consulting MSMEs when new rules are developed and assessing the impact of new rules on MSMEs – enhances the beneficial effect of GRP for MSMEs.

The following recommendations could be developed:

1. Recommend and encourage Members to apply GRP at the domestic level;
2. Encourage and recommend that Members who use GRP at the domestic level also apply the small business lens/think small principle;
3. Recommend that MSMEs be consulted when new WTO rules are negotiated; and
4. Recommend that the impact on MSMEs be considered when new WTO rules are negotiated and implemented.

In the event the Informal Working Group on MSMEs chooses to pursue the voluntary collection of MSME information for Trade Policy Reviews, an additional recommendation on this subject could be added:

- Recommend that information on the application of GRP and of the Small Business Lens principle in the Member under review be included in the voluntary submission of MSME information for Trade Policy Reviews.

If such a recommendation is agreed, corresponding language should be added to the checklist of MSME-related information in TPRs being developed by the Group.

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