

**EUROPEAN COMMUNITIES – MEASURES PROHIBITING THE IMPORTATION AND MARKETING
OF SEAL PRODUCTS (DS 400 AND 401)**

Status report by the European Union regarding implementation of the
DSB recommendations and rulings in the disputes
*European Communities – Measures prohibiting the importation
and marketing of seal products*
(WT/DS 400 and WT/DS401)

The European Union submits this report in accordance with Article 21.6 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (“DSU”).

On 18 June 2014, the Dispute Settlement Body (“DSB”) adopted its recommendation and rulings in the disputes *European Communities – Measures prohibiting the importation and marketing of seal products* (WT/DS 400 and 401). At the DSB meeting of 10 July 2014, the European Union notified the DSB that it intends to implement the recommendations and rulings of the DSB in these disputes in a manner that respects its WTO obligations but that it need a reasonable period of time to do so. On 5 September 2014, Canada, Norway and the European Union agreed that the reasonable period of time for the European Union to implement the recommendations and rulings of the DSB would expire on 18 October 2015. The European Union hereby informs the Dispute Settlement Body that it has adopted the measures necessary to comply with the recommendations and rulings of the DSB in this dispute.

In order to remove the inconsistencies of the EU Seal Regime (consisting of Regulation (EC) No. 1007/2009 of the European Parliament and of the Council of 16 September 2009 on trade in seal products (Basic Regulation), OJ L 286, 31.10.2009, pg. 36 and Commission regulation (EU) no. 737/2010 of 10 August 2010 laying down detailed rules for the implementation of Regulation (EC) No 1007/2009 of the European Parliament and of the Council on trade in seal products (Commission Regulation No. 737/2010), OJ L 216, 17.08.2010, pg. 1) with the EU’s WTO obligations, the EU has modified the measures in question.

The Basic Regulation was modified by Regulation (EU) 2015/1775 of the European Parliament and of the Council of 6 October 2015. This regulation also repealed the Commission Regulation (EU) No 737/2010. The regulation was published in the Official Journal on 7 October 2015, entered into force on 10 October 2015 and is applicable as of 18 October 2015 (OJ L 262, 7.10.2015, pg. 1). On 13 October 2015, the European Commission adopted a new implementing regulation, Commission Implementing Regulation No. 2015/1850, laying down detailed rules for the implementation of Regulation (EC) No 1007/2009. This regulation replaces the old Commission Regulation No. 737/2010 and

provides rules for the implementation of the EU seal regime, in particular of its exceptions for products derived from hunts conducted by Inuit and other indigenous communities (Inuit exception). This regulation will be published in the Official Journal on 16 October 2015 (OJ L 271) and enter into force on the date of its publication. It will also be applicable as of 18 October 2015.

Regulation (EU) 2015/1775 modifies the existing Basic regulation by fully removing the exception for maritime resource management hunts and by amending the Inuit exception in order to address the concerns expressed by the Appellate Body. The modifications relating to the Inuit exception ensure that a meaningful Inuit exception remains, while strengthening coherence with the objective of the regulation by explicitly adding animal welfare considerations as a condition for the use of the exception. In addition, the regulation now provides the European Commission with the possibility to act in cases of circumvention. The regulation empowers the European Commission to prohibit the placing on the market (or limit the quantity that may be placed on the market) of seal products if the seal hunt is conducted primarily for commercial reasons.

The new Commission Implementing Regulation No. 2015/1850 lays down detail rules for the implementation of the Inuit exception, in particular the setting up of an attestation body system that will ensure compliance with the conditions of the EU seal regime and respective certification of seal products entering the EU market under this exception.

Regarding the recommendation and rulings of the DSB relating to the fact that (at the time of the rulings) only Greenlandic Inuit were effectively using the exception for Inuit and other indigenous communities (IC exception), the European Union has engaged with Canada in order to facilitate the setting up of the relevant attestation mechanism that will allow Canadian Inuit to use the IC exception of the EU Seal regime. The Commission decision recognising the Government of Nunavut as an attestation body under the EU's seal regime has been adopted on 30 July 2015.

The adoption of the measures listed above ensures the full implementation of the DSB recommendations and rulings of the DSB in this dispute.