

WTO General Council: Iran Accession Process

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1 Introduction and Executive Summary

Almost since the existence of the WTO, Iran has applied for a membership and under the current US Administration, that dropped out of the Iran Nuclear Deal, further progress may already appear to be ill-fated. To still ensure a possibility of success, we will therefore have to make certain concessions, such as dropping vetos and putting aside certain global political constraints.

The Accession Process itself can—as in the case of Iran—take multiple decades. Due to our constraints in time and human resources, we will further simplify this Process. In principle, our process will be to

- Work out conditions through bilateral negotiations,
- Establish Terms of Accession as Council Directive, and
- Vote on Council Directive ($2/3$ majority required).

As preparation, Delegations should work out their individual demands for Iran, as well as their own trade interests.

2 WTO Membership

At the moment, the WTO has 164 member states, a possible accession would make Iran number 165. Members are not necessarily fully independent states; instead, they need to be a customs territory with full control of its external trade relations. The members of the European Union are represented as a whole and are also individual WTO members.

If a country is granted observer status, it must submit its application within five years of becoming an observer. Once the application status has started, however, there are no further time limits, and in the case of politically ambivalent candidates, such as Iran, the Palestinian Authority or Russia, can take decades.

3 WTO Accession Process

3.1 General Procedure [1]

First Step - Application: In its application, the applicant has to describe all aspects of its trade and economic policies that concern WTO agreements. The submitted application is examined by WTO working party, that is concerned with the application process. Any WTO member may join the accession working party.

Second Step - Negotiations: Once the working party has made sufficient progress, parallel bilateral negotiations between the applicant and individual countries may start, covering the specific trade interests of individual WTO members. Due to the principle of *most favoured nation* (MFN), however, all benefits negotiated in bilateral talks must be granted to all other WTO members, a highly complicated process.

Third Step - Terms of Accession: After the examination of the country's trade regime and bilateral negotiations are completed, the terms of accession are finalized. The terms of accession consist of a report, the protocol of accession (i.e. draft membership treaty) and lists/schedules of the potential member's commitments.

Fourth Step - Decision: Once the terms of accession are laid out, they are presented to and voted upon by the WTO General Council (or Ministerial Conference). For the applicant to accede to the WTO, a two-thirds majority for the report, protocol and lists of commitments in the WTO General Council is required. To complete the membership, ratification through national legislature is often required.

3.2 ETHMUN Implementation

In our sessions, we certainly cannot cover this timely and highly complex process as a whole and therefore have to make some concessions.

Iran already had to complete the first step to reach observer status at WTO. Therefore the missing steps are the bilateral negotiations, the establishment of terms of accession and the final vote. For those terms, we will focus on the membership treaty and a list of Iran's commitments. Once those are established (in the form of a Council Directive), we will vote on them. For the Directive to be passed and Iran therefore ascending to a full WTO membership, a **two-thirds majority** will be required. Throughout the whole process, we will ignore any potential veto claims, since unlike the WTO, we are bound to time limits of less than a decade.

We will spend at least two sessions on the matter and, if necessary, we can also use a third or fourth one. While of course the debate on the floor will mainly focus on this topic, all Delegations are free to pursue their bilateral or multilateral negotiations. Especially for countries that do not have a strong stance on the matter or are not deeply involved with Iran, it may be more interesting to focus on their own negotiations.

4 Current Status of Iran

At the moment, the Islamic Republic of Iran is the largest economy outside of the WTO. Iran submitted its application already in 1996, but was not considered until 2001, mainly due to the United States' objections. In 2005, the application was approved unanimously and in 2006 a working party on Iran's accession was established. Once Iran's application was accepted and examined by the WTO General Council, Iran received observer status and started the process to full membership. In 2009, Iran submitted the Foreign Trade Regime Memorandum [2], entering the second step of the accession process (see Section 3.1). Since then, no significant further process has been made.

5 Areas of Negotiation

As WTO Guidelines do not apply to Iran, Iran does not see it as necessary to adhere to WTO Intellectual Property Rules. As this topic has already been reason for controversy among current member states, certain member states may seek to enforce more strict guidelines, while others may see their chance to create a precedence of lax IP guidelines.

Although this is not a committee on disarmament or security policy, non-proliferation and the Iran Nuclear Deal certainly play a part in this matter. By canceling the deal and imposing sanctions against Iran, the US have further pressurized the situation and it requires great care and cooperation among the P5+1, to re-establish a functioning trade relationship.

As Iran owns large quantities of oil and other mineral products, fellow OPEC members may be interested in establishing the terms, on which Iran will export mineral products in the future.

6 References

- 1 WTO: 'Understanding the WTO: Membership, Alliances and Bureaucracy',
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- 2 Iran Ministry of Commerce: 'The Memorandum of the Foreign Trade Regime of The Islamic Republic of Iran',
<https://library.razavi.ir/Portal/File/ShowFile.aspx?ID=d90effef-c1d3-46fb-9104-7f574c8500a7>
- 3 WorldAtlas: 'Important Facts About The Economy Of Iran',
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- 4 Atlas of Economic Complexity: 'What did Iran export between 1995 and 2016',
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