

Backgrounder

WORLD TRADE ORGANIZATION DISPUTE SETTLEMENT BODY

- The Dispute Settlement Body has been set up to administer the Dispute Settlement Understanding under the WTO Agreement. The rules and procedures of this Understanding apply to disputes arising under any of the multilateral trade agreements covered by the WTO Agreement.
- All WTO members may sit on the Dispute Settlement Body.
- Among other things, the Dispute Settlement Body considers requests for panel hearings on disputes between member countries. Panel approvals are virtually automatic.
- The WTO Secretariat proposes panel members from an indicative list of panelists. Those on the list must be knowledgeable, well-qualified individuals from governmental or non-governmental organizations. The list can be updated from time to time.
- The panel rules have been set up to ensure that cases are reviewed thoroughly but without undue delay. They also ensure that all WTO members with an interest in a dispute are heard and that outside experts may be consulted.
- A panel ruling can be appealed to the WTO's Appellate Body. An appeal must be based on legal issues only. The Appellate Body's report is automatically adopted by the Dispute Settlement Body unless, by consensus, it decides not to adopt it.
- If a ruling is made against a member country it must comply with panel findings within a set time period. If it does not, the complaining party can then seek authority from the Dispute Settlement Body to retaliate.
- The new WTO dispute settlement rules have streamlined, strengthened and broadened the process that had existed under the General Agreement on Tariffs and Trade, the predecessor to the global trade body.