

- Once again, however, certain exemptions and conditions limit the applicability or scope of some of these commitments, as discussed below.
- In addition, a government's right to regulate (including municipal governments) is recognized in the GATS preamble and in a 2001 Ministerial Declaration that acknowledged "the right of Members to regulate, and to introduce new regulations, on the supply of services."

Exemptions and Exceptions

There are a number of provisions in the GATS that limit its application to municipal programs. For example:

- GATS Article I specifically exempts "services supplied in the exercise of governmental authority" from the coverage of the agreement. These services are defined as "any service which is supplied neither on a commercial basis, nor in competition with one or more service suppliers."
- Article II provides for exceptions to MFN by allowing Members to preserve preferential access or treatment for service suppliers of selected countries. Canada has taken a number of such exceptions.
- Although transparency requirements may apply to municipal programs, GATS Article III bis provides an exception that allows governments to protect confidential information in the public interest.