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AND
SELECTED DOCUMENTS

Volume 2

Protocols, Decisions, Reports

1996

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PREFACE

The 1996 volume of the WTO Basic Instruments and Selected Documents (BISD) contains Protocols, Decisions Ministerial Declarations and Reports adopted in 1996. Certain documents have been numbered or renumbered to simplify indexing.

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WTO MEMBERS AND OBSERVER GOVERNMENTS

(As at 31 December 1996)

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Antigua and Barbuda
Argentina
Australia
Austria
Bahrain
Bangladesh
Barbados
Belgium
Belize
Benin
Bolivia
Botswana
Brazil
Brunei Darussalam
Bulgaria
Burkina Faso
Burundi
Cameroon
Canada
Central African Republic
Chad
Chile
Colombia
Costa Rica
Côte d'Ivoire
Cuba
Cyprus
Czech Republic
Denmark
Djibouti
Dominica
Dominican Republic
Ecuador
Egypt
El Salvador
European Communities
Fiji
Finland
France
Gabon
Gambia
Germany
Ghana
Greece
Grenada
Guatemala
Guinea
Guinea-Bissau
Guyana
Haiti
Honduras
Hong Kong
Hungary
Iceland
India
Indonesia
Ireland
Israel
Italy
Jamaica
Japan
Kenya
Korea, Republic of
Kuwait
Lesotho
Liechtenstein
Luxembourg
Macau
Madagascar
Malawi
Malaysia
Maldives
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Nigeria
Norway
Pakistan
Papua New Guinea
Paraguay
Peru
Philippines
Poland
Portugal
Qatar
Romania
Rwanda
Saint Kitts and Nevis
Saint Lucia
Saint Vincent and the Grenadines
Senegal
Sierra Leone
Singapore
Slovak Republic
Slovenia
Solomon Islands
South Africa
Spain
Sri Lanka
Suriname
Swaziland
Sweden
Switzerland
Tanzania
Thailand
Togo
Trinidad and Tobago
Tunisia
Turkey
Uganda
United Arab Emirates
United Kingdom
United States
Uruguay
Venezuela
Zambia
Zimbabwe

B. OBSERVERS (33)

Albania
Algeria
Armenia
Azerbaijan
Belarus
Cambodia
China
Congo
Croatia
Estonia
Former Yugoslav Rep. of Macedonia
Georgia
Jordan
Kazakhstan
Kyrgyz Republic
Latvia
Lithuania
Moldova
Mongolia
Nepal
Oman
Panama
Russian Federation
Saudi Arabia
Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu
Seychelles
Sudan
Tonga
Ukraine
Uzbekistan
Vanuatu
Viet Nam
Zaire

OFFICERS OF THE MINISTERIAL CONFERENCE

First Session
(Singapore, 9-13 December 1996)

Chairperson:

Mr. Yeo Cheo Tong
Minister for Trade and Industry of Singapore

Vice-Chairpersons:

Mr. Enda Kenny
Minister for Tourism and Trade of Ireland

Mr. Alvaro Ramos
Minister of Foreign Affairs of Uruguay

Mr. Mondher Zenaïdi
Minister of Trade of Tunisia

OFFICERS OF OTHER MAIN WTO BODIES
(1996)

General Council

Ambassador William Rossier (Switzerland)

Dispute Settlement Body

Ambassador Celso Lafer (Brazil)

Trade Policy Review Body

Chairman: Ambassador Anne Anderson (Ireland)

Council for Trade in Goods

Ambassador Srinivasan Naranayan (India)

Council for Trade in Services

Ambassador Lilia Bautista (Philippines)

Council for Trade-Related Aspects of Intellectual Property Rights

Ambassador Wade Armstrong (New Zealand)

Committee on Trade and Development

Ambassador Nacer Benjelloun-Touimi (Morocco)

LEGAL INSTRUMENTS

Reference: GLI/303 4 November 1994

MARRAKESH AGREEMENT ESTABLISHING THE WORLD TRADE ORGANIZATION DONE AT MARRAKESH ON 15 APRIL 1994

PROCÈS-VERBAL OF RECTIFICATION

I, the undersigned, Peter D. Sutherland, Director-General to the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade, having examined the authentic text of the Marrakesh Agreement Establishing the World Trade Organization, have found that the French text of the said Agreement contains an error that should be rectified.

The error which requires rectification is the following:

FOOTNOTES

The footnotes to the French text of the Marrakesh Agreement Establishing the World Trade Organization are now numbered 5 to 8. They should be numbered 1 to 4.

Acting as depositary of the said Agreement, having notified the contracting parties of my intention and having received no objection thereto, I have caused the correction to be made and have initialled this correction in the margin of the authentic text of the Agreement.

In witness whereof I have signed the present Procès-Verbal of Rectification, drawn up in the English, French and Spanish languages, on 4 November 1994.

Peter D. Sutherland
Director-General

Reference: WLI/200 10 April 1995

MARRAKESH AGREEMENT ESTABLISHING THE WORLD TRADE ORGANIZATION
DONE AT MARRAKESH ON 15 APRIL 1994

AGREEMENT ON TEXTILES AND CLOTHING

PROCÈS-VERBAL OF RECTIFICATION

I, the undersigned, Peter D. Sutherland, Director-General of the World Trade Organization, having examined the authentic text of the Marrakesh Agreement Establishing the World Trade Organization, have found typographical errors in the Agreement on Textiles and Clothing that should be rectified.

The errors which require rectification are the following:

HS No.	*Current text*	*Replace current text with*
5111.20	>/=85%	<85%
5111.30	>/=85%	<85%
5111.90	>/=85%	<85%
5208.32	100g/m= to 200g/m=	100g/m^2 to 200g/m^2
5405.00	cross-sect>1mm	no cross-sect>1mm.

Acting as depositary of the said Agreement, having notified the Members of my intention and having received no objection thereto, I have caused the corrections to be made and have initialled these corrections in the margin of the authentic text of the Agreement.

In witness whereof I have signed the present Procès-Verbal of Rectification, drawn up in the English, French and Spanish languages, on 10 April 1995.

Peter D. Sutherland
Director-General

Référence: WLI/200 8 November 1995

MARRAKESH AGREEMENT ESTABLISHING THE WORLD TRADE ORGANIZATION
DONE AT MARRAKESH ON 15 APRIL 1994

PROCÈS-VERBAL OF RECTIFICATION OF CERTIFIED COPIES

I, the undersigned, Renato Ruggiero, Director-General of the World Trade Organization, acting as depositary of the above-mentioned Agreement, have found a mistake in the signature page in the certified copies of the above-mentioned Agreement, circulated on 4 July 1994, under the entry for the Dominican Republic (page 25639 (Volume 31)).

The entry "For the Dominican Republic: Federico A. Cuello" should read "For the Dominican Republic: **Miguel Sang-Ben**".

In witness whereof I have signed the present Procès-Verbal of Rectification, drawn up in the English, French and Spanish languages, on 8 November 1995.

Renato Ruggiero
Director-General

Référence: WLI/200 6 December 1995

MARRAKESH AGREEMENT ESTABLISHING THE WORLD TRADE ORGANIZATION
DONE AT MARRAKESH ON 15 APRIL 1994

PROCÈS-VERBAL OF RECTIFICATION

I, the undersigned, *Renato Ruggiero*, Director-General of the World Trade Organization, having examined the authentic text of the Marrakesh

Agreement Establishing the World Trade Organization, have found a typographical error in the Agreement that should be rectified.

The error which requires rectification is the following:

FOOTNOTE NO.1

Footnote No. 1 in the General Agreement on Tariffs and Trade 1994 refers to document MTN/FA/Corr.6 of 21 March 1994. The date of document MTN/FA/Corr.6 is 18 March 1994.

Acting as depositary of the Marrakesh Agreement Establishing the World Trade Organization, having notified the Members of my intention and having received no objection thereto, I have caused the correction to be made and have initialled this correction in the margin of the authentic text of the Agreement.

IN WITNESS WHEREOF I have signed the present Procès-Verbal of Rectification, drawn up in the English, French and Spanish languages, on 6 December 1995.

Renato Ruggiero
Director-General

MARRAKESH AGREEMENT ESTABLISHING THE WORLD TRADE ORGANIZATION

GENERAL AGREEMENT ON TRADE IN SERVICES

PROCÈS-VERBAL

I, the undersigned, *Renato Ruggiero,* Director-General of the World Trade Organization,

Considering that in the Ministerial Decision on Measures in Favour of Least-Developed Countries adopted at Marrakesh on 15 April 1994, least-developed countries were given until 15 April 1995 to submit their schedules as required by Article XI of the Marrakesh Agreement Establishing the World Trade Organization,

Considering that in accordance with the terms of the foregoing Ministerial Decision, Angola, Botswana, Burundi, Central African Republic, Chad, Dji-

bouti, the Gambia, Guinea, Guinea-Bissau, Haiti, Lesotho, Malawi, Maldives, Mali, Mauritania, Rwanda, Sierra Leone, Solomon Islands, Togo and Zaire submitted schedules of specific commitments pursuant to the General Agreement on Trade in Services, which are attached to this Procès-verbal,

Considering that the General Council of the World Trade Organization approved the aforementioned schedules (except that of the Solomon Islands) on 31 May 1995 and the schedule of the Solomon Islands on 13 December 1995,

Considering that it is therefore appropriate to annex these schedules to the General Agreement on Trade in Services, and

Acting as depositary of the Marrakesh Agreement Establishing the World Trade Organization, which includes the General Agreement on Trade in Services,

have caused the schedules attached hereto to be annexed to the authentic text of the General Agreement on Trade in Services.

IN WITNESS WHEREOF, on 20 December 1995, I have signed the present Procès-verbal, drawn up in the English, French and Spanish languages, each text being authentic, except that the schedules annexed hereto are authentic only in the language or languages indicated in each schedule.

R. Ruggiero
Director-General

MARRAKESH AGREEMENT ESTABLISHING THE WORLD TRADE ORGANIZATION DONE AT MARRAKESH ON 15 APRIL 1994

GENERAL AGREEMENT ON TARIFFS AND TRADE 1994

MARRAKESH PROTOCOL TO THE GENERAL AGREEMENT ON TARIFFS AND TRADE 1994

PROCÈS-VERBAL

I, the undersigned, *Renato Ruggiero,* Director-General of the World Trade Organization,

Considering that in the Ministerial Decision on Measures in Favour of Least-Developed Countries, adopted at Marrakesh on 15 April 1994, least-developed countries were given until 15 April 1995 to submit their schedules as required by Article XI of the Marrakesh Agreement Establishing the World Trade Organization,

Considering that in accordance with the terms of the foregoing Ministerial Decision, Angola, Botswana, Burkina Faso, Burundi, Central African Republic, Chad, Djibouti, the Gambia, Guinea, Guinea-Bissau, Haiti, Lesotho, Malawi, Maldives, Mali, Mozambique, Rwanda, Sierra Leone, Solomon Islands, Togo and Zaire submitted schedules of concessions and commitments on goods, which are attached to this Procès-Verbal,

Considering that the Marrakesh Protocol to the General Agreement on Tariffs and Trade 1994 provided that "[a]ny schedule submitted in accordance with the Ministerial Decision on Measures in Favour of Least-Developed Countries shall be deemed to be annexed to this Protocol",

Considering that the Preparatory Committee for the World Trade Organization approved the schedule of Burkina Faso on 23 November 1994 and that the General Council of the World Trade Organization approved the schedules of the other afore-mentioned countries (except that of the Solomon Islands) on 31 May 1995 and the schedule of the Solomon Islands on 13 December 1995, and

Acting as depositary of the Marrakesh Agreement Establishing the World Trade Organization, which includes the Marrakesh Protocol to the General Agreement on Tariffs and Trade 1994,

have caused the schedules attached hereto to be annexed to the authentic text of the Marrakesh Protocol to the General Agreement on Tariffs and Trade 1994.

IN WITNESS WHEREOF, on 21 December 1995, 1 have signed the present Procès-Verbal, drawn up in the English, French and Spanish languages, each text being authentic, except that the schedules annexed hereto are authentic only in the language or languages indicated in each schedule.

Renato Ruggiero
Director-General

MARRAKESH AGREEMENT ESTABLISHING THE WORLD TRADE ORGANIZATION DONE AT MARRAKESH ON 15 APRIL 1994

MARRAKESH PROTOCOL TO THE GENERAL AGREEMENT ON TARIFFS AND TRADE 1994

PROCÈS-VERBAL

I, the undersigned, *Renato Ruggiero,* Director-General of the World Trade Organization,

Considering that the Marrakesh Ministerial Decision on the Acceptance of and Accession to the Marrakesh Agreement Establishing the World Trade Organization provided that a State or separate customs territory, which became a contracting party to the General Agreement on Tariffs and Trade 1947 ("GATT 1947") between 15 April 1994 and the entry into force of the Marrakesh Agreement Establishing the World Trade Organization ("WTO Agreement"), would be permitted to submit to the Preparatory Committee for the World Trade Organization ("Preparatory Committee") for its examination and approval a schedule of concessions and commitments to the General Agreement on Tariffs and Trade 1994 ("GATT 1994") and a schedule of specific commitments to the General Agreement on Trade in Services ("GATS") and that the WTO Agreement would be open for acceptance by such contracting party in accordance with Article XIV thereof if such schedules were so submitted and approved,

Considering that the Republic of Slovenia ("Slovenia") became a contracting party to the GATT 1947, pursuant to the Protocol for the Accession of the Republic of Slovenia to the General Agreement on Tariffs and Trade, dated 12 September 1994 and effective as of 30 October 1994 ("Protocol"), that Slovenia submitted a schedule of concessions and commitments to GATT 1994 and a schedule of specific commitments to GATS to the Preparatory Committee, that the Preparatory Committee noted the approval of those schedules on 21 December 1994 and that Slovenia accepted the WTO Agreement on 23 December 1994,

Considering that pursuant to its ratification of the WTO Agreement, Slovenia became a Member of the World Trade Organization on 30 July 1995,

Noting that the commitments undertaken by Slovenia in the Protocol and the further commitments of Slovenia resulting from the negotiations carried out within the framework of the Preparatory Committee should be annexed to the Marrakesh Protocol to the General Agreement on Tariffs and Trade 1994,

Acting as depositary of the Marrakesh Agreement Establishing the World Trade Organization, which includes the Marrakesh Protocol to the General Agreement on Tariffs and Trade 1994,

have caused the schedule attached hereto to be annexed to the authentic text of the Marrakesh Protocol.

IN WITNESS WHEREOF, on 1 February 1996, I have signed the present Procès-Verbal, drawn up in the English, French and Spanish languages, except as otherwise specified with respect to the schedule annexed hereto, each text being authentic.

Renato Ruggiero
Director-General

MARRAKESH AGREEMENT ESTABLISHING THE WORLD TRADE ORGANIZATION

GENERAL AGREEMENT ON TRADE IN SERVICES

PROCÈS-VERBAL

I, the undersigned, *Renato Ruggiero,* Director-General of the World Trade Organization,

Considering that the Marrakesh Ministerial Decision on the Acceptance of and Accession to the Marrakesh Agreement Establishing the World Trade Organization provided that a State or separate customs territory which became a contracting party to the General Agreement on Tariffs and Trade 1947 ("GATT 1947") between 15 April 1994 and the entry into force of the Marrakesh Agreement Establishing the World Trade Organization ("WTO Agreement") was permitted to submit to the Preparatory Committee for the World Trade Organization ("Preparatory Committee"), for its examination and approval, a schedule of concessions and commitments to the General Agreement on Tariffs and Trade 1994 ("GATT 1994") and a schedule of specific commitments to the General Agreement on Trade in Services ("GATS") and that the WTO Agreement would be open for acceptance by such contracting party in accordance with Article XIV thereof if such schedules were so submitted and approved,

Considering that the Republic of Slovenia ("Slovenia") became a contracting party to the GATT 1947, pursuant to the Protocol for the Accession of the Republic of Slovenia to the General Agreement on Tariffs and Trade, dated 12 September 1994, and effective as of 30 October 1994, that Slovenia submitted

a schedule of concessions and commitments to GATT 1994, and a schedule of specific commitments and a list of Article II exemptions to GATS, to the Preparatory Committee, that the Preparatory Committee noted the approval of those schedules on 21 December 1994 and that Slovenia accepted the WTO Agreement on 23 December 1994,

Considering that pursuant to its ratification of the WTO Agreement, Slovenia became a Member of the World Trade Organization on 30 July 1995,

Noting that Slovenia's schedule of specific commitments to GATS and its list of Article II exemptions thereto, resulting from the negotiations carried out within the framework of the Preparatory Committee, should be annexed to the General Agreement on Trade in Services,

Acting as depositary of the Marrakesh Agreement Establishing the World Trade Organization,

have caused the schedule attached hereto to be annexed to the authentic text of the General Agreement on Trade in Services.

IN WITNESS WHEREOF, on 1 February 1996, I have signed the present Procès-Verbal, drawn up in the English, French and Spanish languages, except as otherwise specified with respect to the schedule annexed hereto, each text being authentic.

Renato Ruggiero
Director-General

Référence: WLI/200 13 August 1996

MARRAKESH AGREEMENT ESTABLISHING THE WORLD TRADE ORGANIZATION DONE AT MARRAKESH ON 15 APRIL 1994

MARRAKESH PROTOCOL TO THE GENERAL AGREEMENT ON TARIFFS AND TRADE 1994

TRADE IN PHARMACEUTICAL PRODUCTS

PROCÈS-VERBAL OF RECTIFICATION

I, the undersigned, *Renato Ruggiero*, Director-General of the World Trade Organization, acting as depositary of the Marrakesh Agreement Establishing the World Trade Organization,

Having received a request for rectification from the participants in the Uruguay Round of Multilateral Trade Negotiations that have participated in the discussions on pharmaceutical products to the effect that the text on Trade in Pharmaceutical Products, included as a part of the Marrakesh Protocol to the General Agreement on Tariffs and Trade 1994, annexed to the Marrakesh Agreement Establishing the World Trade Organization (pages 21635 to 21803 of certified true copies), should not be considered as being part of the said Protocol,

Having notified the Members of the request for rectification and having received no objection thereto,

have caused the rectification to be made to the authentic text and have initialled the relevant pages in the margin of the authentic text.

IN WITNESS WHEREOF I have signed the present Procès-Verbal of Rectification, drawn up in the English, French and Spanish languages, on 13 August 1996.

Renato Ruggiero
Director-General

PROTOCOLS OF ACCESSION

PROTOCOL FOR THE ACCESSION OF BULGARIA TO THE MARRAKESH AGREEMENT ESTABLISHING THE WORLD TRADE ORGANIZATION
(WT/ACC/BGR/7)

The World Trade Organization (hereinafter referred to as the "WTO"), pursuant to the approval of the General Council of the WTO accorded under Article XII of the Marrakesh Agreement Establishing the World Trade Organization (hereinafter referred to as the "WTO Agreement"), and the Republic of Bulgaria, (hereinafter referred to as "Bulgaria"),

Having regard to the results of the negotiations on the Accession of Bulgaria WTO,

Agree as follows:

Part I - General

1. Upon entry into force of this Protocol, Bulgaria accedes to the WTO Agreement pursuant to Article XII of that Agreement and thereby becomes a Member of the WTO.

2. The WTO Agreement to which Bulgaria accedes shall be the WTO Agreement as rectified, amended or otherwise modified by such legal instruments as may have entered into force before the date of entry into force of this Protocol. This Protocol, including the commitments referred to in paragraph 92 of the Working Party Report which are hereby incorporated into this Protocol, shall be an integral part of the WTO Agreement.

3. Except as otherwise provided for in the paragraphs referred to in paragraph 92 of the Working Party Report, those obligations in the Multilateral Trade Agreements annexed to the WTO Agreement that are to be implemented over a period of time starting with the entry into force of that Agreement shall be implemented by Bulgaria as if it had accepted that Agreement on the date of its entry into force.

4. Bulgaria may maintain a measure inconsistent with paragraph 1 of Article II of the GATS provided that such a measure is recorded in the List of Article II Exemptions annexed to this Protocol and meets the conditions of the Annex to the GATS on Article II Exemptions.

Part II - Schedules

5. The Schedules annexed to this Protocol shall become the Schedule of Concessions and Commitments annexed to the General Agreement on Tariffs

and Trade 1994 (hereinafter referred to as the "GATT 1994") and the Schedule of Specific Commitments annexed to the General Agreement on Trade in Services (hereinafter referred to as "GATS") relating to Bulgaria. The staging of the concessions and commitments listed in the Schedules shall be implemented as specified in the relevant parts of the respective Schedules.

6. For the purpose of the reference in paragraph 6(a) of Article II of the GATT 1994 to the date of that Agreement, the applicable date in respect of the Schedules of Concessions and Commitments annexed to this Protocol shall be the date of entry into force of this Protocol.

Part III - Final Provisions

7. This Protocol shall be open for acceptance, by signature or otherwise, by Bulgaria until 30 April 1997.

8. This Protocol shall enter into force on the thirtieth day following the day of its acceptance.

9. This Protocol shall be deposited with the Director-General of the WTO. The Director-General of the WTO shall promptly furnish a certified copy of this Protocol and a notification of acceptance by Bulgaria thereto pursuant to paragraph 7 to each Member of the WTO and to Bulgaria.

10. This Protocol shall be registered in accordance with the provisions of Article 102 of the Charter of the United Nations.

Done at Geneva this second day of October one thousand nine hundred and ninety-six, in a single copy in the English, French and Spanish languages, each text being authentic.

PROTOCOL FOR THE ACCESSION OF MONGOLIA TO THE MARRAKESH AGREEMENT ESTABLISHING THE WORLD TRADE ORGANIZATION

(WT/ACC/MNG/11)

The World Trade Organization (hereinafter referred to as the "WTO"), pursuant to the approval of the General Council of the WTO accorded under Article XII of the Marrakesh Agreement Establishing the World Trade Organization (hereinafter referred to as the "WTO Agreement"), and the Government of Mongolia, (hereinafter referred to as "Mongolia"),

Taking note of the Report of the Working Party on the Accession of Mongolia to the WTO Agreement in document WT/ACC/MNG/9 and Add.1-2 (hereinafter referred to as the "Working Party Report"),

Having regard to the results of the negotiations on the Accession of Mongolia to the WTO,

Agree as follows:

Part I - General

1. Upon entry into force of this Protocol, Mongolia accedes to the WTO Agreement pursuant to Article XII of that Agreement and thereby becomes a Member of the WTO.

2. The WTO Agreement to which Mongolia accedes shall be the WTO Agreement as rectified, amended or otherwise modified by such legal instruments as may have entered into force before the date of entry into force of this Protocol. This Protocol, which shall comprise the commitments referred to in paragraph 61 of the Working Party Report, shall be an integral part of the WTO Agreement.

3. Mongolia will notify the Secretariat annually of the implementation of the phased commitments with definitive dates referred to in paragraphs 10, 13, 20, 21, 23, 24, 29, 35, 42, 44, 45, 46, 48, 51, 54, 59 and 60 of the Working Party Report, and will identify any delays in implementation together with the reasons therefore.

4. Except as otherwise provided for in the preceding paragraph or in the paragraphs referred to in paragraph 61 of the Working Party Report:

(a) Those obligations in the Multilateral Trade Agreements annexed to the WTO Agreement that are to be implemented over a period of time starting with the entry into force of that Agreement shall be implemented by Mongolia as if it had accepted that Agreement on the date of its entry into force.

(b) Those notifications that are to be made under the Multilateral Trade Agreements annexed to the WTO Agreement within a specified period of time starting with the date of entry into force of the WTO Agreement shall be made by Mongolia within that period of time starting with the date of entry into force of this Protocol.

Part II - Schedules

5. The Schedules annexed to this Protocol shall become the Schedule of Concessions and Commitments annexed to the General Agreement on Tariffs and Trade 1994 (hereinafter referred to as the "GATT 1994") and the Schedule of Specific Commitments annexed to the General Agreement on Trade in Services (hereinafter referred to as "GATS") relating to Mongolia. The staging of the concessions and commitments listed in the Schedules shall be implemented as specified in the relevant parts of the respective Schedules.

6. For the purpose of the reference in paragraph 6(a) of Article II of the GATT 1994 to the date of that Agreement, the applicable date in respect of the Schedules of Concessions and Commitments annexed to this Protocol shall be the date of entry into force of this Protocol.

Part III - Final Provisions

7. This Protocol shall be open for acceptance, by signature or otherwise, by Mongolia until 31 December 1996.

8. This Protocol shall enter into force on the thirtieth day following the day upon which it shall have been accepted by Mongolia.

9. This Protocol shall be deposited with the Director-General of the WTO. The Director-General of the WTO shall promptly furnish a certified copy of this Protocol and a notification of acceptance by Mongolia thereto pursuant to paragraph 7 to each Member of the WTO and to Mongolia.

10. This Protocol shall be registered in accordance with the provisions of Article 102 of the Charter of the United Nations.

Done at Geneva this .... day of .... one thousand nine hundred and ninety six, in a single copy in the English, French and Spanish languages, each text being authentic.

PROTOCOL OF ACCESSION OF THE REPUBLIC OF PANAMA TO THE MARRAKESH AGREEMENT ESTABLISHING THE WORLD TRADE ORGANIZATION

(WT/ACC/PAN/21)

The World Trade Organization (hereinafter referred to as the "WTO"), pursuant to the approval of the General Council of the WTO accorded under Article XII of the Marrakesh Agreement Establishing the World Trade Organization (hereinafter referred to as "WTO Agreement"), and the Republic of Panama (hereinafter referred to as "Panama"),

Taking note of the Report of the Working Party on the Accession of Panama to the WTO in document WT/ACC/PAN/19 and Addenda 1 and 2 (hereinafter referred to as the "Working Party Report"),

Having regard to the results of the negotiations on the accession of Panama to the WTO,

Agree as follows:

Part I - General

1. Upon entry into force of this Protocol, Panama accedes to the WTO Agreement pursuant to Article XII of that Agreement and thereby becomes a Member of the WTO.

2. The WTO Agreement to which Panama accedes shall be the WTO Agreement as rectified, amended or otherwise modified by such legal instruments as may have entered into force before the date of entry into force of this Protocol. This Protocol, including the commitments referred to in paragraph 116

of the Working Party Report which are hereby incorporated into this Protocol, shall be an integral part of the WTO Agreement.

3. Except as otherwise provided for in the paragraphs referred to in paragraph 116 of the Working Party Report, those obligations in the Multilateral Trade Agreements annexed to the WTO Agreement that are to be implemented over a period of time starting with the entry into force of that Agreement shall be implemented by Panama as if it had accepted that Agreement on the date of its entry into force.

4. Panama may maintain a measure inconsistent with paragraph 1 of Article II of the GATS provided that such a measure is recorded in the List of Article II Exemptions annexed to this Protocol and meets the conditions of the annex to the GATS on Article II Exemptions.

Part II - Schedules

5. The Schedules annexed to this Protocol shall become the Schedule of Concessions and Commitments annexed to the General Agreement on Tariffs and Trade 1994 (hereinafter referred to as the "GATT 1994") and the Schedule of Specific Commitments annexed to the General Agreement on Trade in Services (hereinafter referred to as "GATS") relating to Panama. The staging of the concessions and commitments listed in the Schedules shall be implemented as specified in the relevant parts of the respective Schedules.

6. For the purpose of the reference in paragraph 6(a) of Article II of the GATT 1994 to the date of that Agreement, the applicable date in respect of the Schedules of Concessions and Commitments annexed to this Protocol shall be the date of entry into force of this Protocol.

Part III - Final Provisions

7. This Protocol shall be open for acceptance, by signature or otherwise, by Panama until 30 June 1997.

8. This Protocol shall enter into force on the thirtieth day following the day of its acceptance.

9. This Protocol shall be deposited with the Director-General of the WTO. The Director-General of the WTO shall promptly furnish a certified copy of this Protocol and a notification of acceptance thereto pursuant to paragraph 7 to each Member of the WTO and to Panama.

10. This Protocol shall be registered in accordance with the provisions of Article 102 of the Charter of the United Nations.

Done at Geneva this second day of October one thousand nine hundred and ninety-six, in a single copy in the English, French and Spanish languages each text being authentic, except that a Schedule annexed hereto may specify that it is authentic in only one or more of these languages.

PROTOCOL FOR THE ACCESSION OF THE UNITED ARAB EMIRATES TO THE MARRAKESH AGREEMENT ESTABLISHING THE WORLD TRADE ORGANIZATION

(WT/L/129)

The World Trade Organization (hereinafter referred to as the "WTO"), pursuant to the approval of the General Council of the WTO accorded under Article XII of the Marrakesh Agreement Establishing the World Trade Organization (hereinafter referred to as "WTO Agreement"), and the United Arab Emirates,

Recalling that certain contracting parties which became contracting parties to the General Agreement on Tariffs and Trade 1947 (hereinafter referred to as "GATT 1947") during the course of 1994 were unable to complete the negotiations on their schedules to the General Agreement on Tariffs and Trade 1994 (hereinafter referred to as "GATT 1994)" and the General Agreement on Trade in Services (hereinafter referred to as the "GATS"),

Recalling further that the General Council decided on 31 January 1995 that these contracting parties to the GATT 1947 should be able to accede to the WTO Agreement in accordance with special procedures under which the General Council's approval of the schedules to the GATT 1994 and the GATS shall be deemed to be the approval of their terms of accession,

Noting that the negotiations on the schedules of the United Arab Emirates have been completed,

Agree as follows:

Part I - General

1. Upon entry into force of this Protocol, the United Arab Emirates accedes to the WTO Agreement pursuant to Article XII of that Agreement and thereby becomes a Member of the WTO.

2. The WTO Agreement to which the United Arab Emirates accedes shall be the WTO Agreement as rectified, amended or otherwise modified by such legal instruments as may have entered into force before the date of entry into force of this Protocol. This Protocol shall be an integral part of the WTO Agreement.

3. (a) Those obligations in the Multilateral Trade Agreements annexed to the WTO Agreement that are to be implemented over a period of time starting with the entry into force of that Agreement shall be implemented by the United Arab Emirates as if it had accepted that Agreement on the date of its entry into force.

(b) Those notifications that are to be made under the Multilateral Trade Agreements annexed to the WTO Agreement within a specified period of time starting with the date of entry into force of the WTO Agreement shall be

made by the United Arab Emirates within that period of time starting with the date on which it accepts this Protocol or by 31 December 1996, whichever is earlier.

4. The United Arab Emirates may maintain a measure inconsistent with paragraph 1 of Article II of the GATS provided that such a measure is recorded in the List of Article II Exemptions annexed to this Protocol and meets the conditions of the Annex to the GATS on Article II Exemptions.

Part II - Schedules

5. The Schedules annexed to this Protocol shall become the Schedule of Concessions and Commitments annexed to the GATT 1994 and the Schedule of Specific Commitments annexed to the GATS relating to the United Arab Emirates. The staging of concessions and commitments listed in the Schedules shall be implemented as specified in the relevant parts of the respective Schedules.

6. For the purpose of the reference in paragraph 6(a) of Article II of the GATT 1994 to the date of that Agreement, the applicable date in respect of the Schedules of Concessions and Commitments annexed to this Protocol shall be the date of entry into force of this Protocol.

Part III - Final Provisions

7. This Protocol shall be open for acceptance, by signature or otherwise, by the United Arab Emirates until 90 days after its approval by the General Council.

8. This Protocol shall enter into force on the thirtieth day following the day of its acceptance.

9. This Protocol shall be deposited with the Director-General of the WTO. The Director-General of the WTO shall promptly furnish a certified copy of this Protocol and a notification of acceptance thereof pursuant to paragraph 7 to each member of the WTO and to the United Arab Emirates.

10. This Protocol shall be registered in accordance with the provisions of Article 102 of the Charter of the United Nations.

Done at Geneva this sixth day of February one thousand nine hundred and ninety-six, in a single copy in the English, French and Spanish languages, each text being authentic, except that the Schedules annexed to this Protocol are authentic only in the English language.

CERTIFICATIONS OF MODIFICATIONS AND RECTIFICATIONS OF SCHEDULES OF CONCESSIONS GATT 1947/GATT 1994

The following table lists all the modifications and rectifications to Schedules of Concessions to GATT 1947 and GATT 1994 retroactive to 1989. Modifications resulting from the introduction of the Harmonized System (HS) have been indicated in brackets after the date of certification.

Contracting party/Member	Type	Date of certification	Document
Australia	Certification of Modifications and Rectifications to Schedule I	17 December 1992 (HS)	Let/1793
	Certification of Rectifications to Schedule I	2 December 1994	Let/1954
Austria	Certification of Modifications and Rectifications to Schedule XXXII	28 March 1989	Let/1623
	Certification of Modifications and Rectifications to Schedule XXXII	31 May 1989	Let/1631
	Certification of Modifications and Rectifications to Schedule XXXII	17 December 1992 (HS)	Le t/1793
	Certification of Rectifications to Schedule XXXII	2 December 1994	Let/1954
Canada	Certification of Rectifications to Schedule V	16 February 1995	WT/Let/8
	Certification of Rectifications to Schedule V	5 April 1995	WT/Let/16
Cuba	Certification of Rectifications to Schedule IX	2 December 1994	Let/1954
Czech Republic	Certification of Rectifications to Schedule XCII	16 February 1995	WT/Let/8
European Communities	Certification of Modifications and Rectifications to Schedule LXXX	17 December 1992 (HS)	Let/1793
	Certification of Modifications and Rectifications to Schedule LXXX	29 May 1996	WT/Let/101
Finland	Certification of Modifications and Rectifications to Schedule XXIV	17 December 1992 (HS)	Let/1793
Hong Kong, China	Certification of Modifications and Rectifications to Schedule LXXXII	21 September 1995 (HS)	WT/Let/76

Contracting party/Member	Type	Date of certification	Document
Hungary	Certification of Rectifications to Schedule LXXI	16 February 1995	WT/Let/8
Japan	Certification of Rectifications to Schedule XXXVIII	30 November 1994	Let/1953
	Certification of Modifications and Rectifications to Schedule XXXVIII	8 February 1996 (HS)	WT/Let/67, WT/Let/94
Korea, Republic of	Certification of Modifications and Rectifications to Schedule LX	17 December 1992 (HS)	Let/1793
Liechtenstein (See Switzerland/ Liechtenstein)	-	-	-
Malta	Certification of Rectifications to Schedule CXVII	2 December 1994	Let/1954
	Certification of Rectifications to Schedule CXVII	19 May 1995	WT/Let/22
Mexico	Certification of Modifications and Rectifications to Schedule LXXVII	17 October 1996	WT/Let/122
New Zealand	Certification of Rectifications to Schedule XIII	2 December 1994	Let/1954
Norway	Certification of Modifications and Rectifications of Schedule XIV	17 December 1992 (HS)	Let/1793
	Certification of Rectifications to Schedule XIV	2 December 1994	Let/1954
Philippines	Certification of Rectifications to Schedule LXXV	30 November 1994	Let/1951
Romania	Certification of Modifications and Rectifications to Schedule LXIX	20 November 1990	Let/1728
	Certification of Modifications and Rectifications to Schedule LXIX	2 August 1994 (HS)	Let/1911
	Certification of Rectifications to Schedule LXIX	2 December 1994	Let/1954
	Certification of Rectifications to Schedule LXIX	16 February 1995	WT/Let/8
South Africa	Certification of Rectifications to Schedule XVIII	16 February 1995	WT/Let/8
	Certification of Modifications and Rectifications to Schedule XVIII	9 September 1995	WT/Let/65

Contracting party/Member	Type	Date of certification	Document
Sweden	Certification of Modifications and Rectifications of Schedule XXX	17 December 1992 (HS)	Let/1793
	Certification of Rectifications to Schedule XXX	2 December 1994	Let/1954
Switzerland	Certification of Modifications and Rectifications of Schedule LIX	17 December 1992 (HS)	Let/1793
Switzerland/ Liechtenstein	Certification of Modifications and Rectifications to Schedule LIX	7 November 1995	WT/Let/65
Thailand	Certification of Modifications and Rectifications of Schedule LXXIX	17 December 1992 (HS)	Let/1793
	Certification of Rectifications to Schedule LXXIX	2 December 1994	Let/1954
	Certification of Rectifications to Schedule LXXIX	16 February 1995	WT/Let/8
	Certification of Modifications and Rectifications to Schedule LXXIX	16 July 1995	WT/Let/65
Turkey	Certification of Rectifications to Schedule XXXVII	12 June 1995	WT/Let/23
Uruguay	Certification of Rectifications to Schedule XXXI	16 February 1995	WT/Let/8
Venezuela	Certification of Rectifications to Schedule LXXXVI	2 December 1994	Let/1954

[Yugoslavia[1]	Certification of Modifications and Rectifications to Schedule LVII	17 December 1992 (HS) (Approval of modification: 4 January 1992)	Let/1793]

[1] Yugoslavia's participation in GATT was suspended on 19 June 1992 (BISD 39S/7)

DECISIONS AND REPORTS

1996 MINISTERIAL CONFERENCE

SINGAPORE MINISTERIAL DECLARATION

Adopted by the Ministerial Conference on 13 December 1996
(WT/MIN(96)/DEC)

Purpose

1. We, the Ministers, have met in Singapore from 9 to 13 December 1996 for the first regular biennial meeting of the WTO at Ministerial level, as called for in Article IV of the Agreement Establishing the World Trade Organization, to further strengthen the WTO as a forum for negotiation, the continuing liberalization of trade within a rule-based system, and the multilateral review and assessment of trade policies, and in particular to:

- assess the implementation of our commitments under the WTO Agreements and decisions;
- review the ongoing negotiations and Work Programme;
- examine developments in world trade; and
- address the challenges of an evolving world economy.

Trade and Economic Growth

2. For nearly 50 years Members have sought to fulfil, first in the GATT and now in the WTO, the objectives reflected in the preamble to the WTO Agreement of conducting our trade relations with a view to raising standards of living world-wide. The rise in global trade facilitated by trade liberalization within the rules-based system has created more and better-paid jobs in many countries. The achievements of the WTO during its first two years bear witness to our desire to work together to make the most of the possibilities that the multilateral system provides to promote sustainable growth and development while contributing to a more stable and secure climate in international relations.

Integration of Economies; Opportunities and Challenges

3. We believe that the scope and pace of change in the international economy, including the growth in trade in services and direct investment, and the increasing integration of economies offer unprecedented opportunities for improved growth, job creation, and development. These developments require adjustment by economies and societies. They also

pose challenges to the trading system. We commit ourselves to address these challenges.

Core Labour Standards

4. We renew our commitment to the observance of internationally recognized core labour standards. The International Labour Organization (ILO) is the competent body to set and deal with these standards, and we affirm our support for its work in promoting them. We believe that economic growth and development fostered by increased trade and further trade liberalization contribute to the promotion of these standards. We reject the use of labour standards for protectionist purposes, and agree that the comparative advantage of countries, particularly low-wage developing countries, must in no way be put into question. In this regard, we note that the WTO and ILO Secretariats will continue their existing collaboration.

Marginalization

5. We commit ourselves to address the problem of marginalization for least-developed countries, and the risk of it for certain developing countries. We will also continue to work for greater coherence in international economic policy-making and for improved coordination between the WTO and other agencies in providing technical assistance.

Role of WTO

6. In pursuit of the goal of sustainable growth and development for the common good, we envisage a world where trade flows freely. To this end we renew our commitment to:

- a fair, equitable and more open rule-based system;
- progressive liberalization and elimination of tariff and non-tariff barriers to trade in goods;
- progressive liberalization of trade in services;
- rejection of all forms of protectionism;
- elimination of discriminatory treatment in international trade relations;
- integration of developing and least-developed countries and economies in transition into the multilateral system; and
- the maximum possible level of transparency.

Regional Agreements

7. We note that trade relations of WTO Members are being increasingly influenced by regional trade agreements, which have expanded vastly in number, scope and coverage. Such initiatives can promote further liberalization and may assist least-developed, developing and transition economies in integrating into the international trading system. In this context, we note the importance of existing regional arrangements involving developing and least-developed countries. The expansion and extent of regional trade agreements make it important to analyse whether the system of WTO rights and

obligations as it relates to regional trade agreements needs to be further clarified. We reaffirm the primacy of the multilateral trading system, which includes a framework for the development of regional trade agreements, and we renew our commitment to ensure that regional trade agreements are complementary to it and consistent with its rules. In this regard, we welcome the establishment and endorse the work of the new Committee on Regional Trade Agreements. We shall continue to work through progressive liberalization in the WTO as we are committed in the WTO Agreement and Decisions adopted at Marrakesh, and in so doing facilitate mutually supportive processes of global and regional trade liberalization.

Accessions

8. It is important that the 28 applicants now negotiating accession contribute to completing the accession process by accepting the WTO rules and by offering meaningful market access commitments. We will work to bring these applicants expeditiously into the WTO system.

Dispute Settlement

9. The Dispute Settlement Understanding (DSU) offers a means for the settlement of disputes among Members that is unique in international agreements. We consider its impartial and transparent operation to be of fundamental importance in assuring the resolution of trade disputes, and in fostering the implementation and application of the WTO agreements. The Understanding, with its predictable procedures, including the possibility of appeal of panel decisions to an Appellate Body and provisions on implementation of recommendations, has improved Members' means of resolving their differences. We believe that the DSU has worked effectively during its first two years. We also note the role that several WTO bodies have played in helping to avoid disputes. We renew our determination to abide by the rules and procedures of the DSU and other WTO agreements in the conduct of our trade relations and the settlement of disputes. We are confident that longer experience with the DSU, including the implementation of panel and appellate recommendations, will further enhance the effectiveness and credibility of the dispute settlement system.

Implementation

10. We attach high priority to full and effective implementation of the WTO Agreement in a manner consistent with the goal of trade liberalization. Implementation thus far has been generally satisfactory, although some Members have expressed dissatisfaction with certain aspects. It is clear that further effort in this area is required, as indicated by the relevant WTO bodies in their reports. Implementation of the specific commitments scheduled by Members with respect to

market access in industrial goods and trade in services appears to be proceeding smoothly. With respect to industrial market access, monitoring of implementation would be enhanced by the timely availability of trade and tariff data. Progress has been made also in advancing the WTO reform programme in agriculture, including in implementation of agreed market access concessions and domestic subsidy and export subsidy commitments.

Notifications and Legislation

11. Compliance with notification requirements has not been fully satisfactory. Because the WTO system relies on mutual monitoring as a means to assess implementation, those Members which have not submitted notifications in a timely manner, or whose notifications are not complete, should renew their efforts. At the same time, the relevant bodies should take appropriate steps to promote full compliance while considering practical proposals for simplifying the notification process.

12. Where legislation is needed to implement WTO rules, Members are mindful of their obligations to complete their domestic legislative process without further delay. Those Members entitled to transition periods are urged to take steps as they deem necessary to ensure timely implementation of obligations as they come into effect. Each Member should carefully review all its existing or proposed legislation, programmes and measures to ensure their full compatibility with the WTO obligations, and should carefully consider points made during review in the relevant WTO bodies regarding the WTO consistency of legislation, programmes and measures, and make appropriate changes where necessary.

Developing Countries

13. The integration of developing countries in the multilateral trading system is important for their economic development and for global trade expansion. In this connection, we recall that the WTO Agreement embodies provisions conferring differential and more favourable treatment for developing countries, including special attention to the particular situation of least-developed countries. We acknowledge the fact that developing country Members have undertaken significant new commitments, both substantive and procedural, and we recognize the range and complexity of the efforts that they are making to comply with them. In order to assist them in these efforts, including those with respect to notification and legislative requirements, we will improve the availability of technical assistance under the agreed guidelines. We have also agreed to recommendations relative to the decision we took at Marrakesh concerning the possible negative effects of the agricultural reform programme on least-developed and net

food-importing developing countries.

Least-Developed Countries

14. We remain concerned by the problems of the least-developed countries and have agreed to:

- a Plan of Action, including provision for taking positive measures, for example duty-free access, on an autonomous basis, aimed at improving their overall capacity to respond to the opportunities offered by the trading system;
- seek to give operational content to the Plan of Action, for example, by enhancing conditions for investment and providing predictable and favourable market access conditions for LLDCs' products, to foster the expansion and diversification of their exports to the markets of all developed countries; and in the case of relevant developing countries in the context of the Global System of Trade Preferences; and
- organize a meeting with UNCTAD and the International Trade Centre as soon as possible in 1997, with the participation of aid agencies, multilateral financial institutions and least-developed countries to foster an integrated approach to assisting these countries in enhancing their trading opportunities.

Textiles and Clothing

15. We confirm our commitment to full and faithful implementation of the provisions of the Agreement on Textiles and Clothing (ATC). We stress the importance of the integration of textile products, as provided for in the ATC, into GATT 1994 under its strengthened rules and disciplines because of its systemic significance for the rule-based, non-discriminatory trading system and its contribution to the increase in export earnings of developing countries. We attach importance to the implementation of this Agreement so as to ensure an effective transition to GATT 1994 by way of integration which is progressive in character. The use of safeguard measures in accordance with ATC provisions should be as sparing as possible. We note concerns regarding the use of other trade distortive measures and circumvention. We reiterate the importance of fully implementing the provisions of the ATC relating to small suppliers, new entrants and least-developed country Members, as well as those relating to cotton-producing exporting Members. We recognize the importance of wool products for some developing country Members. We reaffirm that as part of the integration process and with reference to the specific commitments undertaken by the Members as a result of the Uruguay Round, all Members shall take such action as may be necessary to abide by GATT 1994 rules and disciplines so as to achieve improved

market access for textiles and clothing products. We agree that, keeping in view its quasi-judicial nature, the Textiles Monitoring Body (TMB) should achieve transparency in providing rationale for its findings and recommendations. We expect that the TMB shall make findings and recommendations whenever called upon to do so under the Agreement. We emphasize the responsibility of the Goods Council in overseeing, in accordance with Article IV:5 of the WTO Agreement and Article 8 of the ATC, the functioning of the ATC, whose implementation is being supervised by the TMB.

Trade and Environment

16. The Committee on Trade and Environment has made an important contribution towards fulfilling its Work Programme. The Committee has been examining and will continue to examine, *inter alia*, the scope of the complementarities between trade liberalization, economic development and environmental protection. Full implementation of the WTO Agreements will make an important contribution to achieving the objectives of sustainable development. The work of the Committee has underlined the importance of policy coordination at the national level in the area of trade and environment. In this connection, the work of the Committee has been enriched by the participation of environmental as well as trade experts from Member governments and the further participation of such experts in the Committee's deliberations would be welcomed. The breadth and complexity of the issues covered by the Committee's Work Programme shows that further work needs to be undertaken on all items of its agenda, as contained in its report. We intend to build on the work accomplished thus far, and therefore direct the Committee to carry out its work, reporting to the General Council, under its existing terms of reference.

Services Negotiations

17. The fulfilment of the objectives agreed at Marrakesh for negotiations on the improvement of market access in services - in financial services, movement of natural persons, maritime transport services and basic telecommunications - has proved to be difficult. The results have been below expectations. In three areas, it has been necessary to prolong negotiations beyond the original deadlines. We are determined to obtain a progressively higher level of liberalization in services on a mutually advantageous basis with appropriate flexibility for individual developing country Members, as envisaged in the Agreement, in the continuing negotiations and those scheduled to begin no later than 1 January 2000. In this context, we look forward to full MFN agreements based on improved market access commitments and national treatment.

Accordingly, we will:

- achieve a successful conclusion to the negotiations on basic telecommunications in February 1997; and
- resume financial services negotiations in April 1997 with the aim of achieving significantly improved market access commitments with a broader level of participation in the agreed time frame.

With the same broad objectives in mind, we also look forward to a successful conclusion of the negotiations on Maritime Transport Services in the next round of negotiations on services liberalization.

In professional services, we shall aim at completing the work on the accountancy sector by the end of 1997, and will continue to develop multilateral disciplines and guidelines. In this connection, we encourage the successful completion of international standards in the accountancy sector by IFAC, IASC, and IOSCO. With respect to GATS rules, we shall undertake the necessary work with a view to completing the negotiations on safeguards by the end of 1997. We also note that more analytical work will be needed on emergency safeguards measures, government procurement in services and subsidies.

ITA and Pharmaceuticals

18. Taking note that a number of Members have agreed on a Declaration on Trade in Information Technology Products, we welcome the initiative taken by a number of WTO Members and other States or separate customs territories which have applied to accede to the WTO, who have agreed to tariff elimination for trade in information technology products on an MFN basis as well as the addition by a number of Members of over 400 products to their lists of tariff-free products in pharmaceuticals.

Work Programme and Built-in Agenda

19. Bearing in mind that an important aspect of WTO activities is a continuous overseeing of the implementation of various agreements, a periodic examination and updating of the WTO Work Programme is a key to enable the WTO to fulfil its objectives**.** In this context, we endorse the reports of the various WTO bodies. A major share of the Work Programme stems from the WTO Agreement and decisions adopted at Marrakesh. As part of these Agreements and decisions we agreed to a number of provisions calling for future negotiations on Agriculture, Services and aspects of TRIPS, or reviews and other work on Anti-Dumping, Customs Valuation, Dispute Settlement Understanding, Import Licensing, Preshipment Inspection, Rules of Origin, Sanitary and Phyto-Sanitary Measures, Safeguards, Subsidies and Countervailing Measures, Technical Barriers to Trade,

Textiles and Clothing, Trade Policy Review Mechanism, Trade-Related Aspects of Intellectual Property Rights and Trade-Related Investment Measures. We agree to a process of analysis and exchange of information, where provided for in the conclusions and recommendations of the relevant WTO bodies, on the Built-in Agenda issues, to allow Members to better understand the issues involved and identify their interests before undertaking the agreed negotiations and reviews. We agree that:

- the time frames established in the Agreements will be respected in each case;
- the work undertaken shall not prejudge the scope of future negotiations where such negotiations are called for; and
- the work undertaken shall not prejudice the nature of the activity agreed upon (i.e. negotiation or review).

Investment and Competition

20. Having regard to the existing WTO provisions on matters related to investment and competition policy and the built-in agenda in these areas, including under the TRIMs Agreement, and on the understanding that the work undertaken shall not prejudge whether negotiations will be initiated in the future, we also agree to:

- establish a working group to examine the relationship between trade and investment; and
- establish a working group to study issues raised by Members relating to the interaction between trade and competition policy, including anti-competitive practices, in order to identify any areas that may merit further consideration in the WTO framework.

These groups shall draw upon each other's work if necessary and also draw upon and be without prejudice to the work in UNCTAD and other appropriate intergovernmental fora. As regards UNCTAD, we welcome the work under way as provided for in the Midrand Declaration and the contribution it can make to the understanding of issues. In the conduct of the work of the working groups, we encourage cooperation with the above organizations to make the best use of available resources and to ensure that the development dimension is taken fully into account. The General Council will keep the work of each body under review, and will determine after two years how the work of each body should proceed. It is clearly understood that future negotiations, if any, regarding multilateral disciplines in these areas, will take

place only after an explicit consensus decision is taken among WTO Members regarding such negotiations.

21. We further agree to:

Transparency in Government Procurement

- establish a working group to conduct a study on transparency in government procurement practices, taking into account national policies, and, based on this study, to develop elements for inclusion in an appropriate agreement; and

Trade Facilitation

- direct the Council for Trade in Goods to undertake exploratory and analytical work, drawing on the work of other relevant international organizations, on the simplification of trade procedures in order to assess the scope for WTO rules in this area.

22. In the organization of the work referred to in paragraphs 20 and 21, careful attention will be given to minimizing the burdens on delegations, especially those with more limited resources, and to coordinating meetings with those of relevant UNCTAD bodies. The technical cooperation programme of the Secretariat will be available to developing and, in particular, least-developed country Members to facilitate their participation in this work.

23. Noting that the 50th anniversary of the multilateral trading system will occur early in 1998, we instruct the General Council to consider how this historic event can best be commemorated.

* * * * *

Finally, we express our warmest thanks to the Chairman of the Ministerial Conference, Mr. Yeo Cheow Tong, for his personal contribution to the success of this Ministerial Conference. We also want to express our sincere gratitude to Prime Minister Goh Chok Tong, his colleagues in the Government of Singapore and the people of Singapore for their warm hospitality and the excellent organization they have provided. The fact that this first Ministerial Conference of the WTO has been held at Singapore is an additional manifestation of Singapore's commitment to an open world trading system.

COMPREHENSIVE AND INTEGRATED WTO PLAN OF ACTION FOR THE LEAST-DEVELOPED COUNTRIES

Adopted by the Ministerial Conference on 13 December 1996
(WT/MIN(96)/14)

Preamble

1. The WTO *Decision on Measures in Favour of Least-Developed Countries* provides for WTO Members to adopt positive measures in favour of least-developed countries. Other WTO legal instruments contain additional provisions for, *inter alia*, enhancing their trading opportunities and their integration into the multilateral trading system. The implementation of these commitments remained a priority for WTO Members. Similar objectives have led to initiatives launched by other agencies -including the United Nations, the United Nations Conference on Trade and Development (UNCTAD), the International Trade Centre (ITC), the World Bank and the International Monetary Fund (IMF).

2. A comprehensive approach, bringing together national efforts and those of the international community, is required to achieve growth in least-developed countries through appropriate macroeconomic policies, supply-side measures and improved market access. Least-developed countries wishing to take advantage of the opportunities provided for in some WTO Agreements to attract foreign direct investment should be assisted.

3. This Plan of Action offers a comprehensive approach and includes measures relating to the implementation of the Decision in Favour of Least-Developed Countries, as well as in the areas of capacity-building and market access from a WTO perspective. It envisages a closer cooperation between the WTO and other multilateral agencies assisting least-developed countries. This is also in conformity with the Marrakesh *Declaration on the Contribution of the WTO to Achieving Greater Coherence in Global Economic Policymaking*, a central purpose of which is to contribute to the expansion of trade, sustainable growth and development of developing countries, including least-developed countries, through the closer cooperation of the WTO with the World Bank and the IMF.

4. The WTO Plan of Action will be applied in respect of the least-developed countries designated as such by the United Nations which are Members of the WTO.

I. Implementation of the Decision on Measures in Favour of Least-Developed Countries

5. While the *Decision on Measures in Favour of Least-Developed Countries* contains calls for action, the following could contribute to a more effective implementation.

(a) The WTO Members shall step up their efforts to improve the capacity of least-developed countries' to meet their notification obligations.

(b) An effective review every two years in the Committee on Trade and Development (in accordance with its terms of reference) on the basis of reports by the Chairpersons of the relevant WTO Bodies and other available information of the implementation of measures in favour of least-developed countries. This should coincide with the Ministerial Conferences.

(c) The WTO Bodies are invited to identify means to assist least-developed countries in implementing their WTO commitments.

(d) The Committee on Trade and Development will explore ways of ensuring greater disclosure of the application of the Uruguay Round provisions in favour of least-developed countries[1]; and, of increasing efforts to disseminate information relating to those provisions.

II. Human and Institutional Capacity-Building

6. In the Guidelines for WTO Technical Cooperation, least-developed countries are priority beneficiaries. The Members of the WTO shall ensure that this priority is assigned to least-developed countries, and in accordance with the Guidelines, the effectiveness of the technical cooperation will be continually evaluated against this priority.

7. With a view to assisting in the institutional capacity-building in the area of trade, the WTO shall work with other relevant agencies to develop a comprehensive approach and outline a division of labour, in particular with UNCTAD and the ITC, as well as with UNDP, the World Bank, IMF and Regional Banks. The Development Assistance Committee (DAC) of the OECD should also be involved. With regard to supply-side constraints, priority should be attached to export diversification and facilitating the implementation of commitments to allow least-developed countries to benefit from the new market opportunities deriving from the Uruguay Round. The WTO should cooperate with other relevant institutions in order to encourage a favourable investment climate.

8. Joint WTO/ITC training courses could be organized for public sector officials and the private sector.

9. The WTO should explore the availability of resources for the provision of technical assistance to least-developed countries by developing countries with successful experiences in trade.

10. The participation of least-developed countries' officials in WTO meetings would be financed by strictly voluntary contributions.

[1] For example, by improving the flow of information, in particular (a) from Members offering the benefits to Members potentially using them and (b) from all Members to the Committee.

III. Market Access

11. The initiatives proposed below are presented as options to be examined by WTO Members in the light of the Singapore Ministerial Conference to improve the access to the markets of exports of least-developed countries. Further consideration should be given to additional multilateral action and coordination in this endeavour.

- Developed country Members, and developing country Members on an autonomous basis, would explore the possibilities of granting preferential duty-free access for the exports of least-developed countries. In both cases exceptions could be provided for.

- WTO Members should endeavour to make use, when possible, of the relevant provisions of the Agreement on Textiles and Clothing to increase market access opportunities for least-developed countries.

- Whenever provided for in the WTO Agreements, Members may decide to extend unilaterally and on an autonomous basis, certain benefits to least-developed countries' suppliers.

- WTO Members should pursue, on an autonomous basis, preferential policies and liberalization undertakings in order to further facilitate access to their markets for least-developed countries' exports, such as an early implementation of Uruguay Round undertakings.

IV. Other Initiatives

12. The Secretariat shall provide factual and legal information to assist acceding least-developed countries in drawing up their Memorandum on the Foreign Trade Regime, as well as their Schedules of Concessions for goods and Commitments in services.

13. In accordance with its mandate, the WTO shall endeavour to work jointly with other relevant multilateral and regional institutions to induce investment in least-developed countries as a result of new trade opportunities.

14. Individual Members may study the feasibility of binding preferential tariff rates in a WTO preferential scheme which would be applicable to least-developed countries only.

MINISTERIAL DECLARATION ON TRADE IN INFORMATION TECHNOLOGY PRODUCTS

Adopted by Ministers at the Singapore Ministerial Conference on 13 December 1996 (WT/MIN(96)/16)

Ministers,

Representing the following Members of the World Trade Organization ("WTO"), and States or separate customs territories in the process of acceding to the WTO, which have agreed in Singapore on the expansion of world trade in information technology products and which account for well over 80 per cent of world trade in these products ("parties"):

Australia	Norway
Canada	Separate Customs Territory of Taiwan,
European Communities	Penghu, Kinmen and Matsu
Hong Kong	Singapore
Iceland	Switzerland[1]
Indonesia	Turkey
Japan	United States
Korea	

Considering the key role of trade in information technology products in the development of information industries and in the dynamic expansion of the world economy,

Recognizing the goals of raising standards of living and expanding the production of and trade in goods;

Desiring to achieve maximum freedom of world trade in information technology products;

Desiring to encourage the continued technological development of the information technology industry on a world-wide basis;

[1] On behalf of the customs union Switzerland and Liechtenstein.

Mindful of the positive contribution information technology makes to global economic growth and welfare;

Having agreed to put into effect the results of these negotiations which involve concessions additional to those included in the Schedules attached to the Marrakesh Protocol to the General Agreement on Tariffs and Trade 1994, and

Recognizing that the results of these negotiations also involve some concessions offered in negotiations leading to the establishment of Schedules annexed to the Marrakesh Protocol,

Declare as follows:

1. Each party's trade regime should evolve in a manner that enhances market access opportunities for information technology products.

2. Pursuant to the modalities set forth in the Annex to this Declaration, each party shall bind and eliminate customs duties and other duties and charges of any kind, within the meaning of Article II:1(b) of the General Agreement on Tariffs and Trade 1994, with respect to the following:

(a) all products classified (or classifiable) with Harmonized System (1996) ("HS") headings listed in Attachment A to the Annex to this Declaration; and

(b) all products specified in Attachment B to the Annex to this Declaration, whether or not they are included in Attachment A;

through equal rate reductions of customs duties beginning in 1997 and concluding in 2000, recognizing that extended staging of reductions and, before implementation, expansion of product coverage may be necessary in limited circumstances.

3. Ministers express satisfaction about the large product coverage outlined in the Attachments to the Annex to this Declaration. They instruct their respective officials to make good faith efforts to finalize plurilateral technical discussions in Geneva on the basis of these modalities, and instruct these officials to complete this work by 31 January 1997, so as to ensure the implementation of this Declaration by the largest number of participants.

4. Ministers invite the Ministers of other Members of the WTO, and States or separate customs territories in the process of acceding to the WTO, to provide similar instructions to their respective officials, so that they may participate in the technical discussions referred to in paragraph 3 above and participate fully in the expansion of world trade in information technology products.

Annex: Modalities and Product Coverage
Attachment A: list of HS headings
Attachment B: list of products

ANNEX

MODALITIES AND PRODUCT COVERAGE

Any Member of the World Trade Organization, or State or separate customs territory in the process of acceding to the WTO, may participate in the expansion of world trade in information technology products in accordance with the following modalities:

1. Each participant shall incorporate the measures described in paragraph 2 of the Declaration into its schedule to the General Agreement on Tariffs and Trade 1994, and, in addition, at either its own tariff line level or the Harmonized System (1996) ("HS") 6-digit level in either its official tariff or any other published versions of the tariff schedule, whichever is ordinarily used by importers and exporters. Each participant that is not a Member of the WTO shall implement these measures on an autonomous basis, pending completion of its WTO accession, and shall incorporate these measures into its WTO market access schedule for goods.

2. To this end, as early as possible and no later than 1 March 1997 each participant shall provide all other participants a document containing (a) the details concerning how the appropriate duty treatment will be provided in its WTO schedule of concessions, and (b) a list of the detailed HS headings involved for products specified in Attachment B. These documents will be reviewed and approved on a consensus basis and this review process shall be completed no later than 1 April 1997. As soon as this review process has been completed for any such document, that document shall be submitted as a modification to the Schedule of the participant concerned, in accordance with the Decision of 26 March 1980 on Procedures for Modification and Rectification of Schedules of Tariff Concessions (BISD 27S/25).

(a) The concessions to be proposed by each participant as modifications to its Schedule shall bind and eliminate all customs duties and other duties and charges of any kind on information technology products as follows:

(i) elimination of such customs duties shall take place through rate reductions in equal steps, except as may be otherwise agreed by the participants. Unless otherwise agreed by the participants, each participant shall bind all tariffs on items listed in the Attachments no later than 1 July 1997, and shall make the first such rate reduction effective no later than 1 July 1997, the second such rate reduction no later than 1 January 1998, and the third such rate reduction no later than 1 January 1999, and the elimination of customs duties shall be completed effective no later than 1 January 2000. The participants agree to encourage autonomous elimination of customs duties prior to these dates. The reduced rate should in each stage be rounded off to the first decimal; and

(ii) elimination of such other duties and charges of any kind, within the meaning of Article II:1(b) of the General Agreement, shall be completed by 1 July 1997, except as may be otherwise specified in the participant's document provided to other participants for review.

(b) The modifications to its Schedule to be proposed by a participant in order to implement its binding and elimination of customs duties on information technology products shall achieve this result:

(i) in the case of the HS headings listed in Attachment A, by creating**,** where appropriate**,** sub-divisions in its Schedule at the national tariff line level; and

(ii) in the case of the products specified in Attachment B, by attaching an annex to its Schedule including all products in Attachment B, which is to specify the detailed HS headings for those products at either the national tariff line level or the HS 6-digit level.

Each participant shall promptly modify its national tariff schedule to reflect the modifications it has proposed, as soon as they have entered into effect.

3. Participants shall meet periodically under the auspices of the Council on Trade in Goods to review the product coverage specified in the Attachments, with a view to agreeing, by consensus, whether in the light of technological developments, experience in applying the tariff concessions, or changes to the HS nomenclature, the Attachments should be modified to incorporate additional products, and to consult on non-tariff barriers to trade in information technology products. Such consultations shall be without prejudice to rights and obligations under the WTO Agreement.

4. Participants shall meet as soon as practicable and in any case no later than 1 April 1997 to review the state of acceptances received and to assess the conclusions to be drawn therefrom. Participants will implement the actions foreseen in the Declaration provided that participants representing approximately 90 per cent of world trade[2] in information technology products have by then notified their acceptance, and provided that the staging has been agreed to the participants' satisfaction. In assessing whether to implement actions foreseen in the Declaration, if the percentage of world trade represented by participants falls somewhat short of 90 per cent of world trade in information technology products, participants may take into account the extent of the participation of States or separate customs territories representing for them the substantial bulk of their own trade in such products. At this meeting the participants will establish whether these criteria have been met.

5. Participants shall meet as often as necessary and no later than 30 September 1997 to consider any divergence among them in classifying information technology products, beginning with the products specified in Attachment B.

[2] This percentage shall be calculated by the WTO Secretariat on the basis of the most recent data available at the time of the meeting.

Participants agree on the common objective of achieving, where appropriate, a common classification for these products within existing HS nomenclature, giving consideration to interpretations and rulings of the Customs Co-operation Council (also known as the World Customs Organization or "WCO"). In any instance in which a divergence in classification remains, participants will consider whether a joint suggestion could be made to the WCO with regard to updating existing HS nomenclature or resolving divergence in interpretation of the HS nomenclature.

6. The participants understand that Article XXIII of the General Agreement will address nullification or impairment of benefits accruing directly or indirectly to a WTO Member participant through the implementation of this Declaration as a result of the application by another WTO Member participant of any measure, whether or not that measure conflicts with the provisions of the General Agreement.

7. Each participant shall afford sympathetic consideration to any request for consultation from any other participant concerning the undertakings set out above. Such consultations shall be without prejudice to rights and obligations under the WTO Agreement.

8. Participants acting under the auspices of the Council for Trade in Goods shall inform other Members of the WTO and States or separate customs territories in the process of acceding to the WTO of these modalities and initiate consultations with a view to facilitate their participation in the expansion of trade in information technology products on the basis of the Declaration.

9. As used in these modalities, the term "participant" shall mean those Members of the WTO, or States or separate customs territories in the process of acceding to the WTO, that provide the document described in paragraph 2 no later than 1 March 1997.

10. This Annex shall be open for acceptance by all Members of the WTO and any State or any separate customs territory in the process of acceding to the WTO. Acceptances shall be notified in writing to the Director-General who shall communicate them to all participants.

There are two attachments to the Annex.

Attachment A lists the HS headings or parts thereof to be covered.

Attachment B lists specific products to be covered by an ITA wherever they are classified in the HS.

Attachment A, Section 1

	HS96		HS description
	3818		Chemical elements doped for use in electronics, in form of discs, wafers or similar forms; chemical compounds doped for use in electronics
	8469	11	Word processing machines
	8470		Calculating machines and pocket-size data recording, reproducing and displaying machines with a calculating function; accounting machines, postage franking machines, ticket-issuing machines and similar machines, incorporating a calculating devices; cash registers:
	8470	10	Electronic calculators capable of operating without an external source of electric power and pocket size data recording, reproducing and displaying machines with calculating functions
	8470	21	Other electronic calculating machines incorporating a printing device
	8470	29	Other
	8470	30	Other calculating machines
	8470	40	Accounting machines
	8470	50	Cash registers
	8470	90	Other
	8471		Automatic data processing machines and units thereof; magnetic or optical readers, machines for transcribing data onto data media in coded form and machines for processing such data, not elsewhere specified or included:
	8471	10	Analogue or hybrid automatic data processing machines
	8471	30	Portable digital automatic data processing machines, weighing no more than 10 kg, consisting of at least a central processing unit, a keyboard and a display
	8471	41	Other digital automatic data processing machines comprising in the same housing at least a central processing unit and an input and output unit, whether or not combined
	8471	49	Other digital automatic data processing machines presented in the form of systems
	8471	50	Digital processing units other than those of subheading 8471 41 and 8471 49, whether or not in the same housing one or two of the following types of units : storage units, input units, output units
	8471	60	Input or output units, whether or not containing storage units in the same housing
	8471	70	Storage units, including central storage units, optical disk storage units, hard disk drives and magnetic tape storage units
	8471	80	Other units of automatic data processing machines
	8471	90	Other
ex	8472	90	Automatic teller machines
	8473	21	Parts and accessories of the machines of heading No 8470 of the electronic calculating machines of subheading 8470 10, 8470 21 and 8470 29
	8473	29	Parts and accessories of the machines of heading No 8470 other than the electronic calculating machines of subheading 8470 10, 8470 21 and 8470 29
	8473	30	Parts and accessories of the machines of heading No 8471
	8473	50	Parts and accessories equally suitable for use with machines of two or more of the headings Nos. 8469 to 8472

	HS96		HS description
ex	8504	40	Static converters for automatic data processing machines and units thereof, and telecommunication apparatus
ex	8504	50	Other inductors for power supplies for automatic data processing machines and units thereof, and telecommunication apparatus
	8517		Electrical apparatus for line telephony or line telegraphy, including line telephone sets with cordless handsets and telecommunication apparatus for carrier-current line systems or for digital line systems; videophones:
	8517	11	Line telephone sets with cordless handsets
	8517	19	Other telephone sets and videophones
	8517	21	Facsimile machines
	8517	22	Teleprinters
	8517	30	Telephonic or telegraphic switching apparatus
	8517	50	Other apparatus, for carrier-current line systems or for digital line systems
	8517	80	Other apparatus including entry-phone systems
	8517	90	Parts of apparatus of heading 8517
ex	8518	10	Microphones having a frequency range of 300 Hz to 3,4 KHz with a diameter of not exceeding 10 mm and a height not exceeding 3 mm, for telecommunication use
ex	8518	30	Line telephone handsets
ex	8518	29	Loudspeakers, without housing, having a frequency range of 300 Hz to 3,4 KHz with a diameter of not exceeding 50 mm, for telecommunication use
	8520	20	Telephone answering machines
	8523	11	Magnetic tapes of a width not exceeding 4 mm
	8523	12	Magnetic tapes of a width exceeding 4 mm but not exceeding 6,5 mm
	8523	13	Magnetic tapes of a width exceeding 6,5 mm
	8523	20	Magnetic discs
	8523	90	Other
	8524	31	Discs for laser reading systems for reproducing phenomena other than sound or image
ex	8524	39	Other:
			- for reproducing representations of instructions, data, sound, and image, recorded in a machine readable binary form, and capable of being manipulated or providing interactivity to a user, by means of an automatic data processing machine
	8524	40	Magnetic tapes for reproducing phenomena other than sound or image
	8524	91	Media for reproducing phenomena other than sound or image
ex	8424	99	Other:
			- for reproducing representations of instructions, data, sound, and image, recorded in a machine readable binary form, and capable of being manipulated or providing interactivity to a user, by means of an automatic data processing machine
ex	8525	10	Transmission apparatus other than apparatus for radio-broadcasting or television
	8525	20	Transmission apparatus incorporating reception apparatus
ex	8525	40	Digital still image video cameras
ex	8527	90	Portable receivers for calling, alerting or paging

	HS96		HS description
ex	8529	10	Aerials or antennae of a kind used with apparatus for radio-telephony and radio-telegraphy
ex	8529	90	Parts of:
			transmission apparatus other than apparatus for radio-broadcasting or television
			transmission apparatus incorporating reception apparatus
			digital still image video cameras,
			portable receivers for calling, alerting or paging
	8531	20	Indicator panels incorporating liquid crystal devices (LCD) or light emitting diodes (LED)
ex	8531	90	Parts of apparatus of subheading 8531 20
	8532		Electrical capacitors, fixed, variable or adjustable (pre-set):
	8532	10	Fixed capacitors designed for use in 50/60 Hz circuits and having a reactive power handling capacity of not less than 0,5 kvar (power capacitors)
	8532	21	Tantalum fixed capacitors
	8532	22	Aluminium electrolytic fixed capacitors
	8532	23	Ceramic dielectric, single layer fixed capacitors
	8532	24	Ceramic dielectric, multilayer fixed capacitors
	8532	25	Dielectric fixed capacitors of paper or plastics
	8532	29	Other fixed capacitors
	8532	30	Variable or adjustable (pre-set) capacitors
	8532	90	Parts
	8533		Electrical resistors (including rheostats and potentiometers), other than heating resistors:
	8533	10	Fixed carbon resistors, composition or film types
	8533	21	Other fixed resistors for a power handling capacity not exceeding 20 W
	8533	29	Other fixed resistors for a power handling capacity of 20 W or more
	8533	31	Wirewound variable resistors, including rheostats and potentiometers, for a power handling capacity not exceeding 20 W
	8533	39	Wirewound variable resistors, including rheostats and potentiometers, for a power handling capacity of 20 W or more
	8533	40	Other variable resistors, including rheostats and potentiometers
	8533	90	Parts
	8534		Printed circuits
ex	8536	50	Electronic AC switches consisting of optically coupled input and output circuits (Insulated thyristor AC switches)
ex	8536	50	Electronic switches, including temperature protected electronic switches, consisting of a transistor and a logic chip (chip-on-chip technology) for a voltage not exceeding 1000 volts
ex	8536	50	Electromechanical snap-action switches for a current not exceeding 11 amps
ex	8536	69	Plugs and sockets for co-axial cables and printed circuits
ex	8536	90	Connection and contact elements for wires and cables
	8541		Diodes, transistors and similar semiconductor devices; photosensitive semiconductor devices, including photovoltaic cells whether or not assembled in modules or made up into panels; light-emitting diodes; mounted piezo-electric crystals:

	HS96		HS description
	8541	10	Diodes, other than photosensitive or light-emitting diodes
	8541	21	Transistors, other than photosensitive transistors, with a dissipation rate of less than 1 W
	8541	29	Transistors, other than photosensitive transistors, with a dissipation rate of 1 W or more
	8541	30	Thyristors, diacs and triacs, other than photosensitive devices
	8541	40	Photosensitive semiconductor devices, including photovoltaic cells whether or not assembled in modules or made up into panels; light emitting diodes
	8541	50	Other semiconductor devices
	8541	60	Mounted piezo-electric crystals
	8541	90	Parts
	8542		Electronic integrated circuits and microassemblies
	8542	12	Cards incorporating an electronic integrated circuit ('smart' cards)
	8542	13	Metal oxide semiconductors (MOS technology)
	8542	14	Circuits obtained by bipolar technology
	8542	19	Other monolithic digital integrated circuits, including circuits obtained by a combination of bipolar and MOS technologies (BIMOS technology)
	8542	30	Other monolithic integrated circuits
	8542	40	Hybrid integrated circuits
	8542	50	Electronic microassemblies
	8542	90	Part
	8543	81	Proximity cards and tags
ex	8543	89	Electrical machines with translation or dictionary functions
ex	8544	41	Other electric conductors, for a voltage not exceeding 80 V, fitted with connectors, of a kind used for telecommunications
ex	8544	49	Other electric conductors, for a voltage not exceeding 80 V, not fitted with connectors, of a kind used for telecommunications
ex	8544	51	Other electric conductors, for a voltage exceeding 80 V but not exceeding 1000 V, fitted with connectors, of a kind used for telecommunications
	8544	70	Optical fibre cables
	9009	11	Electrostatic photocopying apparatus, operating by reproducing the original image directly onto the copy (direct process)]
	9009	21	Other photocopying apparatus, incorporating an optical system
	9009	90	Parts and accessories
	9026		Instruments and apparatus for measuring or checking the flow, level, pressure or other variables of liquids or gases (for example, flow meters, level gauges, manometers, heat meters), excluding instruments and apparatus of heading No 9014, 9015, 9028 or 9032:
	9026	10	Instruments for measuring or checking the flow or level of liquids
	9026	20	Instruments and apparatus for measuring or checking pressure
	9026	80	Other instruments and apparatus for measuring or checking of heading 9026
	9026	90	Parts and accessories of instruments and apparatus of heading 9026
	9027	20	Chromatographs and electrophoresis instruments
	9027	30	Spectrometers, spectrophotometers and spectrographs using optical radiations (UV, visible, IR)

	HS96		HS description
	9027	50	Other instruments and apparatus using optical radiations (UV, visible, IR) of heading No 9027
	9027	80	Other instruments and apparatus of heading No 9027 (other than those of heading No 9027 10)
ex	9027	90	Parts and accessories of products of heading 9027, other than for gas or smoke analysis apparatus and microtomes
	9030	40	Instruments and apparatus for measuring and checking, specially designed for telecommunications (for example, cross-talk meters, gain measuring instruments, distorsion factor meters, psophometers)

Attachment A, Section 2
Semiconductor manufacturing and testing equipment and parts thereof

	HS Code	Description	Comments
ex	7017 10	Quartz reactor tubes and holders designed for insertion into diffusion and oxidation furnaces for production of semiconductor wafers	For Attachment B
ex	8419 89	Chemical vapor deposition apparatus for semiconductor production	For Attachment B
ex	8419 90	Parts of chemical vapor deposition apparatus for semiconductor production	For Attachment B
ex	8421 19	Spin dryers for semiconductor wafer processing	
ex	8421 91	Parts of spin dryers for semiconductor wafer processing	
ex	8424 89	Deflash machines for cleaning and removing contaminants from the metal leads of semiconductor packages prior to the electroplating process	
ex	8424 89	Spraying appliances for etching, stripping or cleaning semiconductor wafers	
ex	8424 90	Parts of spraying appliances for etching, stripping or cleaning semiconductor wafers	
ex	8456 10	Machines for working any material by removal of material, by laser or other light or photo beam in the production of semiconductor wafers	
ex	8456 91	Apparatus for stripping or cleaning semiconductor wafers	For Attachment B
	8456 91	Machines for dry-etching patterns on semiconductor materials	
ex	8456 99	Focused ion beam milling machines to produce or repair masks and reticles for patterns on semiconductor devices	
ex	8456 99	Lasercutters for cutting contacting tracks in semiconductor production by laser beam	For Attachment B
ex	8464 10	Machines for sawing monocrystal semiconductor boules into slices, or wafers into chips	For Attachment B
ex	8464 20	Grinding, polishing and lapping machines for processing of semiconductor wafers	

	HS Code	Description	Comments
ex	8464 90	Dicing machines for scribing or scoring semiconductor wafers	
ex	8466 91	Parts for machines for sawing monocrystal semiconductor boules into slices, or wafers into chips	For Attachment B
ex	8466 91	Parts of dicing machines for scribing or scoring semiconductor wafers	For Attachment B
ex	8466 91	Parts of grinding, polishing and lapping machines for processing of semiconductor wafers	
ex	8466 93	Parts of focused ion beam milling machines to produce or repair masks and reticles for patterns on semiconductor devices	
ex	8466 93	Parts of lasercutters for cutting contacting tracks in semiconductor production by laser beam	For Attachment B
ex	8466 93	Parts of machines for working any material by removal of material, by laser or other light or photo beam in the production of semiconductor wafers	
ex	8456 93	Parts of apparatus for stripping or cleaning semiconductor wafers	For Attachment B
ex	8466 93	Parts of machines for dry-etching patterns on semiconductor materials	
ex	8477 10	Encapsulation equipment for assembly of semiconductors	For Attachment B
ex	8477 90	Parts of encapsulation equipment	For Attachment B
ex	8479 50	Automated machines for transport, handling and storage of semiconductor wafers, wafer cassettes, wafer boxes and other material for semiconductor devices	For Attachment B
ex	8479 89	Apparatus for growing or pulling monocrystal semiconductor boules	
ex	8479 89	Apparatus for physical deposition by sputtering on semiconductor wafers	For Attachment B
ex	8479 89	Apparatus for wet etching, developing, stripping or cleaning semiconductor wafers and flat panel displays	For Attachment B
ex	8479 89	Die attach apparatus, tape automated bonders, and wire bonders for assembly of semiconductors	For Attachment B
ex	8479 89	Encapsulation equipment for assembly of semiconductors	For Attachment B
ex	8479 89	Epitaxial deposition machines for semiconductor wafers	
ex	8479 89	Machines for bending, folding and straightening semiconductor leads	For Attachment B
ex	8479 89	Physical deposition apparatus for for semiconductor production	For Attachment B
ex	8479 89	Spinners for coating photographic emulsions on semiconductor wafers	For Attachment B
ex	8479 90	Part of apparatus for physical deposition by sputtering on semiconductor wafers	For Attachment B
ex	8479 90	Parts for die attach apparatus, tape automated bonders, and wire bonders for assembly of semiconductors	For Attachment B
ex	8479 90	Parts for spinners for coating photographic emulsions on semiconductor wafers	For Attachment B

	HS Code	Description	Comments
ex	8479 90	Parts of apparatus for growing or pulling monocrystal semiconductor boules	
ex	8479 90	Parts of apparatus for wet etching, developing, stripping or cleaning semiconductor wafers and flat panel displays	For Attachment B
ex	8479 90	Parts of automated machines for transport, handling and storage of semiconductor wafers, wafer cassettes, wafer boxes and other material for semiconductor devices	For Attachment B
ex	8479 90	Parts of encapsulation equipment for assembly of semiconductors	For Attachment B
ex	8479 90	Parts of epitaxial deposition machines for semiconductor wafers	
ex	8479 90	Parts of machines for bending, folding and straightening semiconductor leads	For Attachment B
ex	8479 90	Parts of physical deposition apparatus for for semiconductor production	For Attachment B
ex	8480 71	Injection and compression moulds for the manufacture of semiconductor devices	
ex	8514 10	Resistance heated furnaces and ovens for the manufacture of semiconductor devices on semiconductor wafers	
ex	8514 20	Inductance or dielectric furnaces and ovens for the manufacture of semiconductor devices on semiconductors wafers	
ex	8514 30	Apparatus for rapid heating of semiconductor wafers	For Attachment B
ex	8514 30	Parts of resistance heated furnaces and ovens for the manufacture of semiconductor devices on semiconductor wafers	
ex	8514 90	Parts of apparatus for rapid heating of wafers	For Attachment B
ex	8514 90	Parts of furnaces and ovens of Headings No 8514 10 to No 8514 30	
ex	8536 90	Wafer probers	For Attachment B
	8543 11	Ion implanters for doping semiconductor materials	
ex	8543 30	Apparatus for wet etching, developing, stripping or cleaning semiconductor wafers and flat panel displays	For Attachment B
ex	8543 90	Parts of apparatus for wet etching, developing, stripping or cleaning semiconductor wafers and flat panel displays	For Attachment B
ex	8543 90	Parts of ion implanters for doping semiconductor materials	
	9010 41 to 9010 49	Apparatus for projection, drawing or plating circuit patterns on sensitized semiconductor materials and flat panel displays	
ex	9010 90	Parts and accessories of the apparatus of Headings No 9010 41 to 9010 49	
ex	9011 10	Optical stereoscopic microscopes fitted with equipment specifically designed for the handling and transport of semiconductor wafers or reticles	For Attachment B
ex	9011 20	Photomicrographic microscopes fitted with equipment specifically designed for the handling and transport of	For Attachment B

	HS Code	Description	Comments
		semiconductor wafers or reticles	
ex	9011 90	Parts and accessories of optical stereoscopic microscopes fitted with equipment specifically designed for the handling and transport of semiconductor wafers or reticles	For Attachment B
ex	9011 90	Parts and accessories of photomicrographic microscopes fitted with equipment specifically designed for the handling and transport of semiconductor wafers or reticles	For Attachment B
ex	9012 10	Electron beam microscopes fitted with equipment specifically designed for the handling and transport of semiconductor wafers or reticles	For Attachment B
ex	9012 90	Parts and accessories of electron beam microscopes fitted with equipment specifically designed for the handling and transport of semiconductor wafers or reticles	For Attachment B
ex	9017 20	Pattern generating apparatus of a kind used for producing masks or reticles from photoresist coated substrates	For Attachment B
ex	9017 90	Parts and accessories for pattern generating apparatus of a kind used for producing masks or reticles from photoresist coated substrates	For Attachment B
ex	9017 90	Parts of such pattern generating apparatus	For Attachment B
	9030 82	Instruments and apparatus for measuring or checking semiconductor wafers or devices	
ex	9030 90	Parts and accessories of instruments and apparatus for measuring or checking semiconductor wafers or devices	
ex	9030 90	Parts of instruments and appliances for measuring or checking semiconductor wafers or devices	
	9031 41	Optical instruments and appliances for inspecting semiconductor wafers or devices or for inspecting masks, photomasks or reticles used in manufacturing semiconductor devices	
ex	9031 49	Optical instruments and appliances for measuring surface particulate contamination on semiconductor wafers	
ex	9031 90	Parts and accessories of optical instruments and appliances for inspecting semiconductor wafers or devices or for inspecting masks, photomasks or reticles used in manufacturing semiconductor devices	
ex	9031 90	Parts and accessories of optical instruments and appliances for measuring surface particulate contamination on semiconductor wafers	

Attachment B

Positive list of specific products to be covered by this agreement wherever they are classified in the HS. Where parts are specified, they are to be covered in accordance with HS Notes 2(b) to Section XVI and Chapter 90, respectively.

Computers: automatic data processing machines capable of 1) storing the processing program or programs and at least the data immediately necessary for the execution of the program; 2) being freely programmed in accordance with the requirements of the user; 3) performing arithmetical computations specified by the user; and 4) executing, without human intervention, a processing program which requires them to modify their execution, by logical decision during the processing run. The agreement covers such automatic data processing machines whether or not they are able to receive and process with the assistance of central processing unit telephony signals, television signals, or other analogue or digitally processed audio or video signals. Machines performing a specific function other than data processing, or incorporating or working in conjunction with an automatic data processing machine, and not otherwise specified under Attachment A or B, are not covered by this agreement.

Electric amplifiers when used as repeaters in line telephony products falling within this agreement, and parts thereof

Flat panel displays (including LCD, Electro Luminescence, Plasma and other technologies) for products falling within this agreement, and parts thereof.

Network equipment: Local Area Network (LAN) and Wide Area Network (WAN) apparatus, including those products dedicated for use solely or principally to permit the interconnection of automatic data processing machines and units thereof for a network that is used primarily for the sharing of resources such as central processor units, data storage devices and input or output units - including adapters, hubs, in-line repeaters, converters, concentrators, bridges and routers, and printed circuit assemblies for physical incorporation into automatic data processing machines and units thereof.

Monitors : display units of automatic data processing machines with a cathode ray tube with a dot screen pitch smaller than 0,4 mm not capable of receiving and processing television signals or other analogue or digitally processed audio or video signals without assistance of a central processing unit of a computer as defined in this agreement.

The agreement does not, therefore, cover televisions, including high definition televisions.[3]

Optical disc storage units, for automatic data processing machines (including CD drives and DVD-drives), whether or not having the capability of writing/recording as well as reading, whether or not in their own housings.

Paging alert devices, and parts thereof

Plotters whether input or output units of HS heading No 8471 or drawing or drafting machines of HS heading No 9017.

Printed Circuit Assemblies for products falling within this agreement, including such assemblies for external connections such as cards that conform to the PCMCIA standard.

Such printed circuit assemblies consist of one or more printed circuits of heading 8534 with one or more active elements assembled thereon, with or without passive elements "Active elements" means diodes, transistors, and similar semiconductor devices, whether or not photosensitive, of heading 8541, and integrated circuits and micro assemblies of heading 8542.

Projection type flat panel display units used with automatic data processing machines which can display digital information generated by the central processing unit.

[3] Participants will conduct a review of this product description in January 1999 under the consultation provisions of paragraph 3 of the Declaration.

Proprietary format storage devices including media therefor for automatic data processing machines, with or without removable media and whether magnetic, optical or other technology, including Bernoulli Box, Syquest, or Zipdrive cartridge storage units.

Multimedia upgrade kits for automatic data processing machines, and units thereof, put up for retail sale, consisting of, at least, speakers and/or microphones as well as a printed circuit assembly that enables the ADP machines and units thereof to process audio signals (sound cards).

Set top boxes which have a communication function: a microprocessor-based device incorporating a modem for gaining access to the Internet, and having a function of interactive information exchange.

ACCESSION

ACCESSION OF BULGARIA

Report of the Working Party Adopted by the General Council on 2 October 1996 (WT/ACC/BGR/5 and Corr. 1)

1. At its meetings on 5-6 November 1986 and 20 February 1990, respectively, the Council established a Working Party to examine the application of the Government of Bulgaria to accede to the General Agreement under Article XXXIII and to submit to the Council recommendations which might include a draft Protocol of Accession. It was understood that in its examination, the Working Party would consider the compatibility of Bulgaria's foreign trade regime with the General Agreement with regard *inter alia*, to the provisions concerning national treatment, non-discrimination, State-trading, subsidies and safeguards. On 11 April 1995, the Government of Bulgaria advised that it had decided to negotiate the terms of accession of the Republic of Bulgaria to the Agreement Establishing the World Trade Organization (hereinafter referred to as the "WTO") under Article XII of the Agreement. In pursuance of the decision adopted by the General Council on 31 January 1995, the Working Party on the Accession of Bulgaria to the GATT 1947 was transformed into a WTO Accession Working Party.

2. The Working Party met on 15-16 July 1991, 12-13 July 1993, 4-5 November 1993, 28-29 March 1994, 7-8 July 1994, 5 and 7 July 1995, 10 and 29 July and 17 September 1996 under the chairmanship of H.E. Mr. E.C. Selmer (Norway). The terms of reference and the membership of the Working Party are set out in document WT/L/58.

3. The Working Party had before it, to serve as a basis for its discussion, the Memoranda on Bulgaria's Foreign Trade Regime (L/6364 and Corr.1 and Add.1, L/6512, L/6880 and Add.1-5, L/7244) and the questions submitted by members on the foreign trade regime of Bulgaria together with the replies of the Bulgarian authorities thereto (L/6867, L/7309/Rev.1, L/7309/Rev.1/Add.1 and WT/SPEC/12). In addition, the Government of the Republic of Bulgaria made available to the Working Party the following material:

* Constitution of the Republic of Bulgaria, adopted in 1991
* Law on Commerce, adopted in 1991
* Law on the Ownership and the Use of Agricultural Lands, adopted 1991
* Law on Accountancy, adopted in 1991
* Law on Value Added Tax, adopted in 1993
* Law on the Excise Duties, adopted in 1994
* Law on the Protection of Competition, adopted in 1991

* Law on the Bulgarian National Bank, adopted in 1991
* Law on the Economic Activity of Foreign Persons and on the Protection of Foreign Investments, adopted in 1992
* Law on Transformation and Privatization of State-owned and Municipal Enterprises, adopted in 1992
* Law on Banks and Credit Activity, adopted in 1992
* Patent Law, adopted in 1993
* Law on Copyright and neighbouring rights, adopted in 1993
* Tax Administration Law, adopted in 1993
* Tax Procedure Law, adopted in 1993
* Act on the Settlement of Non-Performing Loans Contracting Prior to 31 December 1990, adopted in 1993
* The Tobacco and the Tobacco Products Act, adopted in 1993
* Customs Tariff of the Republic of Bulgaria, in force from 1 July 1992
* The Bulgarian foreign trade regime under Ordinance 241 of December 1993 of the Council of Ministers
* Regulations 180/1993 and 181/1993 on safeguard measures and on protection against dumped and subsidized imports
* Bulgarian 1992 import statistics
* Information on progress of the privatization process of State and Municipal Enterprises by 28 February 1994.
* Information concerning companies offered for privatization
* Information concerning the consistency of the foreign trade regime with the WTO Multilateral Trade Agreements
* Note on Trade Related Aspects of Intellectual Property Rights
* Note on services régime

General Statements

4. In his initial introductory statements to the Working Party, the representative of Bulgaria noted that the accession to GATT 1947 was a priority for his Government and an important objective of the reform programme currently under way in Bulgaria with the whole-hearted support of the new democratic structures in place since 1991. Later on, prior to the conclusion of the Uruguay Round, he emphasized Bulgaria's intent to become a full fledged member of the WTO preferably at the same time and on the same bases as the original members. He stressed that the Bulgarian economy was in transition. Since 1991 his Government had pursued decidedly the transformation to a market economy through a far reaching process of structural adjustment and liberalization which needed the firm support of the international community. Even though in 1992 GDP per capita was only US$983, Bulgaria had chosen not to claim developing

country status on the expectation that members could recognize this position as a significant contribution on the part of Bulgaria towards full participation in the multilateral trading system. He added that in 1993 due to the considerable liberalization of the Bulgarian foreign trade regime and to the absence of trade policy instruments to deal with the importation of goods in such increased quantities and under such conditions as to cause or threaten to cause serious injury to domestic producers, the Government had had to introduce, as a temporary measure, a system of reference import prices affecting some agricultural imports. This measure aimed at preventing distortions in the domestic market in the meat, fresh fruit and vegetable sector resulting from the importation of heavily subsidized agricultural production. Bulgaria would align these measures with the Agreement Establishing the WTO's requirements upon Bulgarian accession. In the case of imports of beverages and tobacco products the measure was aimed at avoiding under invoicing. Since the earlier meetings of the Working Party, the description and the established levels of export taxes for some tariff lines had been changed; the quota amount for ice cream had been increased by 50 per cent; two eight-digit tariff lines had been introduced in the Bulgarian Customs Tariff. He also stated that Bulgaria was presently in a difficult economic situation. This was partly due to the unresolved debt to the private banks and partly to the severe repercussions in the Bulgarian economy of the trade and economic sanctions against Serbia and Montenegro. In observing the UN Security Council embargo against Serbia and Montenegro, Bulgaria had suffered huge direct and indirect losses. Bulgaria considered that the prompt conclusion of the proceedings of accession to the Agreement Establishing the WTO would represent in a way an indirect compensation for some of these losses. Noting that the Bulgarian economy and foreign trade were undergoing profound transformations, he said that this process would continue with additional structural adjustment measures to avoid internal economic and social tensions. Bulgaria considered the accession to the Agreement Establishing the WTO as a very important stage in the adjustment process of the Bulgarian economy to the principles of the world economy and the multilateral trading system which would further the participation of Bulgaria as a reliable trade and economic partner in the international community and also contribute to the country's stability. Finally, he stressed that Bulgaria's incorporation into the multilateral trading system should also be seen as a step towards consolidating the democratisation of the Bulgarian society.

5. Noting that Bulgaria had been implementing far reaching reforms aimed at liberalizing the foreign trade regime and bringing it into conformity with the multilateral trading system, members of the Working Party welcomed the initial application of Bulgaria for accession to the General Agreement 1947 and later on to the Agreement Establishing the WTO. In expressing support and encouragement for Bulgaria's efforts to continue to reform and liberalize its economy, members stated their firm conviction that accession to the GATT 1947 and to the Agreement Establishing the WTO would facilitate the country's transition to a market economy and would contribute to improving the standard of living of the Bulgarian people by ensuring stability and attracting further investments which would be job creating and lead to better competitive conditions for Bulgaria's

exports in world markets. In this regard they noted that the market access concessions negotiated in the context of the Uruguay Round which were significant would be available to Bulgaria upon becoming a Member of the World Trade Organization.

Foreign Trade Régime

6. The Working Party reviewed the foreign trade régime of Bulgaria and the possible terms of a draft decision and Protocol of Accession to the World Trade Organization. The views expressed by the members of the Working Party are summarized below in paragraphs 7 to 90.

I. Agreement Establishing the World Trade Organization (WTO)

7. Prior to Bulgaria's formal application for accession to the WTO, some members of the Working Party noted that with the formal adoption of the Final Act of the Uruguay Round at Marrakesh, GATT accession deliberations must contemplate the expansion of the negotiations to encompass the expanded scope of GATT institutions under the WTO. They sought confirmation of Bulgaria's intent to adhere to the WTO and stated that a protocol package for Bulgaria that contemplates WTO membership would have to include the schedules required for WTO membership, i.e., an agricultural schedule that includes commitments in the areas of market access, domestic supports and export subsidies and commitments on market access for goods and services; the initial submissions/notifications required by the WTO Agreements on Import Licensing Procedures, Technical Barriers to Trade, Customs Valuation, and TRIMs; a list of non-tariff barriers by tariff line that are subject to import or export quotas, automatic or non-automatic licensing requirements, certifications, surcharges or taxes, or any restrictions that require WTO justification in order to (1) comply with the requirements of the Agreement on Import Licensing Procedures, and (2) negotiate, as necessary, their elimination or transformation towards WTO conformity. In their view the preparation of the required WTO schedules and the list of the non-tariff measures by HS line and their WTO justification would facilitate the negotiation of a protocol for Bulgaria. In this connection some members requested information on Bulgaria's commitments concerning intellectual property rights and its intentions concerning participation in the Agreement on Trade Related Aspects of Intellectual Property Rights and in the General Agreement on Trade in Services.

8. A member suggested that in this case, with the consent of the Government of Bulgaria, accession to GATT and the World Trade Organization might be addressed jointly. Therefore, he suggested that the Protocol of Accession of Bulgaria might include the following additional elements: (i) WTO consistent application of taxes and charges applied to imports and non-tariff restrictions on imports and exports; and (ii) an assurance that periodic updates will be provided covering the process of privatization and trade by State-owned enterprises.

9. In response the representative of Bulgaria said that as a country acceding to GATT 1947 Bulgaria had been associated with the concluding phase of the Uruguay Round Multilateral Trade Negotiations and had since that time envisaged commencing the process of accession to the Agreement Establishing the WTO. His Government had been negotiating accession to the General Agreement 1947 with the clear intention of becoming as well an original member of the World Trade Organization in accordance with the provisions of Article XI thereof. Therefore, the market access negotiations undertaken between a number of GATT contracting parties and Bulgaria had been expected to lead to the establishment of a schedule of market access commitments which would be annexed to the Protocol of Accession to the GATT 1947, as well as to the GATT 1994 following the approval of the Preparatory Committee for the Establishment of the World Trade Organization as foreseen in the Ministerial Decision of 14 April 1994 on Acceptance of an Accession to the Agreement Establishing the World Trade Organization. Due to the complexity of the negotiating process, for reasons independent of Bulgaria this objective had not been attained. Therefore, on 11 April 1995, the Government of Bulgaria had applied for accession to the WTO Agreement in pursuance of Article XII thereof and the Working Party on Accession to GATT 1947 had been transformed into a WTO Accession Working Party. In document WT/ACC/BGR/2, Bulgaria had submitted to the Working Party, information on the consistency of the foreign trade regime of Bulgaria with the WTO Agreement as well as Notes on TRIPS and Services.

Tariff Negotiations

10. The Working Party noted that in response to the invitation of Bulgaria, a number of members had entered into market access negotiations with Bulgaria relating to its accession to the Agreement Establishing the WTO. Some members of the Working Party said that in the bilateral tariff negotiations they would seek the binding of the whole Bulgarian tariff as well as other tariff concessions at a rate commensurate with Bulgaria's development level and participation in world trade. In response the representative of Bulgaria said that his Government was ready to bind the country's tariff at a level consistent with Bulgaria's financial, development and trade needs, on the understanding that the resulting package of tariff and trade concessions would constitute the contribution of Bulgaria to the market access negotiations for the purpose of membership in the WTO.

II. Economic Transition

11. In response to questions concerning recent economic developments in Bulgaria, in particular the role of the State, its share in the productive capacity of the economy and the manner in which the ownership responsibility over firms was exercised, the representative of Bulgaria said that the Bulgarian economy was heavily dependent on foreign trade. In the past several years, Bulgarian foreign trade had declined mainly due to the collapse of trade with its partners from Central and Eastern Europe and due to the strict application of the embargoes

towards Iraq, Serbia and Montenegro in accordance with UN Security Council resolutions. Following the disruption of trade with the former CMEA countries, trade flows with the OECD countries had gained momentum. He added that in parallel with the elaboration of a new legislative framework, the Government of Bulgaria had embarked on a comprehensive macroeconomic stabilization and structural reform programme with support from the international financial institutions. The programme aimed at two main policy objectives. First, to achieve progress towards a sustainable external position, including the revival of foreign trade, the diversification of external markets and an improvement in Bulgaria's international reserves position, as well as progress towards resolving Bulgaria's external debt situation. Second, to move towards restoring macroeconomic equilibrium through the appropriate mix of fiscal, monetary and incomes policies. A key step in this regard was to reduce the size of the fiscal deficit, to tighten the monetary supply and credit expansion and to limit the uncontrolled income growth. The expectation being that progress towards macroeconomic stability would create a favourable environment for the emerging private sector and for non-inflationary growth. The following results had been achieved in implementing the above-mentioned programme. In 1991-1994 important reforms had been undertaken towards price liberalization, the liberalization of the trade regime and the process of privatization, as well as in the financial sector and in agriculture. The Government had freed virtually all prices in the economy. Nevertheless, the 1991 three-digit inflation rate had been substantially reduced and remained under control. Thus, the 1993 yearly inflation rate of 63.9 per cent had decreased in February 1994 to a 4.6 per cent monthly level. He recalled that in July 1992 Bulgaria had introduced a new customs tariff based on the Harmonized Commodity Description and Coding System. Since then the customs tariff had become the main trade policy instrument in the economy. All economy units, irrespective of their ownership whether private or public had acquired the right to carry out foreign trade activities. The licensing system applied in the past which had involved direct government regulation of almost all foreign trade had been eliminated. In the financial sector, a two-tier banking system had been established. The national currency, the leva (BGL), had attained internal convertibility for current account transactions. The rate of the BGL quoted daily by the Bulgarian National Bank reflected the average weighted rate of sales and purchases of foreign currencies on the inter bank market. The exchange rate of the BGL quoted by the Bulgarian National Bank, served only as a reference to the licensed commercial banks and exchange bureaux. Customers could freely negotiate the exchange rate with commercial banks and the foreign exchange agents licensed for carrying out such operations.

12. In his statements to the Working Party, the representative of Bulgaria also recalled that since the establishment of parliamentary democracy in the early 1990s, fundamental political and economic changes had taken place in Bulgaria. The country had embarked upon a radical economy reform programme aimed at transformation to a market economy. The trade reform had opened the economy to external competition and the Law on the Economic Activity of Foreign Persons and on the Protection of Foreign Investments had also Bulgaria's economy

opened to foreign investors. The main reforms already in place were as follows: the elimination of the State monopoly of foreign trade in 1989, free access to foreign exchange for current account transactions in 1991, the central role of the tariff and the virtual removal of quantitative restrictions on imports, the rationalization of the taxation regime, the decentralization of the State-owned sector and the transfer of productive property to the private sector.

Foreign Exchange Regime

13. In response to questions concerning current foreign exchange regulations, the conditions for its acquisition and use, and whether there was any discrimination in the availability of or the exchange rates for imports of capital equipment, intermediate goods, consumer goods or new materials, the representative of Bulgaria said that following the establishment in 1991 of an inter bank market the rate of the BGL against the US$ was quoted daily by the Bulgarian National Bank (i.e. the Central Bank) and reflected the average weighted rate of sales and purchases of foreign currencies on the inter bank market. The exchange rate of the BGL, quoted by the BNB, was applied for the purposes of statistics, accounting and customs valuation. It was not obligatory for transactions and served only as a reference to the licensed banks and exchange bureaux. Customers freely negotiated the exchange rate with the commercial banks and the foreign exchange agents. They had the right to sell or purchase foreign exchange without any restrictions. Companies could freely buy from the inter bank market the foreign exchange needed for payments in connection with imports and other types of current account transactions, as well as trade foreign currencies among themselves. There was no surrender requirement for the foreign currency earned. Local persons and foreigners could freely trade foreign currencies on the interbank currency market for current account transactions. No restrictions existed for nationals and foreign persons to open accounts in foreign currencies with commercial banks and to dispose of the funds in their accounts.

14. Some members noted that Bulgaria maintained bilateral payment agreements with a number of countries, including Albania, Belarus, Cambodia, China, Ethiopia, Finland, Ghana, Greece, Mozambique, Peru, Romania, the Russian Federation and Ukraine and asked whether trade payments and/or foreign exchange provisions in these agreements differed from such arrangements/provisions with other countries. In response the representative of Bulgaria said that the Republic of Bulgaria did not maintain at present any operational bilateral payments agreements denominated in non-convertible currencies. No intergovernmental barter, import/export balancing or payment in kind agreements and clearing arrangements were in effect in Bulgaria at present. Trade with all countries was conducted under normal commercial considerations in convertible currencies. Some members of the Working Party noted that Bulgaria maintained barter agreements and import/export balancing arrangements. The representative of Bulgaria informed the Working Party that no intergovernmental barter, import/export or payment in kind agreements and clearing arrangements were in effect.

Price Policy

15. Some members enquired whether the State Council Decree of February 1988 which authorises the State to "prevent unlawful increases in prices" was in force and asked for a detailed description of the price control mechanism. In response the representative of Bulgaria said that the 1991 Constitution stipulates in its Article 19 paragraphs 1 and 2 that the Bulgarian economy is based on free entrepreneurship and the Law creates and guarantees to all citizens and legal persons equal juridical conditions for economic activity, preventing the abuse of monopolies and the unfair competition. The application of State Decree 115/1988 was envisaged as long as some fixed prices as well as monitoring existed. The price control mechanism which was irrespective of the ownership embodied fixed prices, ceiling prices and prices under Government monitoring. Fixed prices had applied to the following energy products: electricity; heating energy; coal for production purposes and for home heating, briquettes (imported coal for production purposes was not subject to fixed prices). These products were estimated to account for less than 10 per cent of retail and wholesale turnover. The fixed prices had been raised several times since the initial increase in 1991. The number of products under fixed-price had been reduced and the restriction on petroleum prices lessened. Some members of the Working Party asked that Bulgaria notify the Working Party of its timetable and plans for abolition of the price controls. In 1995 the representative of Bulgaria informed the Working Party that prices of goods and services in the Republic of Bulgaria had been liberalized. Prices were determined by the market. Prices could only be regulated in order to avoid the establishment of monopolies, to prevent abuse of a dominant market position, and to protect consumers. As of 1995, price regulation was of the following types: fixed prices for electrical energy (HS 2716), heating energy (for the population); domestic coal (for production purposes) (HS ex 2701m ex 2702), postal and basic telecommunication services, tobacco products for internal sale (HS ex 2402, ex 2403). These products can be sold only at the prices fixed by the government; ceiling prices for gasoline (HS ex 2710), diesel oil (HS ex 2710), gas oil (for production purposes) (HS ex 2710), fuel oil (HS ex 2710), gas propane-butane (HS ex 2711). The prices of these products cannot exceed the level determined by the Council of Ministers monthly and on the basis of the international market prices and the changes in the US$/BGL exchange rate; price monitoring (surveillance) for goods that are of vital importance to the living standards of the population and the national economy. These are the following: food products (bread (HS ex 1905); meat with bone in of bovine animals, swine, sheep, poultry (HS ex 0201, ex 0202, ex 0203, ex 0204, ex 0207); cow's milk (HS ex 0401.10, ex 0401.20); cow's yoghurt (HS 0403.10); white cheese in brine (HS ex 0406.90); refined sunflower oil (HS ex 1512.19); cow's butter (HS ex 0405.10); eggs (HS ex 0407); pasta (HS ex 1902); refined sugar (HS ex 1701); beans (HS ex 0713.33); lentils (HS ex 0713.40); rice (HS ex 1006.20); potatoes (HS 0701.90)) and mineral waters (HS ex 2201.10), non-food products (pharmaceuticals for human consumption (from Chapter 30); coal and briquettes for the population (HS ex 2701.19, ex 2701.20)), the passenger (rail, urban and interurban) road transport services. The

regulation of the prices under monitoring is applied actually only on profit margins and not on the prices themselves. The profit margins for different products cannot exceed: for producers: 12 per cent for food products, 20 per cent for pharmaceuticals and mineral waters, 7 per cent for heating energy for production purposes, coal and briquettes, 12 per cent for transport services, 30 per cent for drinking water and water for production purposes and 15 per cent for other non-food products; for sellers: 14 per cent for food products and 25 per cent for non-food products. Bulgaria stated that the price controls did not breach the WTO national treatment principle - domestic and imported products were treated in a uniform manner that did not afford protection to domestic production, nor was there differential treatment based on the origin of the products. The representative of Bulgaria said that currently the goods and services with fixed prices account for 2.20 per cent of GDP, goods with ceiling prices 1.13 per cent and goods and services under price monitoring 8.94 per cent. Thus the total equals to 12.27 per cent of GDP. The representative of Bulgaria assured the Working Party that the price policy pursued by the Republic of Bulgaria aimed at transparent rules and regulating mechanisms directed to overcome market imperfections, imbalance of supply and demand and the need to maintain control over prices of natural monopolies. The price control measures which Bulgaria maintained did not discriminate against imports. The Working Party took note of these assurances.

16. The representative of Bulgaria confirmed that price controls on products and services in Bulgaria have been eliminated with the exception of those listed in paragraph 15. He added that, except in the case of critical situations, monopolies, the protection of consumers, or abuse of dominant market position by firms, prices for goods and services in every sector in Bulgaria were determined by market forces. He further confirmed that in the application of such controls, and any that are introduced or re-introduced in the future, Bulgaria will apply such measures in a WTO-consistent fashion, and take account of the interests of exporting WTO members as provided for in Article III.9 of the GATT 1994. Bulgaria will also publish the list of goods and services subject to State price controls in the State Gazette including any changes from the list in paragraph 15. The Working Party took note of these commitments.

17. The representative of Bulgaria stated that the system of import reference prices applied to agriculture had been eliminated as of 1 January 1995, and that such measures will not be reintroduced except in accordance with WTO Agreements. The Working Party took note of this commitment.

State-Owned Enterprises and Privatization

18. Some members requested a comprehensive list of enterprises wholly or substantially owned by the State and the products in which they traded as well as their trade volume and value and asked for information on the role of the State in management and decision making, the bankruptcy and liquidation of State-owned firms. Members also requested a description of the Privatization Law, and the functions and operations of the Agency on Privatization as well as the current

status and the future prospects of the privatization process. In response, the representative of Bulgaria said that the number of State enterprises was about 4,500. The Privatization Programme for 1993 had envisaged privatization of 318 enterprises, including 150 differentiated assets. Privatization was one of the most essential elements in the structural reform in Bulgaria. This process had started at the beginning of 1992 with the restitution laws which affected mainly industrial and residential property, small shops and agricultural land. The legal regulation of privatization in Bulgaria was contained in the Law on Transformation and Privatization of State and Municipal Enterprises (published in State Gazette No. 38 of 1992). The State authorities engaged in the privatization process are as follows: (i) The Parliament: adopts legislative acts, adopts the annual privatization programme submitted by the Council of Ministers, appoints six members of the Supervisory Board of the Agency for Privatization, supervises the fulfilment of the annual privatization programme, and in particular approves the report on its fulfilment given by the Agency for Privatization. (ii) The Council of Ministers: adopts regulations on the implementation of legislative acts, authorises the relevant government bodies for small-scale privatization (less than BGL 10 million balance sheet value of assets of the enterprise under privatization), approves the privatization of enterprises with balance sheet value of the long-term assets exceeding BGL 200 million, appoints five members of the Supervisory Board of the Agency for Privatization. (iii) The Agency for Privatization is a government body authorized to organize and control the privatization of State-owned enterprises as well as to carry out privatization in the cases provided by the law. It is a budget-financed legal person; licences Bulgarian and foreign appraisers, drafts the annual privatization programme and submits it to the Council of Ministers, organizes and controls privatization effected by other bodies, privatises State-owned enterprises with a balance sheet value of long-term assets exceeding BGL 10 million (about 30 per cent of the total number of State-owned enterprises). (iv) Government bodies, authorised to carry out small scale privatization: The Council of Ministers has granted privatization competence to some ministries and committees with respect to State-owned enterprises with a balance sheet value of long-term assets up to 10 million BGL. Those government bodies take decisions for privatization, carry out the privatization process and conclude the privatization transactions. (v) Municipal Councils: the Municipal Councils are responsible for the privatization of municipal enterprises, regardless of their balance sheet value of long-term assets. The Law regulates the basic framework within which the process of privatization is effected. The competence for taking privatization decisions is allocated to the State or to municipal bodies depending on the form of ownership and assets to be privatized. The Law provides for equal treatment of all participants in privatization. The right of preferential participation has been established only for workers and employees with a minimum length of service at the enterprise undergoing privatization prior to the date of declaration of the privatization decision. In cases of selling of shares and stock owned by the State and Municipalities, the employees have the right to buy up to 20 per cent of the shares of the common stock of the capital of the company at a 50 per cent discount on the fixed price. Only if 30 per cent of the employees declare that they will participate in the auction or competition, they become owners

of the assets with a 30 per cent reduction of the price, declared as definitive. The original selling price of shares, the initial price of the auctions and the tender price at holding competition or negotiations are determined on the basis of a value appraisal of the enterprise. The Law regulates the following methods of organizing the sale of shares and stock owned by the State and the Municipalities which may be applied simultaneously: open sale (applied only for shares and after preliminary co-ordination with the Privatization Agency), public auction, publicly announced competition and negotiations with potential buyers. The sale of State and municipal enterprises or parts thereof is effected through auction or competition. The ownership can be transferred by renting for a period up to 25 years with a clause for buying out; management with clause for buying out or selling to third person; sale by paying by instalments with retention of ownership; sale under deferment and discontinuation conditions such as maintaining the previous activity of the enterprise, the work places, making investments, obtaining certain results etc. The provisions of the Law on Transformation and Privatization of State and Municipal Enterprises were applied also with respect to selling property of State and municipal enterprises that have been closed down owing to insolvency or for other reasons, left after paying off all debts in accordance with the rules of closing down in case of insolvency, as well as whole enterprises transformed into commercial companies or differentiated parts which are fully owned by the State and the Municipalities with a book value of the fixed assets below BGL 10 million. Privatization was possible through restitution as well.

19. The representative of Bulgaria said that in 1994 the Privatization Agency and the central governmental bodies have undertaken a total number of 610 privatization procedures (489 for whole State enterprises and 121 for parts of State enterprises), distributed per sectors as follows: industry -198, trade - 127, agriculture - 115, tourism - 85, construction - 42, transport - 20, others - 23. The total number of the privatization transactions concluded in 1994 is 171 (sales of whole enterprises - 90 (52.6 per cent), sales of parts of State enterprises - 81 (47.4 per cent), distributed per sectors as follows: trade - 55, construction - 15, transport - 10, tourism - 8, others - 2. During the first five months of 1995 the total number of initiated privatization procedures is 218, whereas the total number of the transactions concluded is 97. There is a clear tendency of acceleration in the privatization process demonstrated by the index of the transactions concluded. At the end of May 1995 the total number of initiated privatization procedures is 1228 and that of the concluded privatization transactions is 337. The objectives, priorities and figures relevant to the privatization process for the current year are set in the 1995 Privatization Programme (SG 54/1995) adopted by the National Assembly. The "exemption list" of some sectors that are excluded from the scope of the privatization under this programme does not constitute by itself a prohibition but a temporary exclusion of a limited number of sectors for the current year. Privatization of basic telecommunications is not scheduled as imminent because of the projects for their modernization financed with investment credits of the World Bank and other international financial institutions that are State guaranteed. The machine building sector is not in "the ex-

emption list". Moreover, it is among the sectoral priorities under the 1995 privatization programme. As of mid 1995 the land under private ownership or control accounts for 65 per cent of the land subject to restitution.

20. The representative of Bulgaria added that the status as of 30 June 1995 of the privatization process was as follows:

INFORMATION ON PROGRESS OF THE PRIVATIZATION PROCESS OF STATE ENTERPRISES BY 30.06.1995

	STEP UNDERTAKEN	Priva-tization Agency	Ministry of Industry	Agricult.	Construct.	Trade	Committee of Trans-port.	Culture	Tourism	Telecom.	Energy	Forestry	TOTAL
1	Decision to open proce-dure	280	199	170	76	277	109	14	91	1	8	3	1228
	- on whole enterprises	229	166	98	30	141	78	13	73	1	6	3	838
			17	7	9	5	4		6				48
	- on separated parts of enterprises	51	33	72	46	136	31	1	18		2		390
		25	15	21	15	59	8		6				149
2	Suspended procedures	14	4	11	12	5	2		2				50
3	Tenders for evaluation announced	150	159	55	29	127	72	7	36	1	4	1	641
4	Evaluations assigned	127	150	151	61	189	76	6	34	1	4		799
5	Evaluations accepted	116	113	104	55	122	48	3	29		2		592
	- returned	5		1					14				20
6	Tenders, auctions, direct negotiat.	23	37		45	39	18	2			3		167
	- auctions				6								6
	- tenders	3	3		22		4	2					34
	- direct negotiations	20	34		17	39	14				3		127
			8		7	39	6						60
7	Transactions concluded - total	63	34	73	38	90	17	2	18	1	1		337

	STEP UNDERTAKEN	Priva-tization Agency	Ministry of Industry	Agricult.	Construct.	Trade	Committee of Trans-port.	Culture	Tourism	Telecom.	Energy	Forestry	TOTAL
a/.	on whole enterprises by:	34	33	33	15	24	7	2	11	1	1		161
	- auctions			5									5
	- tenders	4	7	11	10	15			2				49
	- direct negotiations	30	26	17	3	9	7	2	9	1	1		105
			6	2	2	3	1		6				20
b/.	on separated parts of enterprises by	20	1	40	23	66	10		7				167
	- auctions			7	2	19							28
	- tenders	11		20	10	30	3		1				75
	- direct negotiations	9	1	13	11	17	7		6				64
		7	1	5	10	16	3		5				47
c/.	assets	9											9
8	Transactions suspended	2		1	1	2							6
9	Expenditures in thous.leva	37855	10913	6159	5712	7295	4837	405	2951	123	532	34	76816.1
10	Proceeds of sales - in thous.leva	3399423	195571	136332	127904	224406	29331	5100	180915	2849	80		4301912.4
	- paying in securities	4082956	114893	66357	42292	342551	77291	15001	35821	8606	2445		4787813.6

Due to technical reasons Bulgaria was not in a position to provide exact data on the share of State-owned companies in foreign trade. However, the share of the private sector in Gross Domestic Product was as follows:

The share of the private sector in Gross Domestic Product
(computed at current price)

(percentage shares)					
	1990	1991	1992	1993	1994[1]
Economic activity					
Private sector - total	9.5	11.9	18.3	25.0	27.2
Agriculture and Forestry	6.7	5.3	6.7	7.2	8.9
Industry[2]	1.7	2.7	4.3	6.3	5.9
Services[3]	1.1	7.3	7.3	11.5	12.4

21. The representative of Bulgaria said that the total number of privatization transactions scheduled for conclusion by the Privatization Agency under the 1995 Privatization Programme accounts for a total of 170 transactions. Besides, there were 34 large State-owned enterprises which will be subject to privatization by the Agency for Privatization upon approval by the Council of Ministers. At the enterprise level the national statistics account for trade in general and not according to entities. The total share of the private enterprises was 60 per cent.

22. The representative of Bulgaria added that State intervention in the economic activity of all companies has been abolished. Article 19 of the Constitution of Bulgaria states, *inter alia*, that the economy of Bulgaria is based on the principles of the free entrepreneurship and that the legislation shall create and assure equal legal conditions for carrying out economic activities for all legal and natural persons, thus establishing the principle of non-discrimination between State-owned and private enterprises. Privileged protection of State property has been deleted in the Penal Code. Moreover, the Law on the Protection of Competition of 1991 prevented enterprises from abusing their dominant position which could lead to a restriction of competition. The 1991 Law on Commerce and all other legislation provide for a legal status of State-owned enterprises entirely identical with that of private enterprises. Upon the "corporatization", i.e. the transformation of State organizations into joint-stock or limited liability companies, their autonomy from the Government is guaranteed so that their activity is based on commercial considerations only. Thus the State's role in State-owned enterprises is restricted to that of an ordinary shareholder. The State-owned en-

[1] Computed at basis prices.
[2] Including construction.
[3] Including transport, communication, trade, housing, public utilities and household services, science and technology, education, culture and art, health, social insurance, finance, credit and insurance.

terprise is an independent legal person being a titular of its property and acting on its own economic and legal responsibility. State-owned enterprises are in a position to define independently their own market behaviour, to implement it through the respective operational decisions and to conclude commercial transactions of any kind in accordance with the customary business practice and the legislation in force. Neither economic nor legal privileges are granted to them by the Government. The legal status, the position of the State as a regular shareholder and the identical legal and economic treatment of State-owned and private enterprises are guarantees that the State will not be involved in enterprise policy making. The members of the Management and Supervisory boards of the State-owned enterprises are appointed pursuant to Article 137, paragraph 1, subparagraph 5 and Article 221, paragraph 1 of the Law of Commerce. The selection process is based on certain requirements with respect to education, qualification, business experience, etc. The candidates for an appointment should meet the above mentioned criteria. Individual candidacies are considered on a competitive basis. The selected candidates or candidate negotiate a Management Contract with the respective governmental body. This contract regulates the relations between the Management and Supervisory Boards and the relevant governmental body. As a rule the Management Contracts are of three years duration and can be terminated on grounds strictly defined so that a stable management of the State-owned enterprises is guaranteed in accordance with the general requirement of compliance with the labour legislation in force. The Bankruptcy Law had been adopted in 1994, as SG 63/1994. It formed Part IV of the Commercial Law and was entitled "Insolvency" In the law, there were no privileges for State-owned firms or interference of the State in the bankruptcy procedures. Insolvent companies can be offered for liquidation by the State or by the servicing banks. However there is a difference in the procedure: the Council of Ministers or the appropriate Minister simply issues a formal decision to such effect, whereas the banks and creditors have to start formal proceedings before the court.

23. Finally, the representative of Bulgaria said that in December 1993, the Parliament had adopted the Law on the Settlement of Non-Performing Loans Contracted Prior to 31 December 1990. Loans contracted by companies and banks with State-ownership over 50 per cent before 31 December 1990 and with arrears of more than 180 days would be replaced by long-term bonds denominated in BGL and in US$. The bonds issued in pursuance of the provisions of this Law could be used both as securities and in the process of privatization. Within three months from the transformation of the loans, the managing bodies of the companies should develop programmes for restructuring aimed at stabilizing the financial situation of the enterprises. The representative of Bulgaria confirmed that the Ministry of Finance and the Bulgarian National Bank maintained a policy of not granting or guaranteeing loans to State owned enterprises for operational purposes. He added that the break-up of most large State-owned enterprises into smaller units had been virtually completed. These new enterprises were registered under the 1991 Law on Commerce (the Company Act) as commercial companies (both joint-stock companies and limited liability companies) with the State as a single shareholder, thus legally prepared for privatization. In

conclusion, the representative of Bulgaria expressed the view that the restitution of many urban properties and privatization had created a dynamic private sector which already accounts for a third of all economic activity in the country.

24. A number of members of the Working Party expressed appreciation for the clarifications concerning the status and prospects for Bulgaria's efforts to privatize State-owned enterprises and the manner in which the State exercised its ownership in State-owned firms and the role of State-owned enterprises in international trade. These members noted, however, that while Bulgaria was constructing the legal framework for equality of treatment of private enterprises with State firms and the eventual separation of former State firms from government association after privatization, the current rules for the management of State-owned firms contemplated a State role in enterprise operations. For example, Government ministries appointed the Management and Supervisory Boards that select the management of State firms and that negotiate the terms of a Management Contract with the selected individuals. These contracts regulated the relationship between management, labour, and the State, and there were areas, such as the establishment of subsidiaries, where the management was required to consult with the Government. Even though Bulgaria had stated that the Government was not liable for State enterprises debt, the most recent regulations had transferred the ultimate responsibility for a great deal of State enterprise debt from the banks to the Government, in order to allow the banks to reorganize their role in Bulgaria's economy and free up resources for new loans. In 1994, a full separation of the State from the still sizeable and economically critical State-owned sector was not possible. Moreover, in their view, Bulgaria's privatization process was proceeding very slowly because of the approximately 4,500 State firms slated for transfer to private ownership under the Law on Transformation and Privatization of State and Municipal Enterprises, Bulgaria was preparing some 400 State firms for sale and the reasons for cautious progress were clear. It would appear, therefore, that the setting up of an economic basis independent of the Bulgarian State would be a long-term project. While respecting Bulgaria's statements concerning its ultimate goals and intent to establish a market-driven economy based on private ownership, these members believed that for accession to the Agreement Establishing the WTO the relationship between the Bulgarian State and its trade and industry had to be clear. As a minimum they expected transparency and dialogue as Bulgaria's economic transition progressed and would intend to address these issues in the Protocol of Accession of Bulgaria. A member recalled that Bulgaria had the commitment to keep the WTO informed of these developments. The representative of Bulgaria affirmed his Government's intention to ensure the transparency of its national trade policies and practices under the regular trade policy reviews in the WTO, including the wider background of national and economic development. This was not to be regarded as a basis for the imposition of specific obligations under the Agreements or as a basis for the adoption of new special policy commitments. Bulgaria could not undertake commitments exceeding the regular membership obligations. The Republic of Bulgaria was committed to fulfil the notification requirements ensuing

from the existing procedures in the WTO Agreements. The Working Party took note of this commitment.

25. The representative of Bulgaria confirmed that the former State monopoly in foreign trade in Bulgaria has been abolished and that no restrictions exist on the right of foreign and domestic individuals and enterprises to import and export goods and services within Bulgaria's customs territory, except as provided for in WTO Agreements. He further confirmed that individuals and firms were not restricted in their ability to import or export based on their registered scope of business, and the criteria for registration of companies in Bulgaria were generally applicable and published in the State Gazette. The Working Party took note of these commitments.

26. At the request of a member of the Working Party, the representative of Bulgaria agreed that it was important to ensure full transparency and to keep WTO Members informed of its progress in the reform of its transforming economic and trade régime. He stated that his Government would provide every 18 months to WTO Members information on developments in its programme of privatization along the lines of that provided to the Working Party, and on other issues related to its economic reforms as relevant to its obligations under the WTO. The Working Party took note of this commitment.

III. Tariff Policy

Customs Tariff

27. Some members of the Working Party noted that Bulgaria had relatively high and recently increased average tariff levels which for some items had reached 40-55 per cent, particularly in the agricultural sector. They requested that Bulgaria justify these rates and describe how the tariff structure would develop over the next 5-10 years. In response the representative of Bulgaria said that as a result of the price reform the removal of the import restrictions and the drastic changes in import licensing, tariffs had become the main trade policy instrument. A new import tariff based on the Harmonised Commodity Description and Coding System was in force in Bulgaria as of 1 July 1992. The new customs tariff contained ninety-six chapters, 1,241 four-digit headings, 5,018 six-digit headings and 845 eight-digit headings. The Tariff contains two columns. The first column specifies rates under Bulgaria's Generalized System of Preferences scheme. The second column specifies most-favoured-nation rates (m.f.n.). Imports from least-developed countries were subject to zero tariff rates. The tariff for imports from countries which do not apply m.f.n. treatment to Bulgaria were 200 per cent of the m.f.n. rate. The average nominal m.f.n. tariff rate was 17.96 per cent. The trade weighted average for m.f.n. imports was 13.72 per cent. For industrial products, the average nominal rate was 16.69 per cent and the trade weighted average was 12.50 per cent. For agricultural products, the levels were 25.97 per cent and 30.91 per cent, respectively. Bulgaria's maximum tariff of 55 per cent applied to three agricultural items. Bulgaria's tariff had five basic m.f.n. rates ranging from 5 to 40 per cent. The most common rate was 25 per cent representing almost 31 per cent of all tariff lines. Only 8 per cent of tariff

lines fell under the rate of 40 per cent accounting for less than 5 per cent of total 1992 imports. The greatest share of imports (34 per cent) fell under the lowest rate of 5 per cent. The preferential margin under Bulgaria's Generalized System of Preferences scheme varied from 20 to 40 per cent of the most favoured nation (m.f.n.) rates. As a future member of the World Trade Organization, Bulgaria would aim at further development of the process of liberalization under the conditions and in conformity with the GATT 1994 and the Agreement Establishing the WTO rules and practices.

Surcharges

28. Some members of the Working Party requested information on the 3 per cent import surcharge introduced on 1 August 1993 as well as the calendar for its elimination. The representative of Bulgaria said that as of 1 August 1993, a temporary import surcharge was introduced in order to forestall the imminent threat of a serious decline in the foreign exchange reserves. The 1993 surcharge affected equally all trade except some products essential for the economy (energy products and base raw materials) and was applied on an *erga omnes* basis including the trading partners with whom Bulgaria's commercial relations are based on free trade agreements. The representative of Bulgaria added that a schedule of elimination was announced at the time of the introduction of the measure in 1993, and Bulgaria had complied with this schedule strictly. Until the end of 1993, the import surcharge was 3 per cent. It had been reduced to 2 per cent for the year 1994, and to 1 per cent for 1995. The representative of Bulgaria stated that the import surcharge of 1 per cent ad valorem (introduced in 1993) had been eliminated on 1 January 1996. However, in view of the very difficult balance of payments position, the Government of the Republic of Bulgaria decided to introduce, effective 4 June 1996, a temporary import surcharge of 5 per cent ad valorem. A description of the surcharge, the reasons for its imposition, and the precise product coverage as reflected in WT/SPEC/41, are annexed to this Report.

29. The representative of Bulgaria stated that according to current regulations, the surcharge introduced at 5 per cent ad valorem on 4 June 1996 was applied to all imports from all sources (including preferential trading partners) with the exception of the list of products contained in WT/SPEC/41 annexed to this Report. The surcharge would be reduced to 4 per cent on 1 July 1997, to 2 per cent on 1 July 1998, to 1 per cent on 1 July 1999, and finally eliminated on 30 June 2000. He confirmed that the surcharge was to be based on the customs value of the goods and would be added to the applied tariff rates and would not alter the commitments undertaken in the Schedule of Concessions on Goods annexed to the Protocol. After accession, the Government of Bulgaria would immediately enter into consultations with the WTO to review the measure within the framework of WTO provisions governing the application of measures for Balance of Payments purposes contained in Article XII of the GATT 1994 and the WTO Understanding on the Application of Measures for Balance of Payments purposes, and would review remaining measures on an annual basis. If it

was determined in the course of any of these consultations that Bulgaria was no longer justified in applying such measures for balance of payments purposes, the Government of Bulgaria would advance the elimination of this surcharge. He further confirmed that Bulgaria would not expand the list of exempted import categories without consultations with the WTO to ensure that the surcharge was not being applied selectively, and that any subsequent application of customs duties, charges and surcharges to imports by Bulgaria will be in accordance with the provisions of WTO Agreements. The Working Party took note of these commitments.

30. The representative of Bulgaria stated that, as of the date of accession, the only charges applied to imports would be the import duty and the Customs Clearance Fee, and the import surcharge as described in paragraph 29. Any other charges applied to imports after this time would be in accordance with WTO provisions. Reflecting this situation, he confirmed that Bulgaria would not list any additional charges in its goods market access schedule under Article II.1(b) of the GATT 1994. The Working Party took note of these commitments.

Import Taxes

31. In response to questions concerning import taxes, the representative of Bulgaria said that the 15 per cent import tax applied in 1991 in addition to the import duty had been abolished with the introduction of the new import tariff. However, as of 1 July 1992 an import tax had been introduced for a limited number of products. The list had been reduced in 1993 and import taxes were applied to frozen beef, veal, pork and poultry meat, yoghurt, butter, fresh grapes (from 1 July to 31 October), fresh apples (from 1 August to 31 December), fresh tomatoes, cucumbers, peppers, processed fruit, fruit juices. The import tax was applied also on imports of some perfumery and cosmetics items. The import tax had varied from 5 per cent (juices and perfumes) to 25 per cent (frozen pork, veal, beef and poultry meat). As of 1 July 1993, Bulgaria had either eliminated or, in the case of a few agricultural items, incorporated the import taxes into the customs tariff. This change was *erga omnes* and affected trade under preferential agreements. The Working Party took note of this statement. Finally, the representative of Bulgaria said that an import tax of 10 per cent of the customs value was payable on second-hand motor vehicles which had been registered for not less than 10 years (a measure which actually substituted a former ban on imports of used automobiles of not less than 10 years). The tax was applied for ecological reasons. A member of the Working Party questioned the conformity of the 10 per cent tax on imports of used automobiles with Article III of the GATT 1994 as the tax is not applied to autos of similar vintage when sold by a domestic owner.

32. The representative of Bulgaria stated that the 10 per cent tax on imports of used automobiles was applied for ecological reasons. By the date of accession, the tax would be revised to ensure that used automobiles whether imported or sold within the Bulgarian customs territory would bear the same tax upon sale,

importation or resale of the automobile. The Working Party took note of this commitment.

33. The representative of Bulgaria said that upon accession to the Agreement Establishing the WTO, his Government would use the authority to apply taxes and surcharges on imports and exports in conformity with the provisions of the GATT 1994, in particular Articles III, VI, VIII, XII, XVIII and XIX thereof. The Working Party took note of this commitment.

Duty Exemptions

34. Some members requested information on duty exemptions for certain imports, as well as information on how tariff rate quotas were allocated. The representative of Bulgaria said that some goods were temporarily exempted from import duties for social and ecological considerations. The list of exemptions was being gradually reduced. Exempted from duties were the imports of baby food, raw materials and substances for the production of medicines, animal feed, farming equipment and spares, plant protection chemicals and some fertilizers, ambulance cars, equipment for environmental protection as well as measurement and control devices for environmental analysis, molasses, non-processed timber, medical appliances and equipment. All tariff exemptions were implemented on a *erga omnes* basis without any differentiation as to the origin and/or conditions of importation. The tariff rate quotas were allocated on a "first come, first served" basis. The list of products subject to temporary duty suspension or under tariff quotas were determined by the annexes of the Regulation of the Council of Ministers No. 307/1994.

35. The representative of Bulgaria confirmed that the access to the duty-free and reduced-duty tariff rate quotas (TRQs) applied on the products listed in paragraph 33 will be administered on a non-discriminatory basis among all import suppliers. The Working Party took note of these commitments.

Customs Fee

36. Referring to the customs fee levied by Bulgaria, some members stated that this fee was not consistent to the provisions of Article VIII of the GATT 1994. In their view, minimum and maximum fees should correspond to the approximate cost of the services rendered. In response, the representative of Bulgaria said that as of 1995 the customs fee rate was set at 1 per cent of the customs value with a maximum amount of US$700. This fee was applied to both exports and imports. The amount paid pursuant to the fee were at the disposal of the General Customs Directorate to cover the respective administrative costs. A member noted that this change, while addressing one aspect of the problem, does not fully address all issues involved in the application of such a fee on an ad valorem basis. A 1 per cent fee on imports is relatively high, as is the maximum fee level per entry of US$700. To meet Article VIII criteria, revenues from the application of the fee should approximate the cost of providing the services, both

in overall terms and in terms of individual shipments. In addition, the revenues from the fee should only be used to process imports and exports, and not for other expenses. If preferential trading partners or others are exempted from the fee, the revenues from the fee should not be used to process trade with these countries. The fee should not be included in the customs and tax valuation base of dutiable imports. The Working Party members sought Bulgaria's commitment to revise its fee to bring it into full conformity with the provisions of Article VIII of the GATT 1994.

37. The representative of Bulgaria confirmed that by 31 December 1997 Bulgaria would bring its customs clearance fee into conformity with Article VIII of the GATT 1994. In this regard, from that time revenues collected through the application of the Customs Clearance Fee would be used solely for the operation of customs clearance of imports and exports to which the fee was applied, and total annual revenues from collection of the fee would not exceed the cost of customs clearance operations items subject to the fees. Information regarding the application and level of the fee, revenues collected and their use would be provided to WTO Members upon request. The Working Party took note of these commitments.

Export Taxes

38. In response to questions concerning the export taxes levied by Bulgaria and their rates, the representative of Bulgaria said that as of November 1993 export taxes were levied on eleven groups of product, notably raw materials such as sunflower seed and oil, hides and skins, timber, firewood, wood in the rough, waste and scrap paper, wool, grain flour and other products. In reply to a question asking why the export taxes were necessary, the representative of Bulgaria said that were specific taxes applied to prevent or relieve critical shortages of foodstuffs and other essential products, consistent with Article XI of the GATT 1994. This tax was temporary and would be dismantled when the domestic supply situation improved. The Working Party took note of this statement.

39. The representative of Bulgaria stated that his Government applied export taxes for the relief of critical shortages of foodstuffs or in cases of critical short supply for the domestic industry, and that after accession, any such taxes would be applied in accordance with the provisions of the WTO Agreement. He noted that, at the current time, Bulgaria applied the export taxes only to the goods and services listed in the Annex 2 to the Report. Bulgaria would, after accession, minimize its use of such taxes and confirmed that any changes in the application of such measures, their level, scope, or justification, would be published in the State Gazette. The Working Party took note of these commitments.

Implementation of Article X

40. The representative of Bulgaria stated that, from the date of accession, all laws and other normative acts related to trade will be published in the State Ga-

zette promptly. As a rule, "promptly" under the WTO Agreements would mean two weeks prior to implementation, unless a longer period is specified under the relevant WTO Agreement. He stated further that they will be accessible to traders prior to implementation, and that no law, rule, etc. related to international trade will become effective prior to such publication. The Working Party took note of this commitment.

IV. Fiscal Policy

41. In response to some members who requested information concerning internal taxes and the treatment of imports in Bulgaria's fiscal legislation, including the treatment of inputs and other exemptions thereof, the representative of Bulgaria said that fiscal policy was playing a crucial role in the stabilization and restructuring effort. Its principal objectives were to contain and reduce the budget deficit in relation to GDP, to reduce the redistributive role of the State budget through a sharp decrease of both revenues and expenditures in relation to GDP, and to contribute to keeping inflationary processes under control. Important steps had been taken in the context of a comprehensive fiscal reform in line with the principles of a market economy and Bulgaria had introduced a value-added tax. The percentage of revenues from taxes and other duties in relation to GDP had fallen from 42.9 per cent in 1990 to 29.8 per cent in 1992 and to 32.2 per cent for 1993.

42. Pursuant to the Law on Excise Tax, effective on 1 April 1994, the following goods and services are subject to excise tax at the rates listed below:

A. GOODS:

1. Beer - ordinary 1.5 BGL/litre; 2. Beer - stabilized - 2 BGL/litre; 3. Wines - up to 15 per cent, vol. with the exception of natural sparking wines - 6 BGL/litre; 4. Ordinary brandies from fruits, ordinary brandies, desert and aromatized wines, natural sparking wines, natural fruit liquors - 30 BGL/litre; 5. Alcoholic beverages including brandy and wine brandy - 40 BGL/litre; 6. Luxurious beverages with high content of alcohol including whisky and cognac (V.S.O.P.) - 160 BGL/litter; 7. Tobacco products: 7.1. Cigarettes - Luxurious - 1000 BGL/1000 pieces, 7.2. Cigarettes - representative - 600 BGL/1000 pieces, 7.3. Cigarettes - ordinary - 300 BGL/1000 pieces, 7.4. Cigarettes without filter - 100 BGL/1000 pieces, 7.5. Cigars - 400 BGL/100 pieces, 7.6. Tobacco for cigarettes, pipes, for chewing and snuff - 1000 BGL/1 kg.; 8. Coffee and tea (with the exception of the herb and fruit teas) - 30 per cent; 9. Leather and fur clothing - 40 per cent; 10. Passenger cars with a cylinder capacity from 1800 to 2500 cm^3 - 10 per cent; 11. Passenger cars more than 2500 cm^3- 40 per cent; 12. Articles of precious metals, including jewellery - 20 per cent; 13. Perfumery and cosmetics in aerosol containers - 40 per cent; 14. Gasoline with an octane number up to 96 - 70 per cent, 14.1. Lead free gasoline with an octane number up to 96 - 60 per cent; 15. Gasoline with an octane number more than 96 - 110 per cent,

15.1. Lead free gasoline with an octane number more than 96 - 100 per cent; 16. Diesel fuel - 30 per cent; 17. Erotic and pornographic works - 70 per cent; 18. Audio - visual devices - 10 per cent;

B. SERVICES:

19. Entry tickets for bars, music halls, erotic and other like performances - 50 per cent;

C. WINES AND OTHER SPIRITS PRODUCED BY NATURAL PERSONS FROM THEIR OWN PRIME MATERIALS FOR THEIR OWN CONSUMPTION:

20. Wines - 2 BGL per litre; 21. Brandies - 0.3 BGL per every alcoholic degree.

D. HAZARDOUS GAMES:

22. Lotteries and raffles 50 per cent; 23. Bets on the results of competitions and other accidental events -5 time the max. gain; 24. Coin and disk operated games, class B 15000 BGL each three months; 25. Coin and disk operated games, class C in casino 30000 BGL each three months; 26. Casino roulettes - 3000000 BGL each three months; 27. Other casino operated games and tables 500000 BGL each three months; 28. Bingo 300000 BGL each three months.

43. The representative of Bulgaria added that the Law on Value Added Tax (VAT) had entered into force on 1 April 1994. The Law had established a uniform 18 per cent rate for goods and services with a short list of temporary exceptions including a schedule for their elimination. Bulgaria had submitted detailed information on the Law on VAT. In response to a question, the representative of Bulgaria stated that the VAT and excise tax laws made no differentiation between imported and domestically produced goods. Some members said that in the area of certain distilled spirits significant volume importations tended to be more heavily taxed than domestic products. The representative of Bulgaria replied that the products subject to excise taxation were described by their physical commercial characteristics and not in terms of origin. Bulgaria's excise tax regime complied with the m.f.n. and national treatment. Domestic and imported goods were subject to equal excise tax rates. The excise tax is levied and collected as follows:

(a) For domestic production: levied and collected from the producer of goods or the supplier of services as a percentage (or an absolute amount) of the selling price without excise, on the date of invoicing;

(b) For imported goods: levied and collected by the customs authorities from the importer as a percentage (or an absolute amount) of the customs value plus duties and fees on the date the customs control is effected.

The excise tax is payable only once (i.e. one-stage tax), and it is not collected at subsequent transactions. Concerning VAT, he said that no exemptions were provided for domestic agricultural products sold by producers. There was a temporary list of some food products namely, bread, milk, cheese which were not subject to VAT until the VAT law had been in place for three years. This temporary exemption applied to both domestic and imported products.

44. In conclusion some members of the Working Party said that, in their view, Bulgaria levied some border charges which, if not consistent with the provisions of the GATT 1994, should be either modified, or eliminated as a result of Bulgaria's commitments in the Protocol of Accession. Those members acknowledged, nonetheless, that the new Value Added Tax Law had greatly improved the transparency and equity of Bulgaria's tax system vis-a-vis imports.

45. The representative of Bulgaria stated that as of 31 December 1997, Bulgaria would apply its excise tax rates on beer, wine, distilled spirits and tobacco products in strict compliance with Article III of the GATT 1994, in a non-discriminatory manner to imported and domestically produced goods. During this period, Bulgaria will not increase the difference in the amount of tax between imported and domestically produced goods. As of 31 December 1997, Bulgaria will implement a new system of excise taxes on beer, wine, spirits and cigarettes, which is currently being developed, that envisages the following methods of determination of the excise tax levels: (a) for distilled spirits, specific duties based on percentage alcohol content; and (b) for beer, wine and cigarettes, an identical tax on imported and domestically produced articles, or on the basis of specific, measurable characteristics of the product or the component parts of the product, which criteria will be consistent with Article III of the GATT 1994, published and readily available to importers, exporters and domestic producers. The Working Party took note of these commitments.

V. Non-Tariff Measures

Import and Export Licensing

46. Some members of the Working Party requested that Bulgaria provide a list of non-tariff measures by tariff lines including licensing, quotas and any other restrictions and explain their justification. In their view a number of the quotas and licensing requirements on products such as tobacco, citrus, etc. appeared to be substantively and/or procedurally not in conformity with WTO obligations. In response the representative of Bulgaria submitted a list of non-tariff measures by tariff lines, including the list of products subject to automatic and non-automatic import licensing. With regard to licensing, he said that the Council of Ministers was the body authorized to determine the range of goods subject to licensing. Licensing was applied in a fair and equitable manner. The information that is strictly necessary for a licensing regime in accordance with Article 1.5 of the Agreement on Import Licensing Procedures was required to be submitted in support of an application for a licence, for instance commercial and tax registration certificates, and documents necessary to certify the date in the import licensing application form. Automatic licences were applied for monitor-

ing purposes and were issued within one day. Non-automatic licences were granted within five working days from the date of application. No fees were charged for the issuing of licences. Licences were issued by the Ministry of Trade. The import licensing regime in force has been established by Government Ordinance No. 72/1993 (published in State Gazette No. 30/1993) and its respective amendments. Imports into Bulgaria were liberalized and were not subject to import licensing, unless explicitly stated. Exceptions were stipulated for (a) goods subject to control regime under international commitments undertaken by Bulgaria; (b) goods under quantitative restrictions if import quotas were established. Automatic licensing was applied for monitoring purposes on imports of the following items: coal, crude oil and liquid fuels, alcoholic beverages, meat, dairy products, ferrous and non-ferrous metals. Imports of alcoholic beverages (HS 22030000, ex2204, 2205, 2207, 2208) were subject to automatic licensing for monitoring purposes. There had been import quota of 12,000 tons for tobacco (HS 2401, 24039100). This quota had been eliminated by the end of 1993. Exports of tobacco and products thereof (Chapter 24 of the HS) were subject to automatic licensing. Imports of nuclear materials, dangerous waste, plant protection chemicals, asbestos, and manufactured tobacco, tobacco products, natural gas, etc. were subject to non-automatic licensing. Imports of essential oils were not subject to licensing. The restrictions on tobacco and products thereof had been introduced on the ground that certain imports, by the quantity and conditions under which they were performed, caused or threatened to cause a serious injury to domestic producers of like or directly competitive products. The non-automatic licensing of imports of pharmaceutical products, raw materials and substances for their production was aimed at protecting human and animal health. The measure was applied for monitoring purposes and did not constitute a disguised restriction on trade. The sole requirement for granting the licences was the registration of the product with the Ministry of Health. He added that at present there was no product prohibited for import in Bulgaria. However, imports of materials and waste dangerous to the environment were subject to non-automatic licensing, and to approval in writing from the Ministry of Environment. The importation of plant protection chemicals had to be approved by the Ministry of Agriculture. The approval was subject to the chemicals being registered in Bulgaria. Import licences were granted by the Ministry of Trade within 5 days from the application.

Import and Export Quotas

47. Some members enquired about the consistency of certain quotas with the GATT 1994. In response the representative of Bulgaria said that pursuant to the Law on Establishment of Single-person State-owned Enterprises (State Gazette 55/1991), the Bulgarian Government could establish quantitative restrictions on imports and exports. As of 1 January 1994 Bulgaria applied an import quota on the following product only: HS 21050000, ice cream ready for consumption, 1,500 tons. The import quota on ice cream had been introduced by the Government on a temporary basis to support an infant industry in an economy in transi-

tion. The import ceiling was administered through an import licensing system. Due to a deterioration in the economic conditions for domestic production of tobacco in recent years, and with the view to avoiding serious social tension in some underdeveloped regions of the country, the Government had replaced the import quota on tobacco with import licensing. The Government had established temporary quantitative restrictions on certain exports, to ensure adequate supplies in the domestic market and prevent or relieve critical shortages. Presently Bulgaria applied export quotas on the following items: ex 0104000 Female livestock for breeding, bovine live animals of more than 12 months: 4,800; ex 01042000 ex 0102 Ovine and caprine live animals, of more than 18 months: 750. Certain quota amounts under VERs were defined in the respective agreements: with the European Communities on textiles and clothing, ferrous metals, live sheep and goat and meat thereof; with the United States on textiles and clothing; with Canada on textiles and clothing. A list of cereals essential for the nutrition of the population as well as a few tariff lines covering basic fodder had been temporarily prohibited for export. With the exception of maize, the export ban on certain grains had been replaced by automatic licensing. An export ban for ferrous and non-ferrous scrap and copper ingots and billets was in place except for stainless steel scrap with the view to solving transitional problems in the economy. Export restrictions were applied to Christmas trees, and rough hewn timber because they were exhaustible natural resources; and to sunflower seeds because they were an essential foodstuff in critical shortage. The agricultural export restrictions currently in effect were temporarily applied to prevent or relieve critical shortages on the domestic market and would be dismantled in response to an improved domestic market situation.

48. Some members of the Working Party proposed and the representative of Bulgaria accepted that the quantitative restrictions maintained by WTO Members on imports of textiles and clothing products originating in Bulgaria that are in force on the date prior to the date of the accession of Bulgaria to the WTO shall be notified to the Textiles Monitoring Body (TMB) as being the base levels for the purpose of application of Articles 2 and 3 of the WTO Agreement on Textiles and Clothing. Thus, for the purpose of Bulgaria's accession to the WTO, the phrase "day prior to the date of entry into force of the WTO Agreement" contained in Article 2.1 of the Agreement on Textiles and Clothing shall be deemed to refer to the day prior to the date of accession of Bulgaria to the WTO. To these base levels the increase in growth rates provided for in Articles 2.13 and 2.14 of the Agreement on Textiles and Clothing shall be applied, as appropriate, from the date of accession of Bulgaria to the WTO.

49. In conclusion the representative of Bulgaria confirmed that, in the context of its accession to the Agreement Establishing the WTO, the Bulgarian Government would use its authority to suspend or prohibit imports and exports or otherwise restrict their quantities in conformity with the provisions of the GATT 1994 in particular Articles XI, XII, XIII, XIX, XX and XXI. The Working Party took note of this commitment.

50. The representative of Bulgaria confirmed that, from the date of accession, Bulgaria will eliminate and shall not introduce, re-introduce or apply quantitative

restrictions on imports or other non-tariff measures such as licensing, quotas, bans and other restrictions having equivalent effect that cannot be justified under the provisions of the WTO Agreement. In this regard, Bulgaria will eliminate, as of the date of accession, its discretionary licensing régime and any other WTO inconsistent measures on tobacco imports and on other products covered by the WTO Agreement on Agriculture. The Working Party took note of these commitments.

Agreement on Implementation of Article VI of GATT 1994 and Agreement on Subsidies and Countervailing Measures

51. In response to questions concerning Bulgaria's regulations on safeguards and unfair trade practices, the representative of Bulgaria said that the Regulation of the Council of Ministers No. 181 dated 15 September 1993 which had established the general legal framework attempted to incorporate the basic elements of the relevant GATT 1994 provisions including in particular the Agreement on the Implementation of Article VI of the GATT 1994 and the Agreement on Subsidies and Countervailing Measures. The Regulation contains definitions of dumping, subsidy, serious injury, the extent of the offsetting measures (duty) and the procedures to be followed in order to apply the offsetting measures. Under the provisions of the Regulation, an anti-dumping duty may be imposed on any product whose importation in Bulgaria through the effects of dumping causes or threatens to cause serious injury to a Bulgarian industry. A product is considered as being dumped if its export price to Bulgaria is less than the normal value of the like product in the ordinary course of trade in the country of origin or export. A countervailing duty may be imposed for the purpose of offsetting the effect of a subsidy bestowed in the country of origin or export whose importation in Bulgaria causes serious injury to a Bulgarian industry. The Regulation stipulates that the determination of serious injury shall be made only if the dumped or subsidized imports through the effects of dumping or subsidization are causing injury. Injuries caused by other factors which individually or in combination also adversely affect the Bulgarian industry under consideration must not be attributed to the dumped or subsidized imports.

52. Some members of the Working Party expressed concern that the provisions of the Regulation were imprecise and did not reflect the precise requirements of the Agreement on Subsidies and Countervailing Measures and the Antidumping Agreement in matters such as conversion of currencies, sales below cost, price averaging, domestic judicial review, time limits, etc. The representative of Bulgaria said that when certain provisions did not specify particular procedures, administrative practice would ensure compliance with the requirements of the Agreement on Implementation of Article VI of the GATT 1994 (Antidumping Agreement). Subsequent amendments to the Regulation to make it compatible with the WTO Agreement on Subsidies and Countervailing Measures and the Antidumping Agreement were currently under consideration. Finally, the representative of Bulgaria said that pursuant to Article V, paragraph 4 of the Constitution duly ratified and published international treaties became part of

domestic law, and had priority over the rules of domestic law in the event of a contradiction. Thus, compatibility with WTO obligations would be guaranteed in a general way through the ratification of the accession of Bulgaria to the WTO by the National Assembly.

53. A member of the Working Party stated that his Government had reviewed the draft Regulation on Anti-Dumping and Countervailing Measures provided by the Bulgarian delegation, and that, with a few exceptions, the draft regulation appeared to track the language of the Agreements on Anti-Dumping and Subsidies and Countervailing Measures as they relate to the investigation and disposition of unfairly traded imports. There were a number of areas, however, where amendments to the draft regulation could strengthen its consistency with the Agreement and prevent future conflicts based on the supremacy of international agreements ratified by Bulgaria over domestic law. These included the following: The Regulation should provide explicitly for judicial review of the administrative decisions made on Anti-Dumping and Countervailing Measures cases, as is required by both Agreements. If such provisions exist in other Bulgarian laws that address this, they should be referenced in the law; The Regulation should provide for "sunset review" of existing actions, as required by the Agreements; The Regulation should contain language addressing adjustment to cost for "start up operations" as provided for in footnote 6 of the Agreement; The Regulation should provide that normal value may be determined only by the cost of production in the country of origin plus a reasonable amount for administrative and selling costs and for profits. The reference to "any other costs" which does not have a counterpart in the relevant text of the WTO Agreement, should be dropped; The Regulation should be amended to ensure that constructed export price can be used as opposed to export price, only when there is a compensatory relationship. The reference to "or for other reasons the price actually ... is unreliable" should be dropped since it does not have a counterpart in the relevant text of the WTO Agreement (Article 2.3); The Regulation should be amended to incorporate the justification for comparing that normal value established on a weighted average basis with that determined on a transaction by transaction basis; The Regulation does not incorporate the concept that to limit the examination either to a reasonable number of interested parties or products by using samples should only occur if the samples taken are statistically valid. It should be expanded to incorporate these concepts; The Regulation allows an affirmative determination based on threat of material injury "where a particular market situation is likely to develop into actual injury". In contrast, the standard in the Anti-dumping Agreement is "injury must be clearly foreseen and imminent". Bulgaria should alter the law or make specific assurances to the Working Party that the formulation in the Agreement will take precedence; The Regulation should ensure that its language defining the number of producers that constitute an "industry" for the purposes of making a complaint is consistent with the provisions of the Agreement (Article 5.4) requiring that industry support be based on total production, defined as domestic industry representing 50 per cent of the total production of the like product produced by that portion of the domestic industry expressing either support for or opposition to the application, and that no investigation shall be initi-

ated when domestic producers expressly supporting the application account for less than 25 per cent of total production of the like product produced by the domestic industry; Article 23.2 of the Agreement should make it clear that the 30 day period for responding to a questionnaire "shall be counted from the date of receipt of the questionnaire" as provided for in Article 6.1.1 Footnote 15 of the Anti-Dumping Agreement; Article 30.1(c) of the draft legislation should indicate that a provisional measure applied cannot be more than estimated amount of the anti-dumping duty or level of subsidization.

54. This Working Party member went on to state that Bulgaria should be prepared to confirm in the Protocol that, notwithstanding the possibility that Bulgaria's future legislation in the area of anti-dumping and countervailing measures, which is currently in draft and under consideration, may contain provisions not totally in conformity with the WTO Agreements on Anti-Dumping and Subsidies and Countervailing Measures, Bulgaria would enforce the provisions of these Agreements in the conduct of any investigations in these areas.

55. The representative of Bulgaria confirmed that it was Bulgaria's intent that its legislation conform to the provisions of the WTO Agreements on Anti-Dumping and Subsidies and Countervailing Measures, and that draft legislation was under consideration to accomplish that goal. He further confirmed that, from the date of accession, and notwithstanding any provision of domestic law to the contrary, Bulgaria would administer all proceedings and measures taken for anti-dumping or countervailing duty purposes in full conformity with the provisions of these WTO Agreements, and that no action would be taken by the Government of Bulgaria that departed from the provisions of these agreements. The Working Party took note of this commitment.

56. In response to questions by members of the Working Party, the representative of Bulgaria said that as a result of the price liberalization, subsidies had been drastically curtailed - from 16-17 per cent of GDP in 1990 to less than 2 per cent of GDP in 1992 and 1.69 per cent in 1993. Since 1991, no export subsidies were being applied in Bulgaria. Some members requested clarification of this statement. The representative of Bulgaria stated that no subsidies contingent on export performance, Government export credits at more favourable than ordinary rates, tax exemption schemes related to the production and distribution of exported products were made available. The statement did not envisage explicitly the provisions of Article 3 of the Subsidies and Countervailing Measures Agreement. Bulgaria would apply Article 29 and the respective provisions of Articles 3, and 6.1 of the Subsidies and Countervailing Measures Agreement. As a country in the process of transformation from centrally planned into a market and free enterprise economy, Bulgaria would like to benefit from the special treatment provided in Article 29 of the Subsidies and Countervailing Measures Agreement, upon appropriate notification. The representative of Bulgaria noted that production subsidies were applied primarily for: (i) compensating higher production costs in some vital sectors (energy and transportation) with considerable social implications; (ii) social considerations (including support for producers in mountainous regions and for disadvantaged regions of the country). The Bulgarian Government would continue its policy of further scaling down subsi-

dies. He added that as a result of the unprecedented scale of economic reform and exclusively to alleviate social problems the following sectors of the economy received financial assistance from the State: (i) Energy production: The 1995 State budget allocated 3564 million BGL for the production of energy. Self-financing of energy production was envisaged in the future. (ii) Agriculture.

57. The representative of Bulgaria confirmed that his Government does not maintain subsidies which meet the definition of a prohibited subsidy, within the meaning of Article 3 of the Agreement on Subsidies and Countervailing Measures, and would therefore not invoke provisions in the Agreement that provide for the progressive elimination of such measures within a fixed period of time. The Working Party took note of this commitment.

Agreement on Agriculture

58. In documents Spec(95)4 and addenda and WT/SPEC/12, the representative of Bulgaria submitted the Agriculture Country Schedule of Bulgaria. In response to some members, he explained the meaning of the terms applied administered prices, external reference price and product specific bonus used in some of the supporting tables. He confirmed that the system of reference prices had been eliminated as of 1 January 1995. Since 1991, Bulgarian agriculture was undergoing a reform process consisting of the restitution of land and the privatization of the food industry. The collapse of the former centrally planned economy and the lack of proper market structures had led to a drop in agricultural production. The main instrument for support of agriculture in the 1991-1994 period was the subsidization of the interest rate. The level of the AMS relative to GDP in the agriculture sector for the period 1991-1994 was as follows:

Year	GDP agriculture	AMS	(%)
1991	993 mln.XEU	161.7 mln.XEU	16
1992	791 mln.XEU	156 mln.XEU	19
1993	837 mln.XEU	130.4 mln.XEU	16
1994	1 150 mln.XEU	69.3 mln.XEU	6

The representative of Bulgaria added that the 1993 State budget had allocated 964 million BGL as technical assistance for the agrarian reform that includes: Restoration of the property rights on farm lands; Legal procedures at the established Commissions for the restoration of the lands and at the courts. For the land owners there was a five-year income tax and profit tax relief from the entry into force of the Law on the Ownership and Use of Agricultural Land, i.e. from 1 March 1991. The recovery of the ecologically polluted areas was financed by the State. The 1993 State budget had allocated 63 million BGL in subsidies for the mountainous areas, the break-down of the amount was as follows: transportation of bread: 15 million BGL; transportation of other basic foodstuffs: 48 million BGL. Other assistance granted to agriculture in 1993 was as follows: (1) 1 bil-

lion BGL - for credits, (2) 750 million BGL - for the construction, reconstruction, modernization and maintenance of the irrigation system; (3) 276 million BGL - for financing expenses in the veterinary field; (4) 22 million BGL - allocated under the Law on the preservation of cultivated lands and pastures (Article 15 and 17) for financing the soil conservation. The representative of Bulgaria added that progress in the restitution of arable land had necessitated the establishment of support for the emerging agriculture sector. Because of the reform of the agricultural sector, an "Agricultural Fund" had been established in 1995. The Fund directed a certain percentage of GDP for agricultural support through guaranteed minimum prices, export subsidies, subsidies for fuel, storage and other related activities. In addition, proceeds from the privatization of the food industry would also be allocated for agricultural development. Tobacco growers also received support. He added that Bulgarian law ensured non-discriminatory access to credits. As banks determined their credit policy independently, the access to credits did not depend on the type of ownership of the borrower. Private and State-owned companies as well as joint ventures had equal access to credit. There was no obligation for the banks to make loans to State enterprises as a percentage of the bank capital or on any other basis.

59. The representative of Bulgaria confirmed that after accession to the Agreement Establishing the WTO, his Government would observe the provisions of Article XVI of the GATT 1994, including the notification provisions of paragraph 1 of Article XVI of the GATT 1994 and of the Agreement on Subsidies and Countervailing Measures. In pursuance of the agriculture country schedule, the Government of Bulgaria would also comply with the provisions of the WTO Agreement on Agriculture. The Working Party took note of these assurances.

60. The schedule of Bulgaria's Export Subsidies Commitments (Part IV) has been included in Part IV of the Schedule (document WT/SPEC/14/Rev.1/Add.1). The initial and final commitments are based on the most recent representative period for which statistical information was available. An earlier period than the most recent three year period was accepted by WTO Members only because the latter was not regarded as representative due to the United Nations embargo applied to the former Republic of Yugoslavia.

Agreement on Safeguards

61. Some members of the Working Party expressed concern that the administration of the Law on Safeguards set out in Regulation No. 180 in some respects such as the use of the designations critical circumstances, market disruption, broad section of consumers, provisional measures, etc. failed to conform to the provisions of the WTO Agreement on Safeguards and requested clarification concerning Bulgaria's safeguards regime. In response, the representative of Bulgaria said that the Ministry of Trade and Foreign Economic Cooperation was the authority competent to make the serious injury finding (Article 5, paragraph 1 of the Regulation). For the purpose of conducting the investigation an ad-hoc commission is established including representatives of the Ministry of Industry, the Ministry of Agriculture and the Food Industries, the Ministry of Finance (Gen-

eral Customs Directorate), the Ministry of Foreign Affairs and the Ministry of Trade and Foreign Economic Cooperation. The investigation is carried out under an administrative non-judicial procedure. The Council of Ministers is authorized to adopt the safeguard measure (Article 6 of the Regulation). The Ministry of Finance (General Customs Directorate) is empowered as to the enforcement of the safeguard measure (§ 1 of the Transitional and Final Provisions of the Regulation). During safeguard investigations, the authority was required to give interested parties opportunities to make submissions. The authority was required to establish that there had been a volume increase in either absolute or relative terms, and that those imports had, through factors such as loss of production, productivity, decline in capacity utilization, etc., had caused serious injury to the domestic industry. When an allegation of a threat of serious injury was made, the investigating authorities were required to examine whether it was clearly foreseeable that the rate of imports would increase, and that actual injury was likely to result. The current Regulation provided a maximum period of two years for the application of safeguard measures. A safeguard measure could not be renewed, however, if a safeguard measure was in place for less than two years, it could be extended. The representative of Bulgaria stated that the Regulation establishing the regime did not presently permit the taking of provisional measures. Amendments were currently being prepared to make the Regulation fully compatible with the Agreement on Safeguard Measures, in respect of provisional safeguard measures. Up to now safeguard measures had only been implemented on the imports of matches where a reference price had been established. The representative of Bulgaria assured that Regulation No.180 would be revised to conform fully with WTO provisions and ensure that any use of such provisions would be fully consistent with the Agreement.

Agreements on Technical Barriers to Trade and Sanitary and Phytosanitary Measures

62. Some members requested additional information on standards and enquired how Bulgaria intended to implement the requirements of the Agreements on Technical Barriers to Trade. In response, the representative of Bulgaria provided information on the procedure in effect under the Implementation Rules concerning the submission of the draft standards to the relevant governmental bodies; the consideration of the comments received the approval by technical standardization committees, the evaluation of the draft standards and the final adoption by the Committee on Standardization and Metrology. Under Regulation No. 1/1994 of the Committee on Standardization and Metrology (SG 7/1994) there was a mechanism for the implementation of international and regional standards in the Republic of Bulgaria. The Regulation of the Council of Ministers on Certification of the Manufactured Products in the Republic of Bulgaria (SG 40/1988) laid down the rules for certification ensuring a positive assurance of conformity with the national standards ("technical regulations") by a certificate and/or a verified compliance mark. He also provided information setting out the changes being made to the Bulgarian standards regime which would be

brought into conformity with the WTO Agreement. The Bulgarian Committee on Standardization and Metrology monitored international standards. Bulgaria requested an 18 month transitional period for implementation of the Agreement on Technical Barriers to Trade. Bulgaria explained that it required the transitional period in order to reorganize its national standards system, to be able to comply with the notification requirements of the Agreement. A draft regulation of the Council of Ministers on Certification of Products for their Assessment for Conformity with Standards was being prepared and a new Standardization Law would be drafted based on the ISO/IEC Code of Good Practices for Conformity Assessment. He noted that Bulgaria would be prepared to comply with the transparency requirements and the obligation to establish an enquiry point. Finally, the representative of Bulgaria said that there were other acts relating to the sale of goods in the Republic of Bulgaria (e.g. labelling, packaging, weights and measures, etc.). These laws and regulations were applied uniformly to domestic and imported products and were not administered so as to constitute an arbitrary or disguised restriction on international trade.

63. Some members requested information on how Bulgaria intended to implement the requirements of the Agreement on Sanitary and Phytosanitary Measures (SPS). In response the representative of Bulgaria said that Bulgarian sanitary and phytosanitary measures conformed in principle with international standards, guidelines or recommendations. Bulgaria was a signatory to the following conventions and agreements in this field: Codex Alimentarius; International Agreement for the Establishment of the International Office of Epizootics; International Convention for Plant Protection; Convention on the Establishment of the European and Mediterranean Plant Protection Organization; Convention on the International Trade in Endangered Species of Wild Fauna and Flora. Improvements might be necessary in some areas, e.g. the publication of regulations, in particular to allow a reasonable interval between the publication of a sanitary or phytosanitary measure and its entry into force. However, such improvements which would fundamentally strengthen transparency did not contradict the existing regulations in Bulgaria. Therefore, Bulgaria did not expect substantial difficulties in adapting sanitary and phytosanitary regulations to the requirements of the Agreement on SPS. With reference to regulation No. 87 of 19 February 1993 on quality control at the border, he said that the quality control was effected by the officers of the Directorate of Border Quality Control within the Committee for Standardization and Metrology. Imports and exports were released at the border upon presentation by the exporter or importer of a quality certificate or protocol for the preliminary test of samples. Such certificates or protocols could be issued by any authorized laboratory in the territory of the country. He added that the draft Law on Plant Protection was at an initial stage of preparation. The draft had been debated internally in the Ministry of Agriculture and Food Industries and would be submitted to the relevant governmental bodies. The draft law was consistent with the WTO Agreement on Sanitary and Phytosanitary Measures, as well as with the international conventions for plant protection and quarantine of which Bulgaria was a signatory.

64. The representative of Bulgaria stated that Bulgaria would apply the WTO Agreements on Technical Barriers to Trade and Sanitary and Phytosanitary Measures from the date of accession without recourse to any transition period. He further confirmed that, in particular, Bulgaria would apply the same controls, criteria and rules regarding technical regulations, standards certification and labelling requirements to imported and domestic goods, and would not use such regulations to restrict imports. Bulgaria would ensure that its technical regulations, standards certification and labelling requirements are not applied to imports in an arbitrary manner, in a way that discriminates between supplier countries where the same conditions apply or as a disguised restriction on international trade. Bulgaria will not require additional certification or sanitary registration for products which have been certified as safe for human use and consumption by recognized foreign or international bodies. Bulgaria would also ensure that, from the date of accession, its criteria for granting prior authorization or securing required certification or 'sanitary registration' for imported products will be published and available to traders, and that its sanitary and other certification requirements are administered in a transparent and expeditious manner. Bulgaria would be willing to consult with WTO Members concerning the effect of these requirements on their trade with a view to resolving specific problems. The Working Party took note of these commitments.

Free Trade Zones

65. In response to questions concerning the free trade zones, the representative of Bulgaria said that these zones had been established by Decree No. 2242 of 1987. The Decree defines a free trade zone as an area in which foreign economic entities or joint ventures may conduct economic activities without the obligation to pay customs duties on their imports and with certain tax advantages. There was a 5 year profit tax relief for activities in the zones. Upon the expiry of the grace period, the rate of the profit tax was 20 per cent. There was no time limit for the existence of the zones. There were seven free trade zones in the regions of the cities of Rousse, Vidin, Bourgas, Plovdiv, Dragoman, Haskovo and Svilengrad. The activities most common in the free trade zones included handling, storage and warehousing. Goods and services exported from the free trade zones to the customs territory of Bulgaria were subject to the customs duties, charges and taxation currently in force in the customs territory of Bulgaria, i.e. normal tariffs and taxes were applied to exports from the zones into Bulgarian customs territory. There were no exceptions to this rule. The representative of Bulgaria added that as of 1 October 1993, the profit tax relief for firms that locate in the free trade zones was no longer in effect. The common profit tax of 40 per cent in force on the territory of Bulgaria was applied. However, legal persons who had started using these incentives would continue to benefit from them until the expiration of the period accorded. The Working Party took note of these assurances.

State Trading Enterprises

66. Recalling the provisions of Article XVII of the GATT 1994, several members of the Working Party noted that while Bulgaria had abolished the State legal monopoly on foreign trade at least 60 per cent of Bulgaria's exports and imports were still generated by State-owned enterprises and in many cases were still carried out by the same trading enterprises that formerly had defined and controlled this trade. In the view of some members of the Working Party, a full separation of the State from the still sizable and economically critical State-owned sector did not seem possible. Even the current rules for the management of State-owned firms clearly contemplated a role for the State in the operations of certain enterprises. In addition Bulgaria's privatization process was proceeding slowly. Out of the 4,500 State-owned firms which would be transferred to private ownership under the Law on Transformation and Privatization of State and Municipal Enterprises, Bulgaria was still in the early stages of preparing some of them for sale. These members requested that Bulgaria provide full details of the role of the State in management and decision making in enterprises wholly or substantially owned by the State, and the products which they traded. In this regard special reference was made to the State trading companies on tobacco and tobacco products (Bulgartabac) and wines and spirits (Vinimpex).

67. The representative of Bulgaria pointed out that as of 1 July 1991, the Commercial Law (Company Act) was in force. Pursuant to this law, economic activities could be carried out on the basis of various forms of ownership including private, municipal, State and joint ventures with foreign participation. Article 1.1 of the Company Act defined the conduct of trade (domestic or international) as "commercial activity". To carry on that activity, businesses must be incorporated, pursuant to the Company Act. This required that all natural and legal persons, whether Bulgarian or with foreign participation, have their business entered in a commercial register held in a District Court. Following incorporation, businesses acquired the right to carry out economic activities, including foreign trade activity. No companies had exclusive or privileged import rights. The importation of all goods may be effected by any economic entity, irrespective of its ownership. State-owned trading companies performed foreign trade activities solely on the basis of commercial considerations, competing with each other and with the private companies. Noting that State intervention in the economic activity of all companies had been abolished, he reiterated that Article 19 of the Constitution of Bulgaria states, *inter alia*, that the economy of Bulgaria is based on the principle of the free entrepreneurship and that the legislation shall create and assure equal legal conditions for carrying out economic activities for all legal and natural persons, thus establishing the principle of non-discrimination between State-owned and private enterprises. Therefore, State-owned enterprises were in a position to define independently their own market behaviour, to implement it through the respective operational decisions and to conclude commercial transactions of any kind in accordance with the customary business practices and the legislation in force. Neither economic nor legal privileges were granted to them by the Government. He added that at present there were no State trading mo-

nopolies in Bulgaria. It seemed that Bulgaria had had only one State trading enterprise within the meaning of Article XVII of the GATT 1994, Bulgartabac. There were no enterprises having the principal responsibility for import or export of any commodities and products. Neither private nor State-owned enterprises in Bulgaria were bound by any obligation concerning production or trade in any products or goods, nor with respect to the volume, value of trade, product composition of their sales and purchases, etc. All enterprises acting under Bulgarian legislation are entitled to include in the scope of their activities foreign trade with no limitations with respect to the product coverage of their trade. For the first half of 1993 according to an estimate of the Ministry of Trade the following companies had had a significant activity in foreign trade: Balcancar, Pharmachim, Nephtochim, Bulgartabac, Energoimpex, Chimimport, Kremikovtzy, Ruen, Plama. The principal activity of some of them (Balcancar, Pharmachim, Nephtochim, Bulgartabac) was in the field of production. A list of the enterprises in which the State had ownership participation was in preparation, even though there were difficulties, resulting from the changes in the statistical system, and of the identification numbers of enterprises. The Law on Commerce and the Law on the Protection of Competition did not permit the Government to instruct State-owned enterprises in the conduct of domestic or foreign trade operations. The Government was not in a position to prevent any enterprise under its jurisdiction from acting as normal market operators in accordance with the principles of Article XVII of the GATT 1994 and especially with its paragraph 1(c). All other laws, ordinances and regulations dealing with the activity of the economic operators in Bulgaria were consistent with the Law on Commerce and provisions of the Constitution which excluded State monopolies on trade.

68. The representative of Bulgaria added that within the meaning and under the conditions set out in Article XVII of the GATT 1994, Bulgaria had had only one State-trading company, Bulgartabac, which according to the 1947 Law on State Monopoly on Tobacco had exclusive rights on trade in raw tobacco and the manufacturing of tobacco products. However, the 1947 Law on State Monopoly on Tobacco had been repealed by the 1993 Tobacco and the Tobacco Products Act and the "Bulgartabac" enterprise had been transformed into a holding of smaller joint-stock and limited liability companies registered under the 1991 Law on Commerce. Bulgartabac did not have dominant market positions in internal and foreign trade in tobacco products but enjoyed a dominant position in the production of tobacco products and trade in raw tobacco. Vinimpex did not have a monopoly position in foreign trade in wines and spirits. Vinimpex could not be considered a State-trading enterprise within the meaning of Article XVII as it was not granted by the State any exclusive or special privileges and had statutory authority for deciding on imports and exports. The representative of Bulgaria additionally noted that parts of Vinimpex had recently been privatized. "Vinimpex" continued to trade in alcoholic beverages but did not have a dominant position on the market. It was one of the many companies that trade in alcoholic beverages. He reiterated there was no State monopoly in trade in alcoholic beverages in Bulgaria. As of November 1990, the Council of Ministers had discontinued the existence of the enterprise Vinprom, and the producers of wines

and alcoholic beverages were registered as independent legal persons with the right to conduct foreign and domestic trade on their own or through intermediaries. Any firm or individual was free to import alcoholic beverages. The 1992 imports of alcoholic beverages effected by private companies had accounted for 75.8 per cent of total imports of alcoholic beverages. He noted also that in 1992 noted also that the share of some of the former major foreign trade organizations responsible for agricultural commodity imports and exports had been as follows:

Company	Commodity	Imports	Exports
BULGARPLODEXPORT	fresh vegetables	0	0.73%
L B BULGARICUM	dairy products	3.84%	7.99%
BULGARIAN MEAT Co	live animals and meat thereof	0	4.74%
RODOPAIMPEX	live animals and meat thereof		4.24%

69. The representative of Bulgaria confirmed that his Government would apply its laws and regulations governing the trading activities of State-owned enterprises in conformity with the relevant provisions of the WTO Agreement, in particular and where relevant, Article XVII of the GATT 1994, the WTO Understanding on that Article, and Article VIII of the GATS. In this regard, he noted the list of State-owned firms contained in WT/ACC/BGR/3, some of which were in the process of privatization. He also said that Bulgaria would abide by the provisions for notification, non-discrimination, and the application of commercial considerations for trade transactions for any enterprise whose activities were subject to Article XVII of the GATT 1994, the WTO Understanding on that Article and Article VIII of the GATS. The Working Party took note of these commitments.

Customs Valuation

70. Members of the Working Party reviewed information provided by Bulgaria on its customs valuation régime in WT/ACC/BGR/2, concerning the application of Regulation No.35/26 February 1992 (Decree 35/92) published in State Gazette 20/10 March 1992. Members of the Working Party noted that Decree 35 did not fully implement the WTO Agreement on the Implementation of Article VII of the GATT 1994 (Customs Valuation Agreement). A member stated that much of the language and terminology used in Decree 35 departed markedly from that of the Valuation Agreement. This member urged Bulgaria to resolve these apparent discrepancies between its legislation in this area and its WTO customs valuation obligations.

71. The representative of Bulgaria stated that his Government intended to be in full conformity with the Agreement on Customs Valuation prior to accession. He stated that Bulgaria had implemented new customs valuation regulations. These were contained in Regulation of the Council of Ministers No.39 of

8 March 1996 (Regulation 39/96) on the determination of customs value of goods, imported in the Republic of Bulgaria, which was published in State Gazette No.22 of 1996. The regulations were elaborated by Instruction No.2 of the Minister of Finance of 12 March 1996, concerning the particulars of the customs value, which was published in State Gazette No.24 of 1996. Both these regulations were provided to the Working Party in Bulgaria's draft notifications, as requested by a member. Bulgaria subsequently indicated in its draft notifications that it applies in practice, based on Article 8 of Regulation of the Council of Ministers No.39 of 8 March 1996 (published in State Gazette No.22 of 1996), the provision of paragraph 2 of the Decision of 24 September 1984 on the Valuation of Carrier Media Bearing Software for Data Processing Equipment and the provisions of the Decision of 26 April 1984 on the Treatment of Interest Charges in Customs Value of Imported Goods (VAL/8 - adopted by the WTO Committee on 12 May 1995). The representative of Bulgaria stated that these provisions represented a full implementation of the Agreement on Customs Valuation, as requested by the Working Party.

72. Members of the Working Party noted that Regulation 39/96 was as a general matter, in conformity with the provisions of the WTO on customs valuation, and commended Bulgaria on its efforts to amend current practice to bring it up to WTO norms. A member noted that there were some provisions where clarification on terminology and application could improve the text, for example, the precise meaning in Article 1.10 and 1.12 of Regulation 39/96 of goods "declared for free circulation in Bulgaria" and whether the references in Article 1.13 and 1.14 are actually to transaction value. It would also be useful to clarify in Article 10 who, ultimately, is responsible for providing the information necessary for appraisement of the imported goods. Finally, it is not clear from whence is derived the definition in Article 1.12 for a sale for exportation. This member sought Bulgaria's clarification of these points, but was otherwise satisfied that Bulgaria's regulations on customs valuation were adequate to implement the Customs Valuation Agreement.

73. The representative of Bulgaria indicated that it will fully apply the WTO provisions concerning customs valuation from the date of accession, including, in addition to the Agreement on the Implementation of Article VII of the GATT 1994, the provisions for the Valuation of Carrier Media Bearing Software for Data Processing Equipment and the provisions on the Treatment of Interest Charges in Customs Value of Imported Goods. He further confirmed that, as an international agreement, the provisions of the WTO Agreement on the Implementation of Article VII of the GATT 1994 would supersede domestic law after accession. The Working Party took note of this commitment.

Rules of Origin

74. Members of the Working Party noted the information provided by Bulgaria in WT/ACC/BGR/2 and in its draft submission on Rules of Origin. This information was not, however, adequate to assess the consistency of Bulgaria's laws and regulations on rules of origin with the WTO Agreement. A member of

the Working Party sought further information from Bulgaria concerning its procedural protection and the basis for determination of origin, as follows: Did Bulgaria's legislation and implementation of its régime in the area of rules of origin provide for rulings within 150 days of initiation of customs formalities? Did importers have the right of appeal? Were the administrative and judicial rulings that emerged from this process binding on all parties involved? Was the "50 per cent of value" criteria reported in WT/ACC/BGR/2 the only criterion applied by Bulgaria for substantial transformation? What would happen if no one country could be found to account for 50 per cent of the value? What was the basis for determining the composition of the 50 per cent of value, i.e., what components of the value of the good were counted - only inputs/materials, direct and indirect labour, profit, interest, depreciation? This member sought Bulgaria's responses to these questions and its assurances that deficiencies in these areas would be corrected prior to Bulgaria's accession. The representative of Bulgaria assured that Bulgaria would provide answers to these questions.

75. The representative of Bulgaria confirmed that Bulgaria would remedy any departures from full conformity with the WTO Agreement on Rules of Origin prior to its accession, and that by that time, Bulgaria's application of rules of origin for both MFN and preferential trade would be administered in conformity with the provisions of the Agreement. The Working Party took note of this commitment.

VI. Trade Agreements
Regional Trade Agreements

76. Some members of the Working Party expressed the concern that the relatively high and recently increased m.f.n. tariff levels would lead to trade distortions against Bulgarian m.f.n. trading partners and requested detailed information and trade data on the agreements establishing preferential access to the Bulgarian market. In response the representative of Bulgaria said that in March 1993, Bulgaria had signed the Europe Agreement with the European Community providing for the establishment of a free-trade area in a ten-year period. This Agreement would eliminate trade barriers for industrial goods and improve market access for agricultural products. The process of trade liberalization was asymmetrical due to the economic disparities between Bulgaria and the EC. Also in March 1993, Bulgaria had signed a Free Trade Agreement with the EFTA States covering trade in industrial products, fish and processed agricultural goods. The Agreement paralleled the Europe Agreement with the EC. There was also an asymmetry in the implementation schedule of trade liberalization in favour of Bulgaria. Bilateral Agreements on trade in agricultural goods with each individual EFTA State had been signed on the same date. In 1992 Bulgaria's imports from EFTA States and the EC had accounted for 6.8 per cent and 32.6 per cent respectively of total imports. Their relative shares had increased in 1992 as a consequence of the contraction of Bulgarian trade and the partial reorientation to the OECD markets following the CMEA dissolution. The representative of Bulgaria added that at this moment his Government was not in a position to submit

information on trade flows in the framework of the FTAs for the following reasons: both agreements had recently entered into force so there was not enough empirical evidence for analysis; the implementation of both agreements had been strongly hampered because of UN sanctions imposed on Serbia and Montenegro, so trade flows were heavily distorted; the statistical system was undergoing a process of transformation. However, new information would be submitted as soon as available. The representative of Bulgaria said that in Bulgaria's view the free trade agreements were in conformity with the rules and conditions of Article XXIV of the GATT 1994 and his Government was ready to comply with the relevant Understanding agreed in the context of WTO Agreement. The Working Party took note of these assurances.

Bilateral Trade Agreements

77. With reference to bilateral trade agreements, the representative of Bulgaria said that an Agreement for Trade Relations between the Republic of Bulgaria and the United States had been signed on 22 April 1991. By virtue of this Agreement the two countries had extended to each other m.f.n. treatment. As from 1 January 1991, trade with the former CMEA countries was conducted in convertible currencies and at world prices. The new trade agreements with the former CMEA countries were consistent with the requirements of GATT 1994 and contained the m.f.n. clause. Identical trade agreements had been signed with some of the States of the former Soviet Union, namely Belarus, Lithuania, Russia, and Ukraine.

78. The representative of Bulgaria stated that his Government would observe the provisions of the WTO including Article XIV of the GATT 1994 and Article V of the GATS in its trade agreements and would ensure that the provisions of these WTO Agreements for notification, consultation and other requirements concerning preferential trading systems, free trade areas and customs unions of which Bulgaria is a member are met from the date of accession. The Working Party took note of these commitments.

VII. Multilateral and Plurilateral Trade Agreements

79. At the initial stages of the deliberations, several members of the Working Party noted that Bulgaria was a member of Tokyo Round Arrangements on Bovine Meat and Dairy Products. Recalling that Bulgaria had had observer status in a number of MTN Agreements, e.g. the Codes on Import Licensing Procedures, Technical Barriers to Trade, Subsidies and Anti-Dumping, these members later on requested that Bulgaria clarified its intentions as to joining the Multilateral Trade Agreements. In response the representative of Bulgaria informed the Working Party, that Bulgaria was ready, at the time of accession to the Agreement Establishing the WTO, to accept the WTO Agreement and the Multilateral Trade Agreements annexed thereto. In document WT/ACC/BGR/2, the representative of Bulgaria submitted detailed information concerning the consistency of his country's foreign trade régime with the WTO Multilateral Trade Agreements.

With respect to the Customs Valuation Agreement, the representative of Bulgaria further informed that as of March 1996 Decree No.35 governing the respective procedures has been superseded by a new regulation No.39/1996 that provides for implementation of the WTO Agreement on the Implementation of Article VII of the GATT 1994, including the understanding on the valuation of software that is appended to the Agreement. Bulgaria notified Regulation 39/1996 to the Working Party. With regard to the Agreement on Subsidies and Countervailing Measures and the Agreement on Implementation of Article VI of the GATT 1994, he stated that some transitional periods would be required taking into consideration the provisions for economies in transition. He added that Bulgaria would consider acceding to the Agreement on Government Procurement after the adoption of the necessary legal basis. He recalled that Bulgaria was a member of the Arrangements on Bovine Meat and Dairy Products and the Protocols thereof and that his Government had signed, subject to ratification, the modified Plurilateral Trade Agreements in Marrakesh. Bulgaria would comply with the conditions for membership in the WTO which included acceptance of all the Multilateral Trade Agreements. The representative of Bulgaria stated his assumption that nothing in the Protocol of Accession went beyond obligations required to be undertaken by Bulgaria in the WTO Agreements. The Working Party took note of these assurances.

80. The representative of Bulgaria confirmed that, upon accession, his Government would notify the Committee on Government Procurement of its intention to accede to the Agreement on Government Procurement and seek observer status in that Committee. He further confirmed that Bulgaria will initiate negotiations for membership in the Agreement by tabling an entity offer prior to 30 June 1997. He also confirmed that, if the results of the negotiations are satisfactory to the interests of Bulgaria and the other members of the Agreement, Bulgaria will complete negotiations for membership in the Agreement by 31 December 1997. The Working Party took note of this commitment.

81. The representative of Bulgaria stated that his Government would accede to the Agreement on Trade in Civil Aircraft at the time of accession.

Agreement on Trade Related Investment Measures (TRIMs)

82. In response to questions concerning the consistency of the foreign trade regime of Bulgaria the Agreement on TRIMs, the representative of Bulgaria said that current Bulgarian legislation did not provide for local content and trade balancing requirements. Bulgaria would undertake not to maintain measures inconsistent with the provisions of Articles III and XI of GATT 1994.

83. The representative of Bulgaria stated that Bulgaria does not maintain measures that are not in conformity with the Agreement on Trade-Related Investment Measures and would therefore not invoke provisions in the Agreement that provide for the progressive elimination of such measures within a fixed period of time. The Working Party took note of this commitment.

VIII. Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS)

84. Some members of the Working Party requested information on Bulgaria's acceptance of international agreements on intellectual property, the compliance with their substantive obligations, the protection of computer programs, rental rights, the rights of performers, the terms of protection, the rights of broadcasters, compulsory licensing, exclusions from patentability, etc. Concerning TRIPS, the representative of Bulgaria said that Bulgaria is a signatory to the following international treaties, conventions and agreements related to intellectual property:

A. World Intellectual Property Organization: 1. Convention Establishing the World Intellectual Property Organization (since 8 January 1970); 2. Paris Convention for the Protection of Industrial Property Ratification (since 13 June 1921); 3. Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods (since 12 August 1975); 4. Madrid Agreement Concerning the International Registration of Marks (since 1 August 1985); 5. Lisbon Agreement for the Protection of Appellations of Origin and their International Registration (since 12 August 1975); 6. Patent Cooperation Treaty (since 21 May 1984); 7. Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure (since 8 May 1978); 8. Nairobi Treaty on the Protection of the Olympic Symbol (since 6 May 1984); 9. Bern Convention for the Protection of Literary and Artistic Works (since 5 December 1921); 10. International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, adopted at Rome on 26 October 1961; and 11. Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms, adopted at Geneva on 29 May 1971. The Government of the Republic of Bulgaria intended to join the Hague Agreement Concerning the International Deposit of Industrial Designs of 6 November 1925.

B. UNESCO: 1. Universal Copyright Convention as revised at Paris on 24 July 1971 (since 5 December 1921). The representative of Bulgaria said that in order to become a member of the World Trade Organization, Bulgaria would accept the Agreement on Trade-Related Aspects of Intellectual Property Rights, including Trade in Counterfeit Goods (TRIPS) set out in Annex 1B of the Agreement Establishing the WTO. The representative of Bulgaria said that the Law on Copyright and Neighbouring Rights and the Patent Law complied with the rules of the TRIPS Agreement. He confirmed that an opportunity for judicial review was provided. He added therefore, Bulgaria would adapt its domestic legislation as necessary. The 1991 Law on Protection of Competition provides for the protection of trade secrets. The Law on Protection of Competition has provisions on anticompetitive practices in contractual licences. Under Bulgarian legislation there were no restrictions on the licensing of intellectual property. The administrative system for enforcement of intellectual property rights in place included units in the Ministry of Culture (for copyright and neighbouring rights) and in the Patent Office (for industrial property rights). Under the Penal Code charges

may be pressed against copyright infringers in case they use illegally a trademark or service mark, appellation of origin or industrial design with the purpose of unfair competition. Article 227 of the Penal Code provides for such cases imprisonment of not more than one year of community service or a fine of 10,000BGLs. The Law on Amendment to the Penal Code adopted by the National Assembly on 17 May 1995 (SG 50/1995) had introduced criminalization for copyright and neighbouring rights' infringers. Bulgarian legislation provided for the full ranges of relief required by the TRIPS Agreement, with the exception of border measures. The new draft Law on Customs included specific provisions and procedures in compliance with Articles 50-60 of the TRIPS Agreement. The Working Party took note of these assurances.

85. The representative of Bulgaria confirmed that his Government would apply the provisions of the Agreement on Trade-Related Aspects of Intellectual Property Rights by the date of its accession to the WTO, without recourse to any transitional period. The Working Party took note of this commitment.

IX. General Agreement on Trade in Services (GATS)

86. Some members of the Working Party requested information concerning emergency safeguard measures and restrictions on international payments and transfers for current transactions. In document WT/ACC/BGR/2, the representative of Bulgaria submitted a note concerning trade in services. Bulgaria also invited interested members to submit as soon as possible their request lists concerning possible services commitments. In document WT/ACC/BGR/5/Add.2, the representative of Bulgaria submitted a revised draft schedule concerning initial commitments on trade in services which would be annexed to the GATS. The representative of Bulgaria said that in respect of emergency safeguard measures and restrictions on international payments and transfers for current transactions, Bulgaria would comply with the GATS and the requirements specified thereunder. He added that being an economy in transition and having serious external financial difficulties, Bulgaria maintained restrictions on capital transfers in order to ensure the maintenance of the level of financial reserves adequate for the servicing of its external debt. These restrictions were applied on a non-discriminatory and temporary basis, and they are consistent with the Articles of Agreement of the International Monetary Fund.

87. Members of the Working Party commended Bulgaria for the broad commitments to national treatment and market access for foreign service suppliers offered in the revised draft services schedule and indicated that this level of commitment demonstrated that Bulgaria is moving towards greater integration with global services markets. The representative of Bulgaria added that his Government would need a transitional period of five years from the date of accession during which market access for firms wishing to establish a commercial presence could be suspended for new entrants for a period not exceeding two years. Bulgaria would apply the limitation only to the extent necessary to address specific adjustment concerns and would notify the appropriate GATS body of its intent to apply such measures as least two months in advance of application. He also

stated that his Government would be prepared to consult on the application of such limitations with interested WTO Members.

88. In the light of the level of commitments undertaken by Bulgaria and given Bulgaria's concerns, some members of the Working Party approved the inclusion of a transition period as described below: (a) As a transitional measure lasting up to 31 December 2000, Bulgaria may impose, in order to address specific adjustment concerns, a suspension of its commitments to permit a foreign service supplier to establish an initial or an additional commercial presence in Bulgaria. Those commitments which may be suspended are as listed in the schedule of specific commitments on services annexed to the Protocol of Accession of Bulgaria; (b) The maximum duration of any suspension described in paragraph 87 shall be two years, except that in no case shall any suspension last beyond 31 December 2001. No suspension may be extended beyond this limit and no later suspension may be imposed with respect to the same commitments involved, in whole or in part, in an earlier suspension. Except in the case of expansion of an existing commercial presence to a new geographic location, this limitation shall not apply to foreign service suppliers that have already established in Bulgaria a commercial presence, as defined in Article XXVIII(d) of the GATS, prior to the date that the suspension is implemented; (c) Two months before taking any action under this limitation, Bulgaria will inform the GATS Council and relevant sectoral committees of the GATS Council of the measure it intends to take, its duration and the circumstances that require it to take such action. At the time Bulgaria notifies the GATS Council and relevant sectoral committees of the GATS Council of its intent to apply the measure, Bulgaria will also, upon request, immediately enter into consultations with any WTO Member affected by application of the limitation with a view to reaching agreement on alteration or withdrawal of the suspension. If consultations do not lead to an agreement between Bulgaria and the WTO Member concerned, Bulgaria shall be free to apply the suspension to the notified sectors no less than two months from the date of its original notification.

89. Some members of the Working Party considered nevertheless that the level of commitments could be improved or made clearer. It was suggested that some measures listed in the draft schedule could still be clarified when the schedules of commitments will be verified from a technical point of view. As far as improvement of commitments was concerned, a member insisted on considering also commitments on basic telecommunications, in particular in light of the Decision on Commitments in Basic Telecommunications adopted by the Council for Trade in Services on 30 April 1996. Given that members have time until 15 February 1997 to consider their commitments in this sector, a contribution from Bulgaria was expected as well. Reference was also made to market access commitments for financial leasing in financial services. The representative of Bulgaria explained that services was a new agreement and that some experience with scheduling and liberalization of trade in services was necessary, particularly within its administration. Bulgaria was willing, however, to consider further commitments so as to comply, as other WTO members, with the obligations resulting from the GATS.

Review of Commitments and Transitional Periods

90. The representative of Bulgaria also stated that his Government would notify the WTO Secretariat annually of the implementation of the phased commitments with definitive dates for compliance referred to in paragraphs 29, 37, 45, 80 and 88 of this Report and would identify any delays in implementation together with the reasons therefore. The Working Party took note of this commitment.

Conclusions

91. The Working Party took note of the statements and assurances given by Bulgaria in relation to certain specific matters which are reproduced in paragraphs 15, 31, 38, 59, 65, 76, 79 and 84 of this report.

92. The Working Party took note of the explanations and statements of Bulgaria concerning its foreign trade regime, as reflected in this report. The Working Party took note of the commitments given by Bulgaria in relation to certain specific matters which are reproduced in paragraphs 16, 17, 24, 25, 26, 29, 30, 32, 33, 35, 37, 39, 40, 45, 49, 50, 55, 57, 64, 69, 73, 75, 78, 80, 83, 85 and 90 of this Report. The Working Party took note that these commitments had been incorporated in Paragraph 2 of the Protocol of Accession of Bulgaria to the WTO.

93. Having carried out the examination of the foreign trade régime of Bulgaria and in the light of the explanations, statements, assurances, commitments and concessions made by the representative of Bulgaria, the Working Party reached the conclusion that Bulgaria be invited to accede to the Agreement Establishing the WTO under the provisions of Article XII. For this purpose the Working Party has prepared the draft Decision and Protocol of Accession reproduced in the Appendix to this Report, and takes note of Bulgaria's Schedule of Specific Commitments on Services (document WT/ACC/BGR/5/Add.2) and its Schedule of Concessions and Commitments on Goods (document WT/ACC/BGR/5/Add.1) that are annexed to the Protocol. It is proposed that these texts be adopted by the General Council when it adopts the Report. When the Decision is adopted, the Protocol of Accession would be open for acceptance by Bulgaria which would become a Member 30 days after it accepts the said Protocol. The Working Party agreed therefore, that it had completed its work concerning the negotiations for the accession of Bulgaria to the Agreement Establishing the WTO.

Decision of the General Council on 2 October 1996
(WT/ACC/BGR/6)

The General Council,

Having regard to the results of the negotiations directed towards the accession of the Republic of Bulgaria to the Marrakesh Agreement Establishing the

World Trade Organization and having prepared a Protocol for the Accession of Bulgaria.

Decides, in accordance with Article XII of the Marrakesh Agreement Establishing the World Trade Organisation, that the Republic of Bulgaria may accede to the Marrakesh Agreement Establishing the World Trade Organization on the terms set out in the said Protocol.[1]

[1] See under section "Legal Instruments".

ACCESSION OF MONGOLIA[1]

Report of the Working Party adopted by the General Council on 18 July 1996 (WT/ACC/MNG/9)

1. At its meeting on 8 October 1991, the Council of Representatives appointed a Working Party to examine the application of the Government of Mongolia to accede to the General Agreement under Article XXXIII, and to submit to the Council recommendations which might include a draft Protocol of Accession. In 1995 the Government of Mongolia advised that it had decided to negotiate the terms of accession of Mongolia to the Agreement Establishing the World Trade Organization (hereinafter referred to as the "WTO") under Article XII of the Agreement. In pursuance of the decision adopted by the General Council on 31 January 1995, the Working Party on the Accession of Mongolia to the GATT 1947 was transformed into a WTO Accession Working Party.

2. The Working Party met on 3-4 June 1993, 1-2 February, 24-25 May, 3-4 November 1994 and 26 June 1996 under the Chairmanship of H.E. Mr. W. Lang (Austria). The terms of reference and the membership of the Working Party are set out in document WT/ACC/MNG/1.

3. The Working Party had before it, to serve as a basis for its discussions a Memorandum on the Foreign Trade Regime of Mongolia (L/6943 and Add.1 - 2), and the questions submitted by Members on the Mongolian foreign trade regime together with the replies of the Mongolian authorities thereto (L/7043/Rev.1 and Spec(93)28). In addition the representative of Mongolia made available to the Working Party the following material:

- Law on Foreign Investment;
- Partnership and Company Law;
- Banking Law;
- Law on Privatization;
- General Law of Taxation;
- Personal Income Tax Law;
- Economic Entity and Organization Income Tax Law;
- Transport Facilities and Vehicle Tax Law;
- Sales Tax Law;
- Bankruptcy Law;
- Law on the Protection of Consumers' Rights;
- Customs Law;

[1] This Report has been adopted by the Working Party on an ad referendum basis.

- Law on Prohibiting Unfair Competition;
- Copyright Law of Mongolia;
- Basic statistical data on Mongolia's economy;
- Basic statistics on Mongolia's foreign trade;
- International intergovernmental and specialized organizations where Mongolia is a member;
- Main international treaties, conventions and agreements related to trade and economic co-operation where Mongolia is a signatory;
- List of countries with which Mongolia has bilateral trade agreements;
- List of countries with which Mongolia has concluded agreements on avoidance of double taxation and mutual promotion and protection of investments;
- Information on main service sectors (Spec 94(43));
- Notification on Import Licensing Procedures (WT/ACC/MNG/1);
- Notification on Technical Barriers to Trade (WT/ACC/MNG/2);
- Notification on Customs Valuation (WT/ACC/MNG/2);
- Information on State Owned Enterprises (WT/ACC/MNG/2);
- Information on State Trading Enterprises in Mongolia (WT/ACC/MNG/6);
- Information on Company Law in Mongolia (WT/ACC/MNG/4);
- Information on Intellectual Property Rights (WT/ACC/MNG/4);
- List of Items subject to Licensing (WT/SPEC/30);
- List of Items subject to quality certificates (WT/SPEC/31);
- Draft Notification on Sanitary and Phytosanitary Measures (WT/SPEC/34&36);
- Draft Notification on Customs Valuation (WT/SPEC/37); and
- Draft Notification on Technical Barriers to Trade (WT/SPEC/38).

4. In an introductory statement, the representative of Mongolia said that the last five years had marked rapid and challenging changes in the political and economic life of Mongolia. Formerly a country closed to international relations and heavily dependent on the CMEA member countries, in 1990 Mongolia had initiated an in-depth reform process aimed at restructuring the country's economy. The programme had been relatively successful as the inflation rate had declined from 321 per cent in 1992 to 183 per cent in 1993 and the average monthly inflation rate had fallen further to 3.6 per cent in 1995. Moreover, the consumer rationing system had been abolished. The floating exchange rate was relatively stable at around 450 tugrigs per US dollar in 1995. Since 1990 Mongolia had entered into trade agreements with many countries. Mongolia had signed agreements on mutual protection and the promotion of investments as well as arrangements on the avoidance of double taxation with a large number of countries. Mongolia also had joined international economic and financial institutions, such as the World Bank, IMF, ADB, CCC and signed the Conventions on MIGA, Harmonized System, Settlement of Investment Disputes. Mongolia had

overhauled the existing legislation to make it responsive to the market economy system. The Privatization Law, the Partnership and Company Law, the Banking Law, the Bankruptcy Law, the Law on Protection of Consumers' Rights, the Law on Securities, the Foreign Exchange Law, the Law on Quality and Standardization, the Law on Environmental Protection, the Law on Minerals, the Patent Law, the Copyright Law, the Law on Fair Competition, Laws on Taxation and the Foreign Investment Law had been enacted among others. The policy of encouragement of the private sector had led to the privatization of more than 88 per cent of the former State owned enterprises through investment coupons. Almost 90 per cent of the livestock and the network of small retail shops, outlets and enterprises in catering and service business had been transferred to private ownership. Prices of heating, coal, and electricity for household consumption and public transport fares were subject to government control. The trade regime was being liberalised gradually. Any business entity was entitled to conduct foreign trade transactions without special authorization. Quantitative restrictions were not imposed on either exports or imports. Export licensing was required for certain specific articles like palaeotological and archaeological finds, guns, weapons, blood and blood products and radio-active elements. Import licences were required only for items such as weapons, ammunition, explosives, etc. As a part of the foreign exchange reforms, a floating exchange rate had been applied from the end of May 1993. The Harmonized Commodity Description and Coding System was being used as a model to collect statistical data on the exportation and importation of goods and Mongolia expected to apply it fully in 1996. The customs valuation rules were based on the GATT Customs Valuation Code. He stressed that his Government expected that the accession of Mongolia to the WTO would contribute to the further economic development and integration of Mongolia in the international trading system and would be mutually beneficial to all countries. He added that Mongolia was ready to enter into market access negotiations on goods and services with all interested Members. Having regard to the Ministerial Decision of 14 April 1994 on Acceptance of and Accession to the Agreement Establishing the World Trade Organization (WTO) and to the Decision of the Preparatory Committee dated 31 May 1994, the Mongolian Government had intended to accept the Agreement Establishing the World Trade Organization and become an original member thereof. For this purpose Mongolia had tabled draft market access schedules for agriculture and industrial goods and for services. Due to the complexity of the negotiating process, for reasons independent of Mongolia, this objective had not been attained. Therefore, in 1995, the Government of Mongolia had applied for accession to the WTO Agreement in pursuance of Article XII thereof and the Working Party on Accessions to GATT 1947 had been transformed into a WTO Accession Working Party. He also stated that as a developing country Mongolia reserved the right to invoke the special provisions concerning developing countries contained in the Multilateral Trade Agreements.

5. The Working Party warmly welcomed Mongolia's initial application for accession to the General Agreement and later on to the WTO. In expressing appreciation and understanding for Mongolia's ongoing political and economic

reforms, the members of the Working Party noted that notwithstanding the small size of the internal market, a landlocked situation, a low level of infrastructure, the shortage of financial resources and the collapse of traditional financial and economic links, Mongolia had the courage to maintain a steady course to bring about socially acceptable reforms. Members commended Mongolia's measures aimed at consolidating a democratic society and implementing a full market economy. Members noted that Mongolia had established a new legal and institutional framework for the economy and for foreign trade, had liberalized the foreign exchange regime, had freed most prices, had made substantial progress in the privatization of the productive sectors and had made a firm commitment to continue to pursue political, economic and social reforms. In their view, Mongolia's accession to the WTO would contribute to alleviating the current difficulties, would promote the country's economic development, and help to attract foreign investment and would also contribute to strengthening of the multilateral trading system.

6. The Working Party carried out an examination of the various aspects of the Mongolian foreign trade regime and the possible terms and conditions of a protocol of accession. During this examination the delegation of Mongolia provided additional information on, and clarification of, Mongolia's economic and commercial policy. The main points brought out in the discussions are set out below in paragraphs 7 to 60.

Economic reforms

7. In response to questions concerning reforms in the pricing system, the foreign exchange regime and the existence of monopolies, the representative of Mongolia reiterated that the Government had been moving decidedly towards a full market economy; therefore, most price controls had been eliminated and price controls remained only for the following items: coal, electricity, heating when these were for household use and public transport fares. All other prices were determined by market conditions exclusively. In addition, the representative of Mongolia recalled that the exchange rate had fluctuated widely in the period 1991-1994 going from 3 to 7 to 42 to 150 to 450 Tugrigs (Tug) per United States dollar. The current exchange rate was 450 Tugrigs per US dollar. Even though it had not yet been possible to establish the full convertibility of the Tugrig, in May 1993 the Government had established a floating exchange rate system. The Mongolbank (Central Bank) announced the exchange rate of the Tugrig to the United States dollar and other foreign currencies every two weeks on the basis of international market rates. The Mongolbank and the existing fourteen commercial banks were permitted to buy and sell foreign exchange at the market rate. The commercial banks were public limited companies similar to privatized enterprises. As a result of these measures, the parallel exchange rate had decreased and since June 1993, a single exchange rate had been in effect. Access to the foreign exchange market was on the basis of national treatment without any discrimination concerning ownership or national origin. Finally, the

representative of Mongolia confirmed that monopolies were not permitted in Mongolia.

Tariff Regime

8. In response to questions concerning the tariff regime, the representative of Mongolia said that the multiple customs tariffs which had operated prior to June 1991 did not provide for m.f.n. rates. Within the framework of economic reforms and the liberalization of trade policy and in the process of integrating to the multilateral trading system, Mongolia had decided to overhaul the existing tariff system whose rates were 15 per cent for most items. As a temporary measure, lower rates were applied to a few items. The original uniform tariff rate of 15 per cent which had been approved by the Parliament was in force. The Parliament had delegated to the Government the right to reduce the tariff rates on certain basic consumer goods by up to 100 per cent and on industrial and technical goods by up to 50 per cent. After accession to the WTO, any changes in bound tariff rates would comply with the relevant obligations. The tariff schedule under consideration would have different rates on different goods, would convert Mongolia's tariff system to the Harmonized System and would introduce general and m.f.n. tariff rates. Noting that revenue from customs duties accounted for approximately 14 per cent of Government revenue, the representative of Mongolia added that Mongolia was ready to enter into tariff negotiations with all interested members. Some members expressed the view that bindings should be established at commercially significant levels to give some level of security of market access to fellow WTO Members. The representative of Mongolia said that taking into account its own needs and the needs of the members concerned, his Government had offered comprehensive bindings in its tariff schedule at an across the board rate not higher than 30 per cent with certain exceptions. Following bilateral negotiations with members of the Working Party, the schedule of concessions and commitments on market access for goods of Mongolia is reproduced in Part I of Annex I to the Protocol of Accession of Mongolia.

Other Import Duties and Charges

9. In response to questions from members of the Working Party, the representative of Mongolia confirmed that there were no other duties and charges except customs clearance fees and charges in Mongolia. In clarification of that statement the representative of Mongolia said that Article 16 of the existing Customs Law provided for customs fees in connection with customs formalities, services rendered and customs warehouse, the amounts of which were determined by the Customs General Administration. The Customs General Administration had established the following customs fees relating to:

(a) customs formalities/customs clearance, including filing of the customs declaration for goods for import, export and transit - 2000 tugrigs; and

(b) customs clearance of merchandise at the site of and at the request of an applicant - 1000 tugrigs per hour.

The representative of Mongolia considered that the fees in sub-paragraphs 9(a) and (b) were fees covered by Article VIII of the GATT 1994. In answer to questions, the representative of Mongolia said that goods in the custody of Customs warehouses were charged fees of 0.3 per cent ad valorem per day as a penalty for non-payment of customs fees and charges. The fees were not applied to all imports, only to those goods in the custody of Customs warehouses.

10. The representative of Mongolia stated that Mongolia would bind import duties and charges other than the tariffs listed in the Schedules of Concessions at zero in accordance with the requirements of the WTO. Any other fees and charges for services rendered would be limited to the cost of those services and would conform to the provisions of Article VIII of the GATT 1994. The Working Party took note of these commitments.

Taxation Regime

11. The representative of Mongolia stated that excise taxes were applied to the following goods by HS Code: beers, wine and spirits (2203, 2204, 2205, 2207, 2208); tobacco products (2402); gasoline and diesel oil (2710.00). In the course of their examination of Mongolia's trade regime some members of the Working Party raised concerns that the excise taxes applied to imported liquors, wines, gasoline, and diesel oil exceeded those applied to domestic production. Specifically, taxes on domestically produced alcoholic beverages were 80-85 per cent and on imports were 100-150 per cent. The representative of Mongolia said that the excise tax applied to imported rectified spirits, and alcoholic beverages, wines were greater than those applied to like domestic goods. The Government of Mongolia had reviewed this situation and agreed that it was not consistent with Article III of the GATT 1994 and with a view to equalizing taxes on imported and like domestic product had made appropriate amendments to the excise tax law in 1994. The higher ad valorem rates for imported alcoholic beverages were replaced by specific rates, and the rates applied to imported goods were in some instances lower than those applied to like domestic products. The specific rates were introduced with a view to easing the customs valuation of those products. The current rates of the excise tax were as follows:

1)	Rectified spirit:	domestic	- 85% ad valorem
		imported	- 3000 Tugrigs per litre
2)	alcoholic beverages:	domestic	- 80% ad valorem
		imported	- 1500 Tugrigs per litre
3)	wines:	domestic	- 30% ad valorem
		imported	- 200 Tugrigs per litre
4)	tobacco products:	no domestic production	
		imported	- 100% ad valorem

5)	gasoline:	no domestic production
		imported - 15200 Tugrigs per ton
6)	diesel oil:	no domestic production
		imported - 17180 Tugrigs per ton

The excise tax on imports was applied from the date of completion of the customs clearance. The like domestic products were subject to the excise tax from the date of invoice of the product. Some members of the Working Party were of the view that despite Mongolia's steps towards elimination of the differential taxation of domestic and imported goods, the use of different bases for calculation of the tax made it difficult or impossible to ascertain whether the tax treatment of imported goods was consistent with Article III. Some members stated that from the date of accession, the same base (either specific or ad valorem) should be used for both imported and domestically produced goods. The representative of Mongolia stated that because the State Budget for 1996 had already been enacted by the Parliament, it was not possible before the end of 1996 to alter the bases upon which the excise and sales taxes were calculated.

12. In response to questions concerning the scope and the level of the sales tax, and its application to imported and domestically produced goods, the representative of Mongolia said that according to Articles 4, 6 and 8 of the Sales Tax Law, a sales tax of 10 per cent was applied to both imported and domestically produced goods and services. Imports were subject to sales tax from the moment of their importation into the territory of Mongolia. Domestically produced goods were subject to the sales tax upon the purchase or lease of the goods or from the date of the invoice submitted for the payment of services rendered. The State taxation authorities give to domestic manufacturers of goods and providers of services a formal notification requesting them to be registered as sales tax payers. An anticipated taxpayer must complete a special form within 30 days of receipt of the notification, indicating total level of sales in the preceding year and projected sales for the following year. This process of registration is carried out annually. A list of companies registered as sales taxpayers was published each year. Companies having total sales of less than 5 million tugrigs were not required to be registered, and thus were exempted from the sales tax. He added that no taxes or charges of any kind were applied to exports and no charges were levied for the acquisition of export licenses. Some members of the Working Party stated that they considered that Mongolia's exemption of the domestic output of small firms from application of the sales tax while all imports were subject to that tax without exception, constituted a breach of national treatment with regard to the application of that tax.

13. The representative of Mongolia stated that from 1 January 1997, Mongolia would apply national treatment with regard to the rate of excise tax (either specific or ad valorem) to both imports and domestically produced products in each of the categories in paragraph eleven above and to all other products. The representative of Mongolia also said that Mongolia would eliminate the dis-

crimination against imported products in the application of the sales tax from 1 January 1997. The Working Party took note of these commitments.

Non-Tariff Measures

14. In response to questions concerning import and export controls, the representative of Mongolia said that according to the Government Decree No. 86 of 24 May 1993, the following items were subject to prohibition with respect to their importation into and/or exportation from Mongolia: (i) narcotics and appliances for their manufacture and use (import and export prohibited); (ii) books, movies, video tapes, photos, films advocating pornography or violence (import and export prohibited); (iii) animals listed in International and Mongolian Red Books and prohibited by the laws of Mongolia for hunting, trophies and products thereof (export prohibited); (iv) goods received under loans and assistance from international organizations and donor countries (export prohibited); (v) livestock, animals, birds, and raw materials of such origin, foetus, embryos thereof and microorganisms without veterinary certification or permission from appropriate organizations (import and export prohibited); (vi) raw cashmere (export prohibited). The importation and/or exportation of the following items was subject to licensing: (i) historical and cultural property, palaeontological, archaeological discoveries, samples of soil, plants and animals (export and import); (ii) precious metals, precious and semi-precious stones (export); (iii) ferrous and non-ferrous metals (export); (iv) weapons, ammunition, their spare parts and explosives (export and import); (v) velvet horn, plants listed in International and Mongolian Red Books (export); (vi) radioactive elements, rare elements, chemical elements (export and import); (vii) breed stock; (viii) rectified spirits and alcoholic beverages (import).

15. The representative of Mongolia further stated that the import licences were non-automatic. The scheme of licensing covered a limited number of items and was justified to protect national treasures of artistic, historic or archaeological value, human, animal or plant life, and to control the imports of arms and ammunition and of other products related to environmental, nuclear and security considerations. The Ministry of Trade and Industry administered the licensing system. All businesses incorporated in Mongolia were eligible to import goods into Mongolia. A licence could be obtained within 7 days from the submission of an application and was valid for three months. An application for a licence could be made at any time during the year. In certain cases licences must be issued prior to shipment of the goods. The representative of Mongolia confirmed that except for the items listed above, in Mongolia all other products and services could be freely exported and/or imported by all entities. The Ministry of Trade and Industry was responsible for all matters concerning the export and import policy of Mongolia. He also stated that in order to comply with international undertakings, the export of certain textiles to the European Communities market was subject to quantitative restrictions.

16. The representative of Mongolia confirmed that licences had been abolished for meat, grains and fodder. For imports of livestock, animals, birds, and

raw materials thereof, Mongolia accepted foreign issued veterinary certificates. Products such as live animals, meat, raw materials of animal origin and goods thereof, minerals, wood, etc. were not subject to import licensing and there was no intention of introducing such measures in the future.

17. Some members questioned whether the licensing requirements on ferrous and non-ferrous metals; rare elements and chemical elements; breed stock; and rectified spirits and alcoholic beverages would be consistent with the provisions of GATT 1994. The representative of Mongolia replied that the import licensing regime in Mongolia was justified on the grounds of the protection of human, animal and plant life and the environment, and said that, in view of the large number of products involved, a review by Mongolia of its system of import licensing on chemicals would require extensive work and time.

18. In answer to questions, the representative of Mongolia said that the export licensing of breed stock was required to protect the genetic fund of pure Mongolian stock and was required to ensure the certification of the type of breed exported. Transformation from a centrally planned into a market economy, together with liberalisation of the foreign trade system in some instances resulted in negative effects. Some traders had imported cheap low quality, counterfeit goods, especially alcoholic beverages. Frequent cases of poisoning and death had been recorded. Import licensing of alcoholic beverages was not intended to restrict the quantity or value of imports. The number of alcohol importers were not restricted. Internal sale of imported products were accorded the same treatment with like domestic products and there was no discrimination with respect to the origin of the product. The representative of Mongolia stated that the system of prior authorization was required only for the import of alcoholic beverages. A licence for the importation of alcoholic beverages must be obtained prior to shipment of the goods to Mongolia. The licence was granted following the grant of a Quality Certificate in respect of the goods, pursuant to the process described below. Quality Certificates were also required for domestically produced foodstuffs and alcoholic beverages. The certification process was regulated by the Law on Standardization and Quality Certification (1995). That law provided that any business entity could submit an application for a Quality Certificate to Mongolia's Standardizing bodies. Article 11 of the Law on Standardization and Quality Certification provided that the application for a Quality Certificate could be made on the basis of either the test results and record of an authorized Mongolian testing laboratory, or in the case of imported goods, on the basis of a Quality Certificate granted by the appropriate authority of the exporting country. Upon receipt of the application, the Standardizing bodies would conduct a review of the testing results and the record of the authorized testing laboratory, or of the certificate granted by the appropriate authority of the exporting country. Following that review, the Standardizing body issued a Quality Certificate or permitted the use of a Conformity Mark in respect of the goods.

19. The representative of Mongolia provided a list by tariff line number of all imported products subject to prior authorization, inspection and import licensing including rare and chemical elements, rectified spirits and alcoholic beverages, in documents WT/SPEC/30 and 31.

20. The representative of Mongolia said that Mongolia commits that, from the date of accession, the authority of its Government to suspend imports and exports or to apply licensing requirements that can be used to suspend trade in the products under license would be applied in conformity with the requirements of the WTO, in particular GATT 1994 Articles VI, XI, XVIII, XIX, XX, and XXI, and the Multilateral Trade Agreements on Agriculture, Sanitary and Phytosanitary Measures, Import Licensing Procedures, and Technical Barriers to Trade and that his government would not maintain from the date of accession non-tariff import measures, including bans, quotas, permits and licences, that cannot be justified specifically under WTO provisions. In particular, Mongolia would apply the same controls and rules regarding technical regulations, standards certification, and labelling requirements to imported and domestic goods, and would not use such regulations to restrict imports. Mongolia would ensure that its technical regulations, standards, certification, and labelling requirements are not applied to imports in an arbitrary manner, in a way that discriminates between supplier countries where the same conditions apply or as a disguised restriction on international trade. Mongolia would also ensure that certification requirements are administered in a transparent and expeditious manner, and would be willing to consult with the WTO Members concerning the effect of these requirements on their trade with a view to resolving specific problems. The representative of Mongolia stated that his Government would ensure that licensing was applied only when necessary to protect human, animal and plant life and the environment. The representative of Mongolia agreed that the Committee on Import Licensing would review the compatibility of the product coverage of the licensing system by no later than two years after the date of Mongolia's accession to the WTO. The Working Party took note of these commitments.

21. The representative of Mongolia said that from the date of Mongolia's accession to the WTO, the period of validity of the import licences would be extended to one year. The Working Party took note of this commitment.

Export Incentives and Industrial Policy

22. In relation to export incentives the representative of Mongolia confirmed, furthermore, that since 1993 the only export incentive or subsidy in Mongolia were established in the new Foreign Investment Law, which entered into force on 1 July 1993. That law established a set of incentives for foreign investment in sectors such as mining, metal processing, machinery and infrastructure, which granted (i) partial and full tax relief during a 5 to 10 year period, and (ii) tax abatement in a 3 year period for foreign invested enterprises which exported more than 50 per cent of their output. The representative of Mongolia acknowledged that these measures established by the Foreign Investment Law were export subsidies within the meaning of Article 3 of the Agreement on Subsidies and Countervailing Measures and as described in the "Illustrative List" contained in Annex I of the Agreement on Subsidies and Countervailing Measures, and confirmed the intention of his authorities that all such subsidies would be eliminated by no later than 31 December 2002. However, on behalf of his govern-

ment, the Mongolian representative reserved the right to request the Committee on Subsidies and Countervailing Measures for an extension, if necessary, of the phase-out period, consistent with the provisions of paragraph 4 of Article 27 of the Agreement on Subsidies and Countervailing Measures. The Working Party noted that the Mongolian Schedule of Commitments on Agricultural Support and Export Subsidies contained in the Schedule of Concessions and Commitments on Goods which is to be found in Annex I of the Protocol did not provide for export subsidies.

23. The representative of Mongolia committed that his Government would eliminate by no later than 31 December 2002, preferably in a progressive manner, the measures which meet the definition of a prohibited subsidy within the meaning of Article 3 of the Agreement on Subsidies and Countervailing Measures, i.e. the subsidies provided under the new Foreign Investment Law, which came into force on 1 July 1993. These include the incentives for foreign investment in sectors such as mining, metal processing, machinery and infrastructure, which granted (i) partial and full tax relief during a 5 to 10 year period, and (ii) tax abatement in a 3 year period for foreign invested enterprises which exported more than 50 per cent of their output. Consistent with this objective, the representative of Mongolia committed that the subsidies granted under that program would not be extended or renewed beyond their current scope of application, and agreed to provide explanatory information in its annual notification of subsidies under Article 25 of the Agreement on Subsidies and Countervailing Measures and Article XVI:1 of the GATT 1994 which was sufficiently precise to enable other Members to confirm that such programs are being eliminated in a manner consistent with this commitment. He further confirmed that the subsidy measures listed above would be notified as provided for in the Agreement on Subsidies and Countervailing Measures upon accession, and that Mongolia applied no other subsidies which fall within the meaning of prohibited subsidies as described in Article 3 of that Agreement, or that would require notification under the provisions of GATT Article XVI:1 or Article 25 of the Agreement. The Working Party took note of these commitments.

Export Measures

24. The representative of Mongolia also stated that his government would maintain the prohibition on the export of raw cashmere only until 1 October 1996, when an export duty at the rate of not more than 30 per cent ad valorem would be introduced. That export duty would be phased out and eliminated within 10 years of the date of Mongolia's accession to the WTO. The representative of Mongolia also stated that export licensing requirements for ferrous and non-ferrous metals would be removed by 1 January 1997. The Working Party took note of these commitments.

State Trading Enterprises

25. A member of the Working Party referred to the broader level of government involvement in State firms and noted that chapter 5 of Mongolia's Entity Law, i.e., the chapter applying to State enterprises, states that the enterprises established by financing from the State centralized funds are accountable to the Government of Mongolia and the central agencies authorized by it; the enterprises established by financing from the local budget resources are accountable to the appropriate local supreme body and its executive branches (Article 39); the enterprise is established by the decision of the Government of Mongolia and/or the authorized State agency. The Director manages the business of the enterprise and is accountable to the Government Department which nominated him or her (Article 42); and the Government of Mongolia and the authorized State agencies will decide the questions of the reorganization and liquidation of the enterprise. He added that these provisions clearly indicated that Mongolian State enterprises were granted exclusive and special rights or privileges in that they were subject to provisions of Mongolian law that place their management, funding and economic fate in the hands of the Government, a situation distinct and more favourable then that applying to privately held companies at the mercy of the market. In his view, Mongolia should notify such enterprises under Article XVII until such time as they are no longer subject to these provisions of the Entity Law.

26. The representative of Mongolia stated that as part of the reforms towards the market based economy the Business Entity Law had been adopted in 1991. Pursuant to that law, all business enterprises were subject to reorganization into a form of legal entity (i.e. partnerships, limited companies, joint stock companies). The Privatization Law, also introduced in 1991, provided for the phased privatization of state owned assets. The implementation of these laws led to the full or partial privatization of former state enterprises. Large enterprises were transformed into joint stock companies and the smaller ones mainly into limited liability companies. In 1995 the Parliament had enacted the Partnership and Company Law which reflected the developments in privatization and the transition process to a market economy since the Business Entity Law entered into force in 1991. The Partnership and Company Law was a company code, which stipulates the procedures for the formation, registration, and winding up of a company. It also established governing bodies, and specified rules in relation to finance and capital and the managerial structure of corporations. All businesses, whether firms or corporations were subject to that Law.

27. In response to a request for information on the State owned trading enterprises, the representative of Mongolia listed the following ten enterprises that were State owned: 1. "Petroleumimport" (import of petroleum products); 2. Consumer Goods Import-Export Corporation; 3. Wholesale Company (supply of consumer goods and others); 4. Wholesale Company of Food Products (supply of food products); 5. "Coal" Company (export of coal and import of equipment, spare-parts, raw materials for coal mining); 6. "Energyimpex" Company (import of energy equipment, parts for energy sector); 7. "Gobi" Company (export of cashmere and other products thereof and imports for its own factory).

8. "Mongolemimpex" Corporation (import and export of medicine); 9. "Erdenet" Corporation (export of copper and molybdenum concentrates and import of goods for "Erdenet" plant); and 10. "Mongolrostsvetmet" (export of fluor-spar and import of goods for its own plant). Mongolia did not consider purchases by the first seven enterprises listed above for the manufacturing process or for resale to be government procurement within the meaning of the WTO Agreement, nor did it consider those first seven enterprises to be engaged in state trading activities because they did not enjoy any exclusive or special privileges in the sense of Article XVII of GATT 1994. They were not subject to any control by the Government, nor to Government directives in relation to their operations. Their operations were not funded by the State budget. Their Directors were employed by contract for a fixed period by the company concerned and were not government employees. The representative said that only the last three corporations listed above, i.e.: 1. "Mongolemimpex" Corporation; 2. "Erdenet" Corporation; and 3. "Mongolrostsvetmet", were engaged in State Trading pursuant to Article XVII of GATT 1994. Those firms were also subject to the Partnership and Company Law. The representative of Mongolia noted that Mongolia had submitted Information on State Trading in document WT/ACC/MNG/6.

28. The representative of Mongolia said that the seven State owned but not State trading enterprises including those covered by the Partnership and Company Law had no exclusive or special privileges, acted in a manner consistent with the principle of non-discrimination and were treated on the same basis as private entities without interference from the Government of Mongolia. The State enterprises were free to purchase and sell goods on the international markets and to acquire imports from any origin. He reiterated that these enterprises operated solely on the basis of commercial considerations, were subject to competition with private enterprises, and would continue to operate on these bases in the future. He added that the State enterprises assessed commissions on the firms that sold or bought goods through them. Business entities were free to carry out any foreign trade transactions without any authorization from the Government or its agencies. Nevertheless, some firms, and especially nascent firms were unable to operate effectively on the international market, because they lacked the sufficient experience to conduct business in an international commercial setting. As a result, those firms approached experienced State or private enterprises in order to take the benefit of their superior experience and knowledge of international trade, or to ask them to conduct sales or make purchases on their behalf. Those firms paid an ad valorem commission fee for that service. The amount of the fee varied depending upon the service rendered. In 1994, the foreign trade turnover had been as follows: State owned enterprises 60 per cent and private enterprises 40 per cent. As of now these enterprises receive neither financial support nor directions from the Mongolian authorities.

29. The representative of Mongolia said that in the view of his Government, at this time only "Mongolemimpex" Corporation, "Erdenet" Corporation and "Mongolrostsvetmet" Corporation, described in paragraph 27 above, were engaged in State Trading pursuant to Article XVII of GATT 1994. Those firms were also subject to the Partnership and Company Law. The representative of

Mongolia confirmed that his Government would apply its laws and regulations governing the trading activities of these enterprises in conformity with the relevant provisions of the WTO Agreement, in particular Article XVII of the GATT 1994 and Article VIII of the GATS. He also said that Mongolia would abide by the provisions for notification, non-discrimination and the application of commercial considerations for trade transactions, and that it would submit its notification under Article XVII at the time of its accession. The representative of Mongolia also said that his government would apply its laws and regulations governing the trading activities of State owned enterprises, and would otherwise act in full conformity with the provisions of the WTO Agreement. The Working Party took note of these commitments.

Privatization Programme

30. Noting that Mongolia had been pursuing a far reaching privatization programme and that more than 88 per cent of State owned property had been privatized through investment coupons, some members of the Working Party requested information on the procedures being followed to carry out this programme in the industrial and agricultural sector, the banking sector, etc. as well as on the legal structure and administration of the enterprises privatized. In response the representative of Mongolia said that as provided for by the Privatization Law, all small enterprises engaged in trading and services as well as independent units of large enterprises were subject to privatization under the "Small Privatization" programme. The "Small Privatization" as well as the privatization of agricultural cooperatives, State and fodder farms through the "Large Privatization" programme had been completed to a large extent by July 1995. Under the "Large Privatization" 95 per cent of State assets had already been privatized. The secondary market of securities had been opened in August 1995 and the shares of enterprises were traded in this market. Privatization of the small enterprises and units which qualified for the "Small Privatization" programme had been completed with the exception of housing privatization. The sensitive and time-consuming issue of privatization of housing units was currently under consideration. Almost all small enterprises and units qualified for the "Small Privatization" scheme had been privatized by means of investment coupons.

31. As provided for in the Privatization Law, the first stage of the privatization programme had been the distribution to the citizens of Mongolia of investment coupons which had enabled them to purchase shares. Each person had been entitled to one pink coupon for the "Small Privatization" and to one blue coupon for the "Large Privatization". The pink coupons could be transferred, sold or purchased through brokers' agencies or traded directly between the holders and buyers. The blue coupons were not transferable. The pink coupons could be used as an investment instrument only once. Thereafter they were no longer marketable. These coupons were valid for two years. The coupons did not earn interest. The secondary market did not deal in coupons. If the coupons had not been used within this period they could be returned to the Government and the charges levied for their acquisition would be refunded.

32. The enterprises privatized through the distribution of investment coupons had been converted mainly to shareholder companies, whose operations were governed by the Partnership and Company Law. The management and control of such companies were carried out through the General Meeting, the Board of Directors, the Auditing Board and the Executive Director. The powers and the functions of these bodies were stipulated in the Partnership and Company Law and more detailed authority and objectives could be included in the Articles of Incorporation of the company. According to the Law, the General Meeting elected and removed the directors and the members of the Auditing Board. The shareholders were entitled to dividends and had one vote per share in the General Meeting. The managerial structure of the companies varied depending on the type and size of the company. In small and private companies, the directors and the shareholders were usually the same. The companies did not make any special payment to State authorities, except those related to their operations as a business entity such as taxes, duties and charges for services received, as provided in the respective laws and regulations. A person holding coupons could become a shareholder either of a small private company under the "Small Privatization" scheme, or of a public company under the "Large Privatization scheme by purchasing shares of the company using those coupons. Such person acquired all the rights conferred by law on a shareholder, including managerial powers. The shares of these companies were traded in the stock markets run by the Stock Exchange and could be purchased by using national or foreign currencies or other assets.

33. The representative of Mongolia added that more than 90 per cent of the livestock had been transferred to private ownership. The agricultural cooperatives, State and fodder farms were operating now as stock companies in which the former members of such cooperatives and farms held shares acquired with their investment coupons. State owned enterprises accounted for 60 per cent of foreign trade, whilst the private sector accounted for 88 per cent of agriculture, 46 per cent of industry, 30 per cent of services and 40 per cent of foreign trade.

34. Until the end of 1990, the State Bank of Mongolia had been the single banking institution and had exercised all the banking functions. With the adoption of the Banking Law in 1991, a two-tier banking system which permitted the establishment of commercial banks operating as public companies had been introduced. Shareholders of those banks were both State enterprises and business entities of the private sector. The share of the private sector in the capital of some banks was predominant. There was no fixed time period for the privatization of commercial banks. However, the further privatization of State enterprises would simultaneously lead to the gradual privatization of commercial banks. Currently there were fourteen commercial banks out of which one was a joint bank, one was State owned and the shareholders of others were both State enterprises and business entities from the private sector. The structure of the privatized entities by the end of July 1995 was as follows:

Table: Mongolia: Number of privatized enterprises by sectors

	Big privatization					Small privatization				
Sectors	1	2	3	4	Sub-total	5	6	7	Sub-total	Total
Industry	49	6	82	42	179	80	59	24	163	342
Construc-tion	26	7	53	74	160	58	115	28	201	361
Transport	22	10	24	33	89	48	23	80	151	240
Telecom		1			1				0	1
Trade and Service	37	5	14	92	148	316	1359	531	2206	2354
Agricul-ture, State and fodder farms	42	27	30	220	319	7	44	44	95	414
Other	19	6	25	68	118	96	160	166	422	540
Total	195	62	228	529	1014	605	1760	873	3238	4252

1. Majority State owned
2. Partly State owned
3. Share holding companies
4. Limited Liability Companies
5. Limited Liability Companies
6. Partnerships
7. Proprietorships

As a result of privatization through investment coupons the private sector of Mongolia produced 63.7 per cent of GDP in 1994.

35. At the request of a member of the Working Party, the representative of Mongolia agreed that it was important to ensure full transparency and to keep WTO members informed of its progress in the reform of its transforming economic and trade regime, and stated that his Government would report every two years to the WTO on developments in its programme of privatization and on other issues as relevant to its obligations under the WTO. The Working Party took note of this commitment.

Investment Regime

36. A member said that the United States and Mongolia had recently concluded a bilateral investment treaty that when ratified would enhance Mongolia's attractiveness to foreign investment. However, that member noted that in the banking sector and concerning the ownership of land, national treatment was not guaranteed. The ban on investment in the production of drugs and other controlled substances could not be applied selectively only to foreign investment. The member noted that this may be a case where private investment was completely prohibited for both foreign and domestic private interests, or a situation

where all investment applicants require prior government approval which may or may not be given. The representative of Mongolia stated that the ban was applied to all enterprises operating in Mongolia, irrespective of the type of their ownership or nationality. All investment in the production of drugs and other controlled substances was prohibited, whether these were state, private, domestic or foreign investors.

37. In response to questions concerning the Foreign Investment Law, the representative of Mongolia said that the restrictions established by the Government Decree 207 had been eliminated. The new Foreign Investment Law which had entered into force on 1 July 1993 was very liberal: foreign investment was permitted in all sectors with the exclusion of activities related to the production of drugs and other similar controlled substances. There had been established a set of incentives for foreign investment in sectors such as mining, metal processing, machinery and infrastructure, which granted partial and full tax relief during a 5 to 10 year period, and tax abatement in a 3 year period for foreign invested enterprises which export more than 50 per cent of their output. Thus, Mongolia accorded to foreign investors both m.f.n. and national treatment.

38. In response to further questions, the representative of Mongolia added that the Foreign Investment Law provided for non-discriminatory national treatment of foreign invested enterprises and set no conditions under which it could be withdrawn. The Foreign Investment Law did not limit the shares of foreign investors, i.e. the enterprise could be wholly foreign owned and thus all the provisions of the Law applied to this type of foreign invested entities. Foreign firms were also able to invest in private enterprises on the same basis as domestic investors, there was no discriminatory regulation in this respect. To constitute an enterprise with foreign investment the foreign investor should contribute not less than 20 per cent of the registered capital. A smaller participation did not entitle the foreign investor to the benefits and privileges provided for by the Foreign Investment Law, but as investor the foreign person (whether natural or legal) was treated equally with domestic investors. Under the existing legislation, foreign investors could invest in any area of the economy, there was no prohibition or restriction indicating specific industries or enterprises, except the production of narcotics which was prohibited within the territory of Mongolia for any person regardless of nationality.

39. Under the Law on Government and the Foreign Investment Law, the Ministry of Trade and Industry was the Government body responsible for the execution of foreign investment policy, and in particular established and handled the approval procedure for establishing foreign invested enterprises. In pursuance of the Foreign Investment Law, the Minister of Trade and Industry had enacted the rules governing the approval procedure. Applications for setting up foreign invested enterprises were considered by the Ministry of Trade and Industry which reviewed the applicant's file in terms of its compliance with legislation, impact of the enterprise on the natural environment, meeting of health and sanitary requirements and the level of technology. All these assessments were sought from the appropriate organizations. The Ministry of Trade and Industry gave its ruling within 60 days from the date of receipt of the application. If the application was

approved, the Ministry of Trade and Industry granted a certificate allowing the establishment of the foreign invested enterprise. Upon such authorization, the General Department of State Taxation which acted as the Register of business entities performed the automatic registration of the foreign invested companies and made the registration public. Actually the approval procedures for foreign investments and domestic investments were the same and there was no discriminatory treatment of foreign investment. Both the approval procedures and the registration of national companies and enterprises were performed by the General Department of State Taxation, whereas the foreign invested enterprises were subject to approval by the Ministry of Trade and Industry.

40. Exemptions from customs duties and sales tax granted to foreign invested firms under the Foreign Investment Law were not conditional and in no way were dependant on export performance. The tax preferences described in article 30 of the Foreign Investment Law were income tax preferences and they did not apply to sales, excise or other kind of taxes. As indicated above, there was no restricted area for foreign investment. Foreign insurance firms could operate within the territory of Mongolia if set up to function in accordance with the Foreign Investment Law. The Foreign Investment Law did not completely cover all issues related to foreign investments. Some of them were embodied in other laws such as the Partnership and Company Law, the Tax Law, the Banking Law, the Customs Law and Labour Law. The Parliament had also enacted the Law on the Status of Foreign Nationals, the Law on International Treaties, the Land Law and the Foreign Exchange Law. Thus other specific matters related to foreign investment issues were reflected in follow-up statutes. In the context of economic and foreign trade policy reforms the existing legislation was being totally overhauled.

41. The Income Tax Law of Business Entities defined the foreign invested firms (both wholly and partially owned by foreign investors) as taxpayers and in this sense extended the exemptions listed in Article 7 to all taxpayers (whether foreign investors or domestically owned entities) who met the requirements for eligibility to such exemptions. The right of establishment of business entities in Mongolia was open to all national and foreign persons who wish to set up a business and have the necessary initial capital required by the law. Foreigners could establish companies in the services area, for example accounting firms and they could be hired as "independent auditors" if they were professionally qualified for this kind of service.

42. The representative of Mongolia stated that Mongolia did not maintain any measure inconsistent with the TRIMS Agreement and would abide by the TRIMS Agreement from the date of accession without requesting any transitional period. The Working Party took note of this commitment.

Customs Procedures and Transparency

43. A member said that Mongolia should make a commitment in the Protocol of Accession to the effect that all trade related laws, regulations or decrees of

whatever character would be published for public review and be fully accessible prior to implementation, and that no laws, regulations or decrees related to international trade would become effective prior to such publication. All Mongolian laws and regulations were published in the official newspapers of the Parliament and the Government, namely: 1. "Ardin Erh", the official newspaper of the Parliament and the Government published all laws enacted by the Parliament; 2. "Zasgiin Gazriin Medee", the official newspaper of the Government published all the Decrees, regulations, orders, etc. adopted by the Government, Ministries and government agencies and bodies; 3. "Turiin Medeelel", a quarterly collection of the laws and regulations adopted by the Parliament and the President; and 4. "Zasgiin Gazriin Shiidveriin Emhtgel", a monthly collection of all Decrees and regulations of the Government. Moreover, decisions and regulations issued by the General Customs Administration, and other State bodies were also made available to the public.

44. The representative of Mongolia stated that from the date of accession, all laws, regulations, or decrees of whatever character related to trade will be published promptly prior to implementation in "Ardin Erh" the official newspaper of the Parliament and the Government or "Zasgiin Gazriin Medee" the official newspaper of the Government in such a manner as to enable governments and traders to become acquainted with them, and that no law, rule, etc., related to international trade will become effective prior to publication in one of those organs. The Working Party took note of these commitments.

Customs Valuation

45. The representative of Mongolia stated that his Government's laws on customs valuation were in full conformity with the WTO Agreement on the Implementation of Article VII of the GATT 1994, and that Mongolia would not require recourse to any transitional period for implementation of that Agreement. Should the services of a preshipment inspection firm be used to assist Mongolia in the implementation of its customs procedures, the Government of Mongolia would ensure that the operations of such firms were consistent with the relevant WTO Agreements, e.g. on Preshipment Inspection and Customs Valuation. The Working Party took note of this commitment.

46. With reference to customs practices and procedures, the representative of Mongolia said that his Government would apply customs practices and procedures in accordance with the provisions of Articles VII, VIII and X of the GATT 1994 and the WTO Agreement on Implementation of Article VII of the GATT 1994 from the date of its accession. By that date Mongolia would amend any provision of law or administrative regulation that provided for practices inconsistent with the above-mentioned provisions. The Working Party took note of these commitments.

Trade Agreements

47. Noting that since the collapse of the trade with the former CMEA countries Mongolia had received substantial loans and financial assistance from a number of countries and international organizations, the representative of Mongolia said that his country was ready to trade with all countries on the basis of equality and mutual benefit. Currently Mongolia had signed WTO consistent agreements on the basis of the m.f.n. principle with some twenty-one countries including Belarus, Canada, China, Kazakhstan, Republic of Korea, Russian Federation, Ukraine, United States etc. as well as with the European Communities. Mongolia supplied the Working Party with a list of all the countries with which it had entered into such agreements. The representative of Mongolia further stated that Mongolia had no agreements with any country that provided for any other form of preferential tariff or other treatment in trade, and that there are no agreements that provide for trade in lists of goods, whether indicative or mandatory.

48. The representative of Mongolia stated that when entering into trade agreements, his government would comply with the provisions of the WTO including Article XXIV of the GATT 1994, paragraph 3 of the Enabling Clause and Article V of the GATS. Mongolia also would notify the WTO of any trade agreements that provided for preferential trade treatment. The Working Party took note of these commitments.

Multilateral Trade Agreements

49. The representative of Mongolia confirmed that his Government would apply the provisions of the Multilateral Trade Agreements in Annex 1A of the WTO Agreement, including the Agreements on Import Licensing, Standards, Anti-Dumping and Subsidies from the time of its accession to the WTO, and would minimize to the extent possible recourse to the derogations from those Agreements provided for developing country members. The representative of Mongolia noted that one member of the Working Party had agreed to provide technical assistance to Mongolia in relation to the application of the Customs Valuation Agreement.

Free Zones

50. The representative of Mongolia said that a special law concerning free zones was under consideration for the promotion of the development of certain backward areas of the country. The representative of Mongolia stated that, at the present time, Mongolia did not actually have any such laws in place, but after accession would in due course provide information to WTO Members on any measures adopted on free zones. The representative added that, upon accession to the WTO, Mongolia would comply with all the obligations applicable to the free zones. A member said that Mongolia should ensure that the goods produced

in any such zones do not benefit from subsidies, e.g. income tax exemptions, are not subject to export performance or trade balancing requirements; and all sales of imported goods from the zones are subject to the normal tax and tariff regime when sold into other parts of Mongolia where the normal customs regime is in effect. In this connection Mongolia should make a commitment in the Protocol of Accession.

51. The representative of Mongolia confirmed that, should Mongolia establish free trade zones, if the output of these zones will be sold into the rest of Mongolia, Mongolia will apply all normal taxes, tariffs, customs charges and other regulations on imports to the products or to their imported components, and that Mongolia will observe the provisions of the WTO Agreement on Subsidies and Countervailing Measures in providing incentives for establishment of firms in the free zones. The Working Party took note of these commitments.

Trade related aspects of intellectual property rights

52. In response to questions concerning Mongolia's legislation on trade related aspects of intellectual property rights, the representative of Mongolia said that the Civil Code of Mongolia recognised both tangible and intangible property rights, including intellectual property rights. In 1993 the Parliament had enacted Copyright and Patent Laws. Under the Copyright Law works were subject to registration with a non-governmental agency called the "Copyright Office". The representative of Mongolia also noted that Mongolia had provided information on the intellectual property regime in Mongolia in document WT/ACC/MNG/4. The Copyright Law protected literary, scientific and artistic creations, computer programmes as well as sound recordings. This Law had institutional provisions and provided the legal status and functions of the Copyright Office. The Copyright Office registered the subject matter of a work and published copyright legislation and exercised other functions as set forth in the copyright legislation. The Law granted the author non-property personal rights and exclusive property rights in respect of the work. The Law also granted producers the exclusive right to reproduce, distribute, and to publicly perform the work in question. Works are protected upon creation. The term of copyright of a particular work began from the day of its making. The term of the exclusive rights in copyrighted works was the life of the author and fifty years after death. The term of copyright of the legal person lasted for a period of 75 years from the first of January of the year following the year of the making of a work. In cases of copyright infringements, civil remedies included injunctions, damages and fines under Article 224 of the Copyright Law.

53. Trade marks and patents were registered and licensed by the Patent Bureau. These entities were not directly authorized to enforce the legislation and any claims or infringement cases were subject to the judicial process. The Patent Law of 1993 gave to the author of invention and industrial design the right of ownership over his invention and industrial design. The Law also provided for a "compulsory license" by which the Patent Office could grant a compulsory license to third parties if the patentee had not used the patented invention in the

territory of Mongolia within three years from the date of grant of the patent, or four years from the filing date of the application. However, the Mongolian Patent Law prohibited certain inventions from being patented, including discoveries, scientific theories and mathematical methods, programs for computers and algorithms, schedules and methods for doing business and playing games as well as "immoral" or illegal items. All patent applications were submitted to the Patent Office, which conducted a normal examination of the application. The process took approximately 18 months and decisions of the Patent Office could be appealed to the Court. He added that Mongolia had the intention of acceding in the near future to the relevant intellectual property conventions.

54. The representative of Mongolia stated that his country's laws in the field of intellectual property rights were already in conformity with the provisions of the Agreement on the Trade Related Aspects of Intellectual Property Rights (TRIPS), and that Mongolia would fully apply the provisions of the Agreement on TRIPS by the date of its accession to the WTO. The Working Party took note of this commitment.

Services

55. The representative of Mongolia noted that information on the Services regime in Mongolia had been provided to the Working Party in document Spec 94(43). The Banking Law of Mongolia had been enacted in 1991. That law established a two-tier banking system comprising the central bank ("Mongolbank") and commercial banks. Mongolbank was both the supreme bank and the Central bank, responsible for supervision of overall banking activity, management of foreign exchange reserves, the setting of reserve requirements, and control of the money supply and administrator of fiscal policy. The Banking Law provided that a commercial bank can engage in one or all of the following activities: acceptance of deposits; lending; guarantees; international payments; purchase and sale of foreign currency; issue and sale of securities; and the safe custody of valuables. Commercial banks were required to have a minimum capital of 400 million Tugrigs. Upon the recommendation of the Mongolbank, the Government could decide to open representative offices or bank branches. Foreign Banks operating within Mongolia were subject to the provisions of the Banking and other relevant laws. Commercial Banks could be either partly or fully foreign owned. Foreign and domestically owned banks were treated equally under the Banking Law. Foreign owned companies could engage in financial consultancy services.

56. In relation to the Communications Sector, the State owned telecommunications company (MTC) was presently the sole provider of telecommunications services, although extensive planning was underway to upgrade the current system. The Government had decided to: adopt a telecommunications law which would open up the sector to foreign competition; to separate the postal and telecommunications functions of MTC; to restructure and privatise MTC; to establish business partnerships between foreign companies and MTC; to attract greater private-sector participation in the sector; and to introduce competition in

the provision of basic and value-added services in the longer term. The Foreign Investment Law would ensure favourable tax treatment for such investors. In relation to the Transport Sector, Mongolia Railways carried around 70 per cent of the country's freight, as well as transhipments between Russia and China. It also connected the three largest cities and transported coal to the power plants in the capital city. Mongolia Railways was a joint venture between Mongolia and the Russian Federation. It was a quasi-independent department of the Ministry of Infrastructure Development. The public trucking industry consisted of 43 large carriers. They handled a significant share of intercity freight, as well as provided passenger services in rural areas. All such carriers had been privatized. International flights were carried out by Mongolian Air. The strategy for the transport sector was to improve the efficiency and commercial orientation of the sector. Consistent with those goals, fuel prices had been freed, and urban transport tariffs had been increased. Foreign investment in the sector was welcomed, and was subject to the provisions of the Foreign Investment Law.

57. In relation to the Tourism Sector, around 10,000 tourists per year visited Mongolia. Several large Hotels catered for those tourists. The Foreign Tourist Corporation of Mongolia no longer had a monopoly on travel arrangements for tourists. Several other private companies now also provided similar services. Currently, the establishment of travel agencies, and businesses to deal with foreign tourism are subject to authorization by the Ministry of Trade and Industry. The representative of Mongolia stated that for the purpose of accession to the WTO Mongolia had negotiated with the members of the Working Party on the basis of a draft schedule of specific commitments in the area of services.

58. Mongolia's schedule of specific commitments in the area of services was annexed to Part II of Annex I to the Protocol of Accession of Mongolia.

Government Procurement

59. The representative of Mongolia confirmed that his Government would seek observer status in the Committee for the Agreement on Government Procurement at the time of its accession with a view to initiating negotiations for membership thereafter. The Working Party took note of this commitment.

Notifications

60. The representative of Mongolia confirmed that draft notifications pursuant to provisions of the following Multilateral Trade Agreements had been prepared and circulated for the review of the Working Party (see paragraph 3 above) and that Mongolia would submit the following notifications upon entry into force of its Protocol of Accession: Agreement on Agriculture; Agreement on Sanitary and Phytosanitary Measures; Agreement on Import Licensing Procedures; Agreement on the Implementation of Article VII of the GATT 1994; and the Agreement on Technical Barriers to Trade. He added that pursuant to the commitments made in the course of the accession negotiations referred to in para-

graph 61 below, notifications pursuant to provisions of the following Multilateral Trade Agreements would be submitted by Mongolia upon entry into force of the Protocol of Accession; the Agreement on Subsidies and Countervailing Measures, the Agreement on TRIMS, the Agreement on Implementation of Article XVII of the GATT 1994, and the Agreement on TRIPS. He also confirmed that all other notifications would be made by Mongolia in accordance with the time limits arising from paragraph 4(b) of Mongolia's Protocol of Accession to the WTO. The Working Party took note of these commitments.

Conclusions

61. The Working Party took note of the explanations and statements of Mongolia concerning its foreign trade regime, as reflected in this report. The Working Party took note of the commitments given by Mongolia in relation to certain specific matters which are reproduced in paragraphs 10, 13, 20, 21, 23, 24, 29, 35, 42, 44, 45, 46, 48, 51, 54, 59 and 60 of this Report. The Working Party took note that these commitments had been incorporated in paragraph 2 of the Protocol of Accession of Mongolia to the WTO.

62. Having carried out the examination of the foreign trade regime of Mongolia and in the light of the explanations, commitments and concessions made by the representatives of Mongolia, the Working Party reached the conclusion that, Mongolia should be invited to accede to the Agreement Establishing the WTO pursuant to the provisions of Article XII. For this purpose the Working Party has prepared the draft Decision and Protocol of Accession reproduced in the Appendix to this report, and takes note of Mongolia's Schedule of Specific Commitments on Services (document WT/ACC/MNG/9/Add.2) and its Schedules of Concessions and Commitments on Agriculture and Goods (document WT/ACC/MNG/9 Add.1) that are attached to the Protocol of Accession. It is proposed that these texts be approved by the General Council when it adopts the Report. When the Decision is adopted, the Protocol of Accession would be open for acceptance by Mongolia which would become a Member thirty days after it accepts the said Protocol. The Working Party agreed, therefore, that it had completed its work concerning the negotiations for the accession of Mongolia to the Agreement Establishing the WTO.

ACCESSION OF MONGOLIA

Decision of the General Council on 18 July 1996
(WT/ACC/MNG/10)

The General Council,

Having regard to the results of the negotiations directed towards the accession of Mongolia to the Marrakesh Agreement Establishing the World Trade Organization and having prepared a Protocol for the Accession of Mongolia.

Decides, in accordance with Article XII of the Marrakesh Agreement Establishing the World Trade Organization, that the Mongolia may accede to the Marrakesh Agreement Establishing the World Trade Organization on the terms set out in the said Protocol.[1]

ACCESSION OF PANAMA

REPORT OF THE WORKING PARTY ON THE ACCESSION OF THE REPUBLIC OF PANAMA TO THE WORLD TRADE ORGANIZATION
(WT/ACC/PAN/19 and Corr. 1)

1. At its meeting on 8 October 1991, the Council of Representatives established a Working Party to examine the application of the Government of Panama to accede to the General Agreement pursuant to Article XXXIII, and to submit to the Council recommendations which might include a draft Protocol of Accession. On 19 December 1995, the Government of Panama advised that it had decided to negotiate the terms of accession of Panama to the Agreement Establishing the World Trade Organization (hereinafter referred to as the "WTO Agreement") under Article XII of the Agreement. Pursuant to the decision of the General Council of 31 January 1995, the Working Party on the Accession of Panama to the GATT 1947 continued as a WTO Accession Working Party.

2. The Working Party met on 20 April 1994, 7 February and 10 July 1995, 5 March and 19 September 1996. The Chairman of the Working Party is H.E. Mr. E. Tironi (Chile). The terms of reference of the Working Party were set out in document WT/L/37.

3. The Working Party had before it, to serve as a basis for its discussions, a Memorandum on the Foreign Trade Régime of Panama (document L/7228, and Add.1), and the questions submitted by Members on the Foreign Trade Régime of Panama together with the replies of the Panamanian Government thereto (documents L/7426 and Add.1-2, L/7624, WT/ACC/PAN/5) In addition, the representative of Panama made available the following documents:

The Constitution of the Republic of Panama;

The Import Tariff; a table of Panama's tariff structure correlating the Harmonized System with the CCCN (Customs Cooperation Council Nomenclature); a table of the new tariff as at 31 May 1994;

Cabinet Decree No. 20 of 26 July 1995 Amending the Import Tariff; Official Journal No. 22706 of 19 January 1995 containing Cabinet Decree No. 2 of 10 January 1995 Amending the Import Tariff;

[1] See under section "Legal Instruments".

Cabinet Decree No. 23 (2 October 1995) Amending the Import Tariff; and Cabinet Decree No. 24 (12 October 1995) Amending the Import Tariff and Enacting Other Measures;

The Fiscal Code of Panama, and a summary of the Draft Law amending certain articles of the Fiscal Code and eliminating the Consular Invoice;

Decree No. 33 of 3 May 1985 containing regulations under Chapter IV of Book I, Title I of the Fiscal Code, on public tendering, competitions, price requests and contracts with the Government;

Preliminary draft law setting out measures covering the regulation of and procedures for import licences, and a summary of the Draft Law on Regulation of Import Licensing Procedures;

Law No. 36 of 1 July 1995 amending provisions of the Tax Code relating to the documents that must accompany goods imported into Panama, customs services fees and the elimination of the consular invoice;

Draft Cabinet Decree establishing the system of valuation of goods for customs purposes;

Summary of the Draft Cabinet Decree on Valuation Procedures for Customs Purposes;

The Draft Law on Valuation;

Preliminary draft law on protection of animal health; a copy of the preliminary draft law on plant health; a summary of the Draft Law on Phytosanitary Measures, a copy of the Draft Law Establishing Sanitary Measures for the Purpose of Improving the Health Conditions of Animals, Humans and the Environment and Bestowing Special Powers on the Ministry of Agricultural Development; a summary of the Draft Law on Zoosanitary Measures; and a Draft Law Enacting Phytosanitary Protection Measures and Adopting Other Provisions;

A list of Sanitary Requirements for Agricultural Products, in document WT/ACC/PAN/17;

Decree No. 3 of 5 April 1978 creating the National Seed Committee, regulating production, processing and marketing of seeds;

Information concerning the régime on technical barriers to trade;

Law No. 28 of 20 June 1995 on the Universalization of Tax Incentives to Production, and a summary of that law;

Informal communication on domestic support and export subsidies in conformity with the Agreement on Agriculture; and details of the supports and incentives available to the Agricultural Sector in Panama in document WT/ACC/PAN/7/Add.1, together with an Agriculture country schedule;

Law on Defence of Competition, containing provisions governing anti-dumping, countervailing measures and safeguards, and abolishing price controls, and a summary of that Draft Law. Information on Industrial Subsidies (document WT/ACC/PAN/7), Information on Fiscal Exemptions Granted to Industry to the Working Party (document WT/ACC/PAN/7/Add.1);

Draft Law No. 92, abrogating the whole of Title VI and Title XXI of Book IV of the Tax Code and Cabinet Decrees No. 35 of 12 February 1970 and No. 22 of 1 February 1972 and other provisions, and establishing the Selective Consumption Tax on Aerated and Alcoholic Beverages and Cigarettes;

Law No. 41 of 13 July 1995 Approving the Paris Convention for the Protection of Industrial Property, of 20 March 1883, as revised at Brussels on 14 December 1900, at Washington on 2 June 1911, at The Hague on 6 November 1925, at London on 2 June 1934, at Lisbon on 31 October 1958 and at Stockholm on 14 July 1967;

Law No. 35 of 10 May 1996 on Industrial Property and an index of its provisions in document WT/ACC/PAN/9;

Information on the remedies available to enforce intellectual property rights in Panama (documents WT/ACC/PAN/5 and 8);

Law No. 15 of 1994 approving the Law on Copyright and Neighbouring Rights;

Cabinet Decree No. 238 of 2 July 1970 reforming the Banking Regulations and creating the National Banking Commission; and

Laws 55 and 56 of 20 December 1984 regulating the conduct of insurance and reinsurance business.

The representative of Panama also submitted the text of the following Agreements:

Agreement between Panama and the United States of America;

Agreement on Free and Preferential Trade with Costa Rica;

Agreement on Free and Preferential Trade with Guatemala;

Agreement on Free and Preferential Trade with El Salvador;

Agreement on Free and Preferential Trade with Nicaragua ;

Agreement on Free and Preferential Trade with Honduras;

Agreement on Free and Preferential Trade with the Dominican Republic;

Partial-Scope Agreement with the United Mexican States within the Framework of the Latin American Integration Association (LAIA);

Caribbean Basin Initiative;

Enterprise for the Americas Initiative;

Trade Agreement between the Government of the Republic of Panama and the Government of the Union of the Soviet Socialist Republics (now the Commonwealth of Independent States, CIS);

Trade Agreement between the People's Republic of Bulgaria and the Republic of Panama;

Trade Agreement between the Republic of Panama and the People's Republic of Hungary;

Trade Agreement between the Government of the Republic of Panama and the Government of the People's Republic of Poland; and

Trade Agreement between the Government of the Republic of Panama and the Government of Romania.

General Statements

4. In his statements the representative of Panama stated that Panama was committed to being an active participant and contributor in the family of nations involved in international trade. The Government had spared no effort in promoting the development of the country through a process of socio-economic transformations. These transformations required a number of economic adjustments aimed at making the economy more open and efficient, as well as the alleviation of poverty and the modernization of the Panamanian State institutions. His Government had realized that the opening up of markets and the globalization of the Panamanian economy represented the only viable way of modernizing the country. Fortunately, the transformation of the economy was becoming a concrete reality. Panama had taken a number of difficult decisions, and was ready to carry out difficult reforms in spite of their economic and political impact which would obviously affect the productive branches of the economy as well as the social sector. Draft laws aimed at developing a free market economy in full conformity with WTO obligations had been prepared in response to the views expressed by members, and had been submitted to the Working Party. The drafts included legislation with respect to the application of import surcharges, the elimination of consular invoices, licensing, customs valuation, unfair international competition, such as anti-dumping and countervailing measures, safeguards, legislation eliminating the system of price regulation and export subsidies. In addition, draft laws regulating phytosanitary and zoosanitary measures and bringing the entire body of domestic legislation into line with the Agreement on the Application of Sanitary and Phytosanitary Measures had also been submitted. His Government was ready to do its utmost to ensure the smooth and rapid accession of Panama to the World Trade Organization.

5. In their general remarks, members of the Working Party welcomed Panama's initial application for accession to the General Agreement, and later on Panama's request for accession to the WTO. Members noted that Panama had undertaken a substantial process of economic and trade liberalisation aimed at improving the standard of living of the population, increasing employment opportunities and achieving diversification of the productive sectors. Although Panama had made significant progress in reforming the economy and the foreign trade régime, further work was necessary to bring Panama's trade régime into conformity with WTO obligations. Recalling the negative costs of protection, some members stressed that pursuing liberalization would be of economic benefit to Panama's future economic growth and development and to the well being of its consumers. These members also expressed support for an early conclusion of the proceedings of the Working Party. Some members recalled their strong regional ties with Panama and welcomed Panama's long lasting and earnest decision to be fully integrated into the multilateral trading system. Recalling the recent comprehensive economic reforms introduced by Panama, some members

stressed that this would facilitate the assumption of WTO obligations. Some members of the Working Party notified the intention to enter into bilateral market access negotiations with Panama. With reference to the possible membership of Panama in the World Trade Organization, some members stressed the need for comprehensive information concerning the WTO related issues and for the early commencement of negotiations concerning market access on goods including agriculture as well as services and TRIPS, etc. The information submitted by Panama in this respect is described hereunder in the corresponding sections of this report.

Foreign Trade Régime

6. The Working Party reviewed the foreign trade régime of Panama and the possible terms of a draft decision and Protocol of Accession to the WTO. The views expressed by the members of the Working Party are summarized below in paragraphs 7 to 115.

Economic Policies

7. The representative of Panama informed the Working Party that his country has no Central Bank and no restrictions on the movements of capitals. The United States dollar together with the national currency, the Balboa, are of legal tender in the Republic of Panama by virtue of a 1904 monetary agreement between the two countries. He also stated that Panama is a member of the International Monetary Fund since 1946. Regarding fiscal policies he stated that they were based on three main objectives: reduction of government expenses, through modernization of public institutions and privatization of public enterprises; restructuring and amortization of public debt; and more equitative and efficient tax collection.

Price controls

8. In response to members' questions concerning the Government's authority to impose price controls with regard to some 361 products which, inter alia, included vitamins, medicines and food products, including poultry, apples and grape juice, certain cereals, certain vegetable oils etc., the representative of Panama explained that the prices of a substantial number of products classified as essential had previously been subject to government control. Panama supplied a list, by HS tariff line, of all imports currently subject to price controls. Steps to eliminate these controls had been undertaken. In 1989 174 products and 2 types of services had been subject to control; by the end of 1995 price controls had been reduced to 36 products and 2 types of services. These are listed in Annex 1. Panama provided information concerning the operations of the Office of Price Regulation which was subsequently replaced by the Office of Consumer Protection. The prices of the covered products had been fixed on the basis of an appli-

cation from the producer or distributor of the good or service. Price controls, when applied to imported products are equally applied to domestic products. However, in some cases, price controls applied to domestic products are not always applied to imported products.

9. The representative of Panama supplied the text of the Law on Defence of Competition to the Working Party. He stated that the Law on Defence of Competition, enacted as Law No. 29 of 1 February 1996, provided for the abolition of most of the remaining price controls. The representative of Panama stated that the law did not completely eliminate all price controls. During a transitional period of five years, from 1996 to February 2001, the Government could regulate, on the same basis, the prices of domestic and imported products which were subject to an import tariff of greater than 40 per cent, or if the Government otherwise had cause to believe that a distributor or marketer of the product was engaging in anti-competitive behaviour constituting a threat to consumers and to free trade. At the end of that five year transitional period, the provision permitting the Government to impose price controls would expire. The representative of Panama said that the Government of Panama is trying to convert its economy into a market economy. In order to do that, reforms will take place during a transitional period in which the economy will not be centrally planned nor a market economy, requiring the Government to intervene on behalf of the consumer, every time anti-competitive behaviour arises from the possible distortions to the market economy. This might be the case for domestic goods when they are shielded from foreign competition through import tariffs equal or above 40 per cent. Some members noted that the effect of Article III of the GATT 1994 was to oblige WTO Members to apply price controls strictly in conformity with national treatment obligations and to be mindful of the need to take into account the interests of exporting Members. Some members of the Working Party said that price controls could prejudice the interests of members supplying imported products. The representative of Panama stated that no legislation in force nor planned legislation contravened the obligations contained in Article III of the GATT 1994.

10. The representative of Panama confirmed that price controls on products and services in Panama have been eliminated with the exception of those listed in Annex 1 and commits that these controls, and any that are introduced or reintroduced in the future, would be applied in a manner consistent with the requirements of the WTO Agreement, in particular Article III.9 of the GATT 1994. The Working Party took note of this commitment.

Framework of Foreign Trade Policies

11. The representative of Panama explained that regarding foreign trade, the political Constitution of the Republic of Panama empowered the Executive Branch of the Government to conduct all foreign relations of the Republic including trade matters. As for import tariff policies, the Constitution establishes that both the Executive and the Legislative Branches are responsible. The Judicial Branch is empowered to review under the Constitution and the Law all ad-

ministrative acts of the Executive Branch, and any person affected by the administrative act is entitled to this recourse. The Judicial Branch is also empowered to review the constitutionality of any law adopted by the Legislative Branch and any citizen or resident of the Republic is entitled to this recourse.

Tariff nomenclature

12. Members of the Working Party enquired whether Panama applied the Harmonised System of import classification. The representative of Panama stated that on 15 July 1994 the Harmonized System had been fully implemented in Panama, and provided the Working Party with a copy of the new Harmonized Tariff.

Tariff régime

13. Members of the Working Party sought information from Panama on the tariff régime as a basis for subsequent tariff negotiations. Some members of the Working Party noted that since 1986 in pursuance of Law No. 3, Panama had put into effect a tariff reduction programme which had reduced ceiling duty rates to 60 per cent for industrial products and 90 per cent for agro-industrial products. Nonetheless, for some 48 tariff headings such as lentils, rice, pork, tomato juice, etc. import duties were equal to or higher than 90 per cent. These members asked Panama to update the information on the reduction of rates of duty. Noting that the authority of the Executive to alter duties, customs fees and other trade measures have been challenged in the courts, they requested information on the status of this challenge. These members stressed moreover that the Panamanian Executive would be expected to undertake to exercise this authority in conformity with WTO conditions. In addition, some members noted that some 20 per cent of Panama's imports were exempted from duties as inputs to domestic production and enquired whether Panama would maintain such programmes in effect after accession to the WTO. In response, the representative of Panama stated that, regarding the Executive's authority to alter duties, the Panamanian Supreme Court of Justice upheld the authority of the Executive to alter tariffs, and as for the exceptions of duties for inputs, Panama not only would maintain this programme, but has recently approved Law No. 28 of 1995, that would allow all producers to import their inputs with a special tariff rate of 3 per cent ad valorem, if those inputs are not produced in the country. The programme is applied to imports of all countries. Panama made its customs tariff, as well as all subsequent revisions, available to members of the Working Party. In response to statements that the tariff system lacked transparency, the representative of Panama responded that the system was similar to that applied by certain WTO Members, but that Panama was willing to discuss any suggestions for future reform of the tariff.

14. In reply to questions from members of the Working Party, the representative of Panama stated that Panama applied a mixed (both specific and ad valorem) tariff system. The mixed tariffs were composed of two different types of

tariff, one specific and one ad valorem. The specific tariff included an amount which represented an additional surcharge calculated as a percentage of the value of the merchandise. Once the amount of the ad valorem and the specific tariff (including its surcharge) were calculated, the rate applied was the tariff that produced the higher amount of tax. Some members stated that they considered that the amount of the surcharge on the specific rate of duty (which was 2.5, 3.5 or 7.5 per cent, depending on the product), was high and did not seem compatible with the GATT 1994. The representative of Panama stated that the amount of the surcharge formed part of the import tariff. His Government had no intention of removing the surcharge, which had been developed to fund a social housing programme.

15. In accordance with usual procedures, Panama entered into bilateral market access negotiations on goods with interested WTO members. In response to questions about how Panama intended to bind mixed duties which required choosing from two duty calculations and applying whichever amount was higher, the representative of Panama initially stated that Panama reserved the right to bind, in the market access schedule on goods, any of the types of duties in effect which had been negotiated with WTO members consistently with the GATT 1994. Later on he said that Panama would incorporate surcharges and bind import duties at single ad valorem rates. The Schedule of market access concessions on goods which reflects the result of those negotiations is reproduced in Part I of the Annex to Panama's Protocol of Accession to the WTO.

16. The representative of Panama stated that Panama would bind all duties and charges, other than the ordinary customs duties, listed in its goods schedule annexed to its Protocol of Accession under Article II.1(b) of the GATT 1994, at zero on all products. The Working Party took note of this commitment.

Other Fees and Charges for Services Rendered

17. The representative of Panama informed members of the Working Party that in addition to customs duty, several other charges were imposed. Stamp duties and fees related to the processing of import documents consisted of: (i) a stamp duty on each package, two cents (0.02 cts.) per package; (ii) a peace and social security stamp, twenty cents (0.20 cts.) on each customs declaration-assessment document; and, (iii) a revenue stamp, one dollar per copy of the customs declaration-assessment document. In addition, a Consular Administrative Costs Fee (TCAC) was applied. The representative of Panama stated that the two cents stamp duty on each package and the 20 cents peace and social security stamp were eliminated by Law No. 36 of 1995.

18. The representative of Panama noted that in addition to the charges specified in the preceding paragraph, imports of spirits and tobacco were subject to the following taxes:

(a) Stamp duty for the anti-tuberculosis campaign; 0.06cts. to 0.21 cts. per litre

(b) Domestic consumption stamps: these stamp duties were levied according to the amount of contents of the bottle or container (beer and some wines are exempted).

- containers with a capacity of not more than 100 c.c.; stamp duty of 20 cents (0.20 cts)
- containers with a capacity of more than100 c.c. but not more than 900 c.c.; stamp duty of 2.50 dollars ($2.50)
- containers with a capacity of more than 900 c.c. but not more than 1,800 c.c.; stamp duty of 3.50 dollars ($3.50)
- containers with a capacity of more than 1,800 c.c.;stamp duty of 4.50 dollars ($4.50)

19. In connection with the stamp duty, some members considered that certain provisions concerning its application to liquors and cigarettes were discriminatory and contrary to the national treatment provision of the WTO, inter alia, Article III of GATT 1994. In response, the representative of Panama stated that the stamp duty for the anti-tuberculosis campaign and the domestic consumption stamps applied to spirits and tobacco had been eliminated by Law No. 45 of 1995.

20. In response to questions from some members of the Working Party, the representative of Panama stated that all importers of goods to Panama were required to submit a "consular invoice" when clearing the goods. The consular invoice was a document prepared by the Panamanian Consulate in the country of export. The purpose of the requirement for a consular invoice was to certify the veracity of the commercial invoices and the description of the goods to be imported. In addition, the consular officials converted the value of the goods in the currency of export into Panamanian currency. If the consular officers determined that the value recorded on the invoice was not consistent with the currently prevailing price for the goods in the exporting country, the currently prevailing price in the country of export would be substituted.

21. The representative of Panama stated that a "consular administrative fee" was also payable, which varied depending on the f.o.b. value of the goods. He provided the Working Party with details of the amount of that fee. In response to questions concerning the compatibility of the consular administrative fee with the requirements of Article VIII, the representative of Panama stated that it considered that the fee represented the cost of the service provided by the Government of Panama. Following further questions and comments from members of the Working Party concerning the compatibility of the consular administrative fee with the requirements of Article VIII, the representative of Panama stated that the requirement of consular approval in the exporting country of forms and documentation required for importation of goods and the corresponding fee had been eliminated by Law No. 36 of 6 July 1995.

22. The representative of Panama confirmed that Panama had abolished consular fees and invoices and document certification requirements, as provided for

in Law no. 36 of 6 July 1995, and would not reintroduce them. The Working Party took note of this commitment.

23. The representative of Panama also stated that prior to accession the customs service fee of $70 for transactions over $2000 would replace other customs fees and charges for services rendered and would be the only customs charges other than the customs duty applied to imports and would not be included in the base for calculation of the customs duty. He added that from the date of accession any application of fees and charges by Panama for services rendered for imports or exports would be in accordance with the relevant provisions of the WTO Agreements, in particular, Articles VIII and X of GATT 1994. The Working Party took note of these commitments.

Application of Internal Taxes

24. At the request of some members of the Working Party, the representative of Panama also provided details of the "ITBM" tax. That tax applied to the transfer of tangible property in Panama by sale, exchange, payment, contribution, assignment or any other act, contract or agreement which involved the transferring of title in the goods, regardless of their origin, i.e., it also applied to domestic goods. In the case of sales, the tax was payable at the moment when the seller issued the invoice, even if delivery occurred later. He stated that in the case of imports, Article 1057(v) of the Fiscal Code provided that the taxable base of the tax was the c.i.f. value plus all the taxes, charges, levies, and customs duties that apply to the imported goods. If the c.i.f. value was not known, the value was determined by adding 15 per cent to the f.o.b. value. The ITBM tax on the transfer of personal property was also collected on domestic products. The transfer of property tax was applied to all imports when they entered the Panamanian customs territory. Since it was a tax on value added, once the importer sold the product, the importer collected 5 per cent (5%) of the selling price from the purchaser and remitted the difference between the price obtained from the purchaser and what was paid at the time of importation to the Treasury. In the case of spirits and tobacco, the ITBM is 10 per cent and is applied in the same manner to domestic and imported goods. Only in the case of soft drinks was the ITBM applied exclusively to imports, to balance the production tax collected on domestic soft drinks, which was also 5 per cent (5%). In cases other than imports and leases, the ITBM was applied when the deed or contract was signed, or when the goods were delivered by any of the means authorized by law. He further informed the Working Party that paragraphs 7 and 8 of Article 1057(v) of the Fiscal Code of Panama provided for certain exceptions from the ITBM tax. Paragraph 7 provided that the following were not subject to the ITBM tax:

(a) Transfers of goods *mortis causa*, free of charge, or by deed between living persons already subject to inheritance and gift tax;

(b) transfers in connection with marriage settlements, and contribution or separation of conjugal property;

(c) expropriation and sales by the State, except those made by State industrial and commercial companies;

(d) sale of property under any ordinary or special proceedings, including proceedings for the separation of property;

(e) transfers of negotiable instruments and securities in general.

Paragraph 8 of Article 1057 (v) of the Fiscal Code provided that the following were exempt from the ITBM tax:

(a) Sales of agricultural, poultry, cattle and other similar products, in their natural state or subjected only to a fattening, butchering or chilling process by the producers;

(b) sales of fishermen's and hunters' products, in their natural state or subjected only to a chilling or freezing process by the producers;

(c) exports and re-exports;

(d) transfers made to the Panama Canal Commission or to the United States Armed Forces; as defined by the Panama Canal Treaty of 7 September 1977 and its related agreements;

(e) transfers of tangible personal property in the free zones legally authorized in the Republic of Panama;

(f) operations involving tangible personal property located in customs areas and warehouses where ownership was transferred through the endorsement of documents;

(g) transfers of soft drinks already subject to the Soft Drinks Tax;

(h) imports and transfers of oils, lubricants and related products specified in the following subdivisions of the Tariff: 313-01-01, 313-01-01A, 313-01-01B, 313-01-01C, 313-01-02, 313-01-03, 313-01-04, 313-01-05, 313-02-00, 313-03-01, 313-03-02, 313-03-99, 313-04-01, 313-04-02, 313-09-00, 314-01-00, 314-02-00;

(i) imports and transfers of food products;

(j) imports and transfers of medicinal and pharmaceutical products specified in Group 541 of the Tariff; and

(k) imports and transfers of the following products:

1. Manufactured fertilizers of tariff subdivisions: 271-01-00; 271-02-00; 271-03-00; 271-04-00; 561-01-00; 561-02-00; 561-03-00 and 561-09-00.

2. Insecticides, fungicides, herbicides, disinfectants and the like, used in agriculture and animal husbandry, of tariff subdivisions: 599-02-01 and 599-02-02.

3. All seeds used in agriculture.

4. Barbed wire specified in tariff subdivision 699-05-01.

5. Hand tools used in agriculture, such as machetes, grub hoes, hoes, shovel-hoes, and goads.

In the case of exemptions provided for in paragraphs (c) and (d), a tax credit was allowed on the amount of tax charged on domestic purchases and imports incorporated in the cost of the exports, re-exports or goods transferred to authorized agencies of the Government of the United States located in the Panama Canal Zone.

25. The representative of Panama stated that the ITBM would be retained after accession. In his Government's view the ITBM was a value added tax like those applied in most countries of the world, and was consistent with WTO rules. Some members of the Working Party stated that they considered that some of the exemptions had the effect of applying the ITBM to imported goods and not to domestically produced goods, in particular the exemption for producers of agricultural products in a raw or slightly processed state. The representative of Panama stated that the exemption for agricultural products in a raw or slightly processed state was applied to both domestically produced and imported products. In response to a further question, the representative of Panama provided the Working Party with the HS Codes of the agricultural products which were subject to the ITBM, as well as a list, also by HS Code, of those products exempted from the ITBM.

26. The representative of Panama stated that, as of the date of accession, the only domestic tax or internal charge applied to imports would be the Tax on the Transfer of Tangible Personal Property (ITBM). He further stated that, from the date of accession, any application to imports of domestic taxes or other internal charges of any kind would be in accordance with the provisions of the WTO Agreements. The Working Party took note of this commitment.

Import Formalities Including Customs Valuation

27. In response to questions from members of the Working Party, Panama explained that it had taken steps to simplify some of the procedures for importation. In that respect, a new and simpler customs declaration form has been adopted and the necessary steps to obtain a commercial licence have been reduced. Commercial licences are necessary to engage in any economic activity, other than agriculture, and any person or corporation can obtain one provided that it complies with the following requirements: to fill the form with general information and, when requesting a licence for retail trade, to be Panamanian or, in the case of corporations, be owned by Panamanians.

28. The representative of Panama stated that, on average, customs formalities took three business days. Import formalities could be commenced prior to the actual arrival of the goods, provided that the original shipping documents were available. If the original documents could not be produced, the importer could clear the goods following lodgement of a declaration with a deposit of a bond in the amount of the tax payable, plus a surcharge of 5 per cent of the c.i.f. value of the merchandise.

29. As of 1 January 1995, and as part of its efforts to comply with WTO requirements, Panama adopted the Harmonized System of Customs Classification

and it became a member of the World Customs Organization since the beginning of 1996. Currently Panama is studying the possibility of becoming a member of the Kyoto Convention, the Rules of Origin Agreement, and the Harmonized System Convention.

30. Some members of the Working Party noted that in the case of some products, e.g. rice, maize, sorghum, poultry meat and steel, Panama applied fixed levels of valuation for imports. In addition, Panama had created a data base of reference prices for customs valuation appraisal of imports; if the import value declared by the importer was over the margins established in the data base, the importer was forced to support this price or to pay the duty over the adjusted value calculated according to the data base. In their view, this practice operated de facto if not de jure as a minimum valuation scheme. In accordance with the WTO Agreement on Customs Valuation, the use of a list of average import prices as a surrogate valuation method was not permissable. Panama was invited to submit for review by the Working Party a draft response to the questionnaire on customs valuation.

31. The representative of Panama explained that the taxable basis of imported merchandise was costs paid or payable prior to entry into the first Panamanian port of call. Following arrival at that first Panamanian port, all expenses for services performed within the national territory of Panama, such as insurance, were excluded from the base value in order to avoid double taxation of the goods.

32. In response to questions from some members of the Working Party, the representative of Panama said that Panama had prepared a draft law on Customs Valuation which was in conformity with the Agreement on Customs Valuation. The draft of that law was supplied to WTO Members in document WT/ACC/PAN/5. In response to concerns raised by some Working Party members in relation to Panama's system of reference prices, the representative of Panama explained that although Panama had previously used a system of reference prices, the Draft Law on Customs Valuation would eliminate that system of valuation.

33. Concerning the importation of motor vehicles, the representative of Panama noted that at the time of entry, the declared price for the motor vehicle was checked against the factory price list covering the precise specification of motor vehicle imported. That price list was supplied to Customs by the vehicle importer. In the event that the declared price was significantly different from the declared value, the value appearing on the factory price list was used. Imports of used motor vehicles were valued and taxed as if they were new, although vehicles more than three years old could be depreciated by specified amounts. The base price used as the basis for the valuation of the used motor vehicle was derived from industry publications.

34. With reference to customs practices and procedures, the representative of Panama said that his Government would apply customs practices and procedures in accordance with the relevant WTO provisions including those of Articles VII, VIII and X of the GATT 1994 from the date of its accession. By that date, Panama would amend any provision of law or administrative regulation that pro-

vided for practices inconsistent with the above-mentioned provisions. He further stated that from the date of accession the use of minimum import prices would be eliminated and, that in accordance with the WTO Agreements on Agriculture and Implementation of Article VII of the GATT 1994, such measures would not be reintroduced. The Working Party took note of these commitments.

35. The representative of Panama stated that by July 1996, his Government would enact a decree law on customs valuation that would be in full conformity with the WTO Agreement on the Implementation of Article VII of the GATT 1994, and that that law would come into effect by 1 January 1997. Panama would not require recourse to any additional transitional period for implementation of the Agreement. The Working Party took note of this commitment.

36. The representative of Panama said that should the services of a preshipment inspection firm be used to assist Panama in the implementation of its customs procedures, the Government of Panama would ensure that the operations of such firms were consistent with the relevant WTO Agreements, in particular, on Preshipment Inspection and Customs Valuation. The Working Party took note of this commitment.

Non-Tariff Measures

37. Some members of the Working Party welcomed the removal of products from the list of those subject to quantitative protection a process which Panama had initiated unilaterally. They requested that Panama submit a chart describing the universe of remaining quotas, import licensing or permit requirements and authorizations applied to imports with their specific justification in terms of WTO, indicating also if permits were granted on an automatic or discretionary basis. These members noted that quota levels were not generally announced and that for some products the amount of local production that an importer had purchased conferred eligibility on a request for a quota. In their view, these practices appeared to be inconsistent with Articles III, X and XI of GATT 1994. In general, the WTO favoured the application of price based measures instead of quantitative restrictions for protection. Any remaining restrictions, or those applied by Panama during a scheduled period of elimination, should be published at a central point established for information as provided in the Agreement on Import Licensing Procedures. The provisions of other WTO Agreements, such as the Agreement on Safeguards, should also be observed.

38. In response to questions from members of the Working Party, the representative of Panama stated that Panama had previously applied import quotas to imports of, inter alia, potatoes, onions, beans (Vigna), kidney beans, lentils, vetches, peas, dwarf beans, maize, sorghum, pork and poultry meat. Those import quotas had been abolished through the following decrees: Decree No. 51 of 22 September 1993 (amended by Decree No. 61 of 27 October 1993); Decree No. 55 of 13 October 1993; and Decree No. 56 of 13 October 1993 (amended by Decree No. 61 of 27 October 1993, in turn amended by Decree No. 69 of 24 December 1993). The Representative of Panama stated that the remaining

import quotas on agricultural products were currently administered by the Ministry of Agricultural Development, the Controller General and the Ministry of Finance and the Treasury. The representative of Panama supplied the Working Party with Information on Import Licensing Procedures, including a list of items by tariff line that were subject to non-tariff measures in documents WT/ACC/PAN/5 and 6.

39. In response to further questions, the representative of Panama provided more detailed information on the system of import quotas and bans. In document WT/ACC/PAN/8, the representative of Panama supplied the Working Party with a current list, by current and HS classification, of all imports no longer subject to Quotas and Prior Licensing. The representative of Panama reported that import quotas and bans, prior authorizations or permits and other quantitative restrictions were abolished for, *inter alia*, kidney beans, maize, sorghum, and pork and poultry meat by a series of decrees in late 1993. The representative of Panama also stated that the remaining products under quantitative restriction were: quotas on dairy products, fats and oils, sugar, yeast, fishmeal, and salt; licensing restrictions on animal fats, certain vegetables, and preparations for food processing; and reference prices on poultry, maize, rice, sorghum, corn meal, and steel reinforcing bars. He added that his Government did not, in general, publish the quota levels for imports restricted by such measures. He acknowledged that this was not consistent with Articles X.1 and XI.2 of the GATT 1994 and were not justified by Article XIX and the Agreement on Safeguards, nor with the WTO Agreement on Import Licensing Procedures, which require that quotas be published indicating the total quantity and value permitted for importation during a specified period. Import authorizations were granted on a discretionary basis only if there are no domestic substitutes available. The representative of Panama also stated that tariff rate quotas would be administered on a case-by-case basis, giving preference to a public bidding process when possible. The representative of Panama noted that his Government had supplied comprehensive information to the Working Party concerning its import licensing régime in document WT/ACC/PAN/6.

40. In light of members' questions and comments, the representative of Panama made available to members of the Working Party a draft law revising the import licensing régime in Panama. Following members' further comments on that draft law, the representative of Panama informed members of the Working Party that the draft law had been revised to take account of members' comments, and the requirements of the Agreement on Import Licensing. The draft law would simplify the procedure for obtaining licences and would eliminate any discrimination arising from their application.

41. The representative of Panama stated that from the date of accession to the WTO, trade in goods including agricultural products would be administered in accordance with WTO obligations, including the Agreement on Import Licensing Procedures. As of its date of accession to the WTO, Panama would eliminate all quotas, restrictive import permit requirements, bans and reference prices, except as expressly permitted under the WTO Agreement. All unnecessary permit requirements would be eliminated. Panama would not seek a delay in the appli-

cation of Article 2 of the Agreement on Import Licensing. The Working Party took note of these commitments.

42. The representative of Panama confirmed that, from the date of accession, the authority of his Government to suspend imports and exports or to apply licensing requirements that could be used to suspend, ban, or otherwise restrict the quantity of trade would be applied in conformity with the requirements of the WTO, in particular Articles XI, XIII, XVIII, XIX, XX, and XXI of the GATT 1994, and the Multilateral Trade Agreements on Agriculture, Sanitary and Phytosanitary Measures, Import Licensing Procedures, Safeguards and Technical Barriers to Trade, and that his Government would eliminate from the date of its accession, non-tariff import measures, including bans, quotas, permits, prior authorization requirements and licences that could not be justified specifically under WTO provisions. In particular, Panama would apply no less favourable controls, criteria and rules regarding technical regulations, standards certification and labelling requirements to imported and domestic goods, and would not use such regulations to restrict imports unnecessarily. Panama would ensure that its technical regulations, standards, certification and labelling requirements were not applied to imports in an arbitrary manner, in a way that discriminated between supplier countries where the same conditions apply or as a disguised restriction on international trade, in accordance with WTO provisions. Panama would also ensure that from the date of its accession its criteria for granting prior authorization or for securing required certification or "sanitary registration" for imported products would be published and made available to traders, and would be administered in a transparent, expeditious and nondiscriminatory manner. Panama would be willing to consult with WTO Members concerning the effect of these requirements on WTO Members trade with a view to resolving specific problems. The Working Party took note of these commitments.

Agreement on Technical Barriers to Trade

43. In response to requests for information from members of the Working Party concerning technical barriers to trade in Panama, the representative of Panama stated that the following legislation regulated technical and industrial standards: Decree 282 of 13 August 1970; Law 2 of the 11 February 1982, Creating and assigning functions to the Dirección General de Normas y Tecnología Industrial (the Directorate-General for Industrial Standards and Technology); and Decree 63 of 4 May 1971, To approve the regulations implementing Cabinet Decree 283 of 13 August 1970, which established the Comisión Panameña de Normas Industriales y Técnicas (COPANIT) (Panamanian Commission for Industrial and Technical Standards). Decree 63 determined the powers and functions of the Panamanian Commission for Industrial and Technical Standards (COPANIT) which was responsible for studying and recommending technical standards and establishing the general system for technical standardization practices.

44. He explained that the procedure for amending existing regulations consisted of three phases: the Preparation of the draft; study of the draft; and the public discussion of the draft. Once the draft had been approved it went through

a preliminary draft stage which consisted of the publication of an announcement in a local newspaper, setting a time-limit of 60 days for comments on the document (Article 6 of Executive Decree No. 63 of 4 May 1971). If as a result of comments it proved necessary to draft a second proposal, that must be published for public inspection for a period of 30 days. Once comments were received the preliminary draft was submitted to the plenary of the Panamanian Commission for Industrial and Technical Standards (COPANIT) for approval and ratification by the Ministry of Trade and Industry. Thereafter the document was published in the Boletín de la Propiedad Industrial (Industrial Property Bulletin) of the Ministry of Trade and Industry. Once the standard had been approved and published in the Industrial Property Bulletin, the Directorate-General for Industrial Standards and Technology sent a copy to all national entities and international standardization bodies (Article 7 of Executive Decree No. 63 of 4 May 1971). Panama supplied detailed information concerning its régime on Technical Barriers to Trade in document WT/SPEC/2.

45. In response to comments from members of the Working Party, the representative of Panama stated that his Government had joined the International Organization for Standardization (ISO). He added that his Government was drafting new provisions in order to adapt the relevant legislation and make it consistent with the requirements of the Agreement on Technical Barriers to Trade, when Panama becomes a Member of the WTO.

46. Specific functions under the Agreement on Technical Barriers to Trade were carried out through the Directorate-General for Industrial and Technical Standards (COPANIT). COPANIT was a member of the Pan-American Standards Commission, an international standardization and certification body and a member of the International Organization for Standardization (ISO). The system was thereby harmonized with international systems. COPANIT worked in close communication with the Ministry of Trade and Industry, an institution of the Central Government. The Commission had the authority to undertake its activities, including inspections of institutions, at national and local levels.

47. The representative of Panama stated that upon accession to the WTO, Panama would comply with all the provisions of the Agreement on Technical Barriers to Trade without recourse to any transitional arrangements. The Working Party took note of this commitment.

Agreement on Sanitary and Phytosanitary Measures

48. A member of the Working Party noted that Section I of Decree No. 57 (2 July 1956) established the basis of Panama's protection in the area of sanitary and phytosanitary measures. Law No. 7 of 30 March 1993 had expanded the Government's protective authority. The information available to this member demonstrated that the sanitary regulations established in Law No. 7 applied only to poultry parts and not to other poultry products and that these requirements appeared to be applicable exclusively to imports and not to competing domestic poultry production. Moreover, the sanitary requirements with re-

gard to poultry appeared to exceed the requirements of the International Organisation of Epizootics (OIE) and, in some cases, imposed standards impossible to meet. As every agricultural product which entered Panama was subject to either a sanitary or phytosanitary certificate, the additional precautions seemed redundant. In the view of this member, these requirements were inconsistent with Articles XI and XX of the GATT 1994 and the provisions of the Agreement on SPS. Panama should repeal these provisions and establish WTO-consistent sanitary requirements for poultry products. Some members of the Working Party also noted that Panama should provide assurances that current protective practices would be reformed to comply with WTO norms. In particular, these members noted that some of the draft laws provided to the Working Party did not appear to reflect the requirements of the Agreement on Sanitary and Phytosanitary Measures and the principle of equivalency. Under the SPS Agreement, an importing country is obliged to accept the SPS measures of another country as equivalent if the exporting country objectively demonstrates that its measures achieve the importing country's level of protection. The draft laws also included public health issues in the area of additives, maximum residue levels, etc. which were not plant and/or animal health issues.

49. The representative of Panama replied that Panama was free of disease in the poultry sector. In order to maintain high health standards, the Ministries of Agricultural Development and Health had qualified veterinary doctors carry out regular field inspections and inspections of processing plants. The sanitary regulations in effect with regard to imports were aimed at preventing the introduction into Panama of exotic diseases or pests harmful to human or animal health and had no protectionist aim or design. Not all imports of agricultural products were subject to phytosanitary certificates. The representative of Panama provided the Working Party with a list of the sanitary requirement for imports of agricultural products in document WT/ACC/PAN/17. Imports of agricultural products in a natural state required this certificate but, except in a few cases, processed agricultural products did not require such a certificate. With regard to the sanitary certificate, he said that all products for human consumption, both domestically produced and imported, must have a sanitary register issued by the Ministry of Health. This was nothing more than a customs health control measure and the certificate could be obtained rapidly. Recently prepared draft laws had, inter alia, reflected the principle of equivalency in Article 19 of the Draft Law on Animal Health, Title II, General Provisions; and Article 11 of the Draft Law on Plant Health, Title II, Chapter II, Principles and Definitions. The representative of Panama explained that those laws set the criteria for and empowered the Ministries to issue regulations on sanitary and phytosanitary matters. Following preparation of the draft regulations, a National Consultative Regulatory Committee would examine the draft regulations, the regulations would be published in the Official Gazette, and the regulations would become law thereafter. Some members stated that the WTO Agreement on Sanitary and Phytosanitary Measures required that at least sixty days prior to any modification of such a law, a notification be provided to the WTO. The representative of Panama stated that Panama was aware of the requirement to notify any such legislative change at least sixty days prior

to its entry into force. The laws would apply to all imports following Panama's entry into the WTO.

50. In reply to further questions, the representative of Panama stated that in the case of a decision that a product was not acceptable, all natural or legal persons could lodge an administrative appeal to the decision maker and following that to the Minister for Agricultural Development. Concerning diseases subject to compulsory notification, Article 4 of the Law on Animal Health provided that all Organisation Internationale des Epizooties (OIE) Classes A and B diseases were required to be notified. In addition, the Ministry of Agricultural Development retained the power to require other diseases to be notified. In response to further questions and comments from members of the Working Party indicating that they considered certain aspects of Panama's régime on Sanitary and Phytosanitary Measures to be contrary to provisions of the Agreement on Sanitary and Phytosanitary Measures, the representative of Panama made available to members of the Working Party two draft laws modifying Panama's régime on Sanitary and Phytosanitary Measures. Following further comments from members of the Working Party, the representative of Panama indicated that the draft laws had been modified to take account of members' concerns. He further indicated that those draft laws were before the National Assembly for approval.

51. The representative of Panama stated that from the date of accession to the WTO, Panama would apply all its sanitary requirements consistently with the requirements of the WTO Agreements on Sanitary and Phytosanitary Measures and Import Licensing Procedures without recourse to any transitional arrangements. In particular, he stated that if a decision was taken to require notification of diseases other than those listed in Organisation Internationale des Epizooties (OIE) Classes A and B, any such decision would be taken in conformity with the requirements of the Agreement on Sanitary and Phytosanitary Measures. He also stated that Panama will allow a reasonable interval between the publication of the sanitary or phytosanitary regulation and its entry into force in order to allow time for producers in exporting Members, to adapt to the new requirements. The Working Party took note of these commitments.

Agreements on Agriculture and on Subsidies and Countervailing Measures

52. Regarding *incentives for the agricultural sector*, the representative of Panama stated that total domestic supports to the agriculture sector were very low in absolute terms - less than $9 million per annum. The aid provided consisted of the following elements: (i) preferential tariffs for installation and consumption of electricity used in farming activities (a reduction of 30 per cent on the market rate); (ii) an income tax deduction of 30 per cent on investments in livestock, fisheries and agro-industrial activities, with a maximum deduction of 40 per cent of taxable income in the tax period prior to the investment; (iii) exemption from tax on profits derived from timber plantations planted within the last seven years; (iv) exemption from tax on income of less than $100,000 per annum derived from agricultural or livestock production; (v) a deduction of a percentage of the capital invested in farming activity when farm incomes exceed

$100,000 per annum (the deduction being limited to the average rate of interest for fixed term deposits plus three per cent of that average); and (vi) an exemption from payment of property tax on farming estates with a land registry value of less than $100,000. The representative of Panama also indicated that agricultural producers had access to credit at preferential interest rates and to an export subsidy in the form of a tax allowance certificate (CAT) that could be used to pay taxes to an amount equivalent to 20 per cent of the national value-added of exported goods. The representative of Panama supplied the Working Party with an informal communication on domestic support and export subsidies based on the model of justification of the Agreement on Agriculture including details of the supports and incentives available to the agricultural sector in Panama in document WT/ACC/PAN/7/Add.1.

53. Regarding export subsidies, the representative of Panama stated that because of the nature of the CAT programme, it is not possible to provide for detailed commitments on the reduction of amounts of the subsidies and volume of agricultural products benefitting from such subsidies during the implementation period as compared to the base period. However, Panama would reduce the base in which the CAT subsidy is calculated from 20 per cent to 15 per cent of the national value added by 1 January 2001, and would terminate the CAT programme on 31 December 2002. This commitment is reflected in the relevant column of the supporting tables and document reference of Part IV of the agricultural country schedule. The agricultural country schedule of Panama is reproduced in Part I - Goods of the Annex to the Protocol of Accession of Panama.

54. With reference to *incentives for industry*, the representative of Panama stated that his Government had granted specific privileges by means of special contracts to certain investors whose activities required the use of large areas of land. Those areas of land had ordinarily been granted under a concession system. Existing arrangements included the mineral resources exploration and exploitation contracts regulated by Decree Law No. 23 of 22 August 1963, the Contract between the State and the Refinery of Panama under Law No. 31 of 31 December 1992 concerning the regulation of the refining of crude petroleum and the Contract between the State and Vidrios Panameños S.A. under Law No. 43 of 17 November 1977 for the manufacture of glass containers.

55. The representative of Panama added that those contracts granted exemptions from direct and indirect taxes and set out the rights and duties of the enterprises in connection with their activities. The contracts for the exploitation of mineral resources were valid for varying periods, depending on the size of the project. By way of example the representative of Panama indicated that the contract for the production of glass containers would expire in 1998, whereas the refinery contract was operative for 20 years as from 30 September 1992.

56. Following further questions from members of the Working Party, the representative of Panama stated that in response to the questions raised the laws on industrial incentives had been substantially reformed. Law No. 3 of March 1986 (dealing with incentives for small and medium-sized enterprises) had been superseded by Law No. 28 of 20 June 1995, copies of which were made available to members of the Working Party. Law No. 28 of 20 June 1995 provided that the

benefits accruing to enterprises registered under the earlier law would expire 15 years after registration. Law No. 28 of 20 June 1995 also provided that no further registrations for participation in the scheme would be accepted.

57. The representative of Panama also explained that Law No. 3 of 1986 had provided that all manufacturers registered in the Official Industry Registry could take advantage of a tariff reduction for imports used in manufacturing. If the same type of goods were not manufactured in Panama, eligible manufacturers could, upon request, import those goods at the tariff rate of 3 per cent of their c.i.f. value. The law also established income tax and land tax exemptions for those manufacturers that dedicated their production to exports. In addition, exporters of non-traditional products were eligible to receive discounts on purchases of electricity and a Tax Credit Certificate. In response to questions from members of the Working Party, the representative of Panama stated that Panama considered that these incentives were compatible with the GATT 1994, and the Agreement on Subsidies and Countervailing Measures, since those incentives were granted in order to improve Panama's competitiveness, growth and economic development. In addition, those measures did not cause serious prejudice to the trade or production of any WTO Member. In Panama's case, a minimal number of exports benefitted from the incentives and the measures had no impact on world trade, and thus Article XVI was not violated. The representative of Panama provided the Working Party with an Informal Communication on Industrial Subsidies including a notification of Fiscal Exemptions Granted to Industry to the Working Party in document WT/ACC/PAN/7/Add.1.

58. On the subject of *export incentives*, in response to questions from members of the Working Party, the representative of Panama stated that agricultural exports were exempted from income tax on income derived from the exported goods, and in the case of a non-traditional agricultural product, a Tax Credit Certificate was granted. He also provided copies of the laws that provided export incentives. Some members of the Working Party expressed concern that the rebate of direct taxation was inconsistent with Article XVI of the GATT 1994 and the Agreement on Subsidies and Countervailing Measures. The representative of Panama replied that the incentive laws were not inconsistent with the GATT 1994 nor the Agreement on Subsidies and Countervailing Measures because of Panama's status as a developing country. The representative of Panama provided further information in relation to Panama's policy of incentives in relation to agricultural and industrial products in document WT/ACC/PAN/7/Add.1, in order to facilitate the consideration of the requirements provided for in the WTO Agreement on Subsidies and Countervailing Measures.

59. The representative of Panama further stated that Panama's industrial policy encouraged industrial development by granting tax exemptions which were generally applicable. Direct assistance in the form of payments to producers, financial assistance to specific sectors and other similar measures were not applied. He said that incentives for industrial activities including small and medium-sized enterprises were provided by means of Law No. 3 of 1986. That law was designed to encourage small and medium-sized enterprises in their industrial and assembly activities. A régime of tax exemptions existed for enterprises pro-

ducing goods for the domestic market or for export. Enterprises wishing to take advantage of the exemption were required to be entered in the Official Industry Register of the Ministry of Trade and Industry before they could utilise the exemptions. Enterprises that geared industrial production to the domestic market received:

- preferential treatment in the payment of import duties on raw materials, semi-finished or intermediate products, parts for machines and equipment, containers, packing and other imported inputs. They were required to pay only 3 per cent of the c.i.f. value of the imported inputs, in addition to the Tax on the Transfer of Tangible Personal Property (ITBM);

- an exemption from income tax on net profits reinvested to expand production capacity or to produce new articles. Those enterprises also came under a special régime permitting the carry over of losses for income tax purposes, and a special depreciation calculation;

- an exemption from property tax for 10 years on land, structures and installations intended for manufacturing, full exemption from payment of income on profits from sales on the domestic market for the enterprise's first five years of production, and a 50 per cent exemption for the subsequent three years. Those exemptions were applied to enterprises in the regions specified in the law.

60. The representative of Panama also stated that under Law No.3 of 1986 enterprises wholly engaged in the production of exports received:

- full exemption from taxes on introduction, contributions, and customs duties, fees and charges, along with the ITBM on imports of machinery, equipment and parts for use in the production process;

- credit for duties or charges used in producing a product;

- full exemption from income tax on profits, with the exception of mining industries or those using the country's natural resources;

- full exemption from export taxes;

- full exemption from sales tax;

- full exemption from production taxes; and

- full exemption from taxes on the enterprises' capital or shares, except licence and immovable property taxes.

In addition, enterprises that produced partially for export received tax exemptions in proportion to the amount intended for export. This régime would have a total life of 10-15 years. It was estimated that approximately 75 per cent of enterprises' registrations would expire in the year 2002. All other registrations would expire in 2010.

61. In relation to small and micro-enterprises, the representative of Panama said that incentives were provided pursuant to Law No. 9 of 19 January 1989. That law provided for tax incentives for micro-enterprises and small enterprises within the territory of the Republic that were engaged in manufacturing activities using mechanized equipment, cottage industry methods or a combination of the two. The tax exemptions available to such businesses were as follows:

- full exemption from income tax for the first five years, 75 per cent for the following five years and 25 per cent during the remaining life of the company;
- full exemption from stamp duty;
- full exemption from import tax on production and maintenance equipment, parts and raw materials;
- exemption from immovable property tax for the first 10 years; and
- exemption from tax on capitalized dividends.

An enterprise could lose its eligibility to the exemptions in the following circumstances (i) if following an initial period of five years, the enterprises' assets and capital increased by twenty-five per cent or more, or, (ii) if they had increased the value of annual sales of one hundred thousand dollars ($100,000) for three consecutive years or (iii) if for five alternating years, the annual sales increased by more than twenty per cent (20%). The régime would operate for a total period of 15 years.

62. In response to questions and comments from members of the Working Party, indicating concerns in relation to the compatibility of the various export incentive schemes with the provisions of the GATT 1994 and the Agreement on Subsidies and Countervailing Measures, the representative of Panama stated that, in his Government's view, the CAT scheme was compatible with the provisions of Article XVI of the GATT 1994 and with the provisions of the Agreement on Subsidies and Countervailing Measures in so far as transitional arrangements are foreseen to permit the elimination of this programme over an extended period of time, as they applied to developing countries. The representative of Panama also provided details of Panama's export promotion scheme. The legislative basis for the scheme was Law No. 108 of 30 December 1974. That law established an export incentive mechanism for non-traditional goods wholly or partly produced or processed in Panama, by granting a certificate which could be used as a credit towards direct taxes payable to the State. The Tax Allowance Certificate (CAT) could be used to pay taxes up to an amount equivalent to 20 per cent of the national value added of the exported goods. Such certificates were transferable by endorsement, were exempt from any kind of tax and did not bear interest. He added that following the provisions set out in the Agreement on Subsidies and Countervailing Measures, Panama had decided to eliminate these tax benefits progressively. Law No. 28 of 20 June 1995 Adopting Measures for General Production Tax Incentives and Establishing Other Provisions, provided that up to 31 December 2000, the value of the CAT will remain 20 per cent of the national value added. From 2001 through December 2002, CATs would fall to 15 per cent of the national added value. The incentive was scheduled to be fully eliminated by 31 December 2002. Enterprises in receipt of other tax exemptions could not use the CAT scheme.

63. The representative of Panama stated that his Government would progressively eliminate all measures which meet the definition of a prohibited subsidy, within the meaning of Article 3 of the Agreement on Subsidies and Countervailing Measures, including those prohibited subsidies covered by Law No. 3 of 1986, including all registrations granted to enterprises prior to enactment of the

law Adopting General Production Tax Incentives and Establishing Other Provisions, (Law No. 28 of 20 June 1995) and Incentives for Export Promotion under Law No. 108 of 30 December 1974 (as amended by Law No. 28 of 20 June 1995). Consistent with this obligation, Panama would provide explanatory information in its annual notification of subsidies under Article 25 of the Agreement on Subsidies and Countervailing Measures and Article XVI:1 of the GATT 1994 to enable other Members to confirm that such programmes are being progressively eliminated. The above-mentioned subsidy measures would be notified as provided for in the WTO Agreement on Subsidies and Countervailing Measures upon accession. The Government of Panama would eliminate all subsidies inconsistent with the provisions of Article 3 of the Agreement on Subsidies and Countervailing Measures by no later than 31 December 2002 as provided by Article 27 of the Agreement on Subsidies and Countervailing Measures. The Working Party took note of these commitments.

Legislation on Anti-Dumping and Subsidies and Countervailing Measures

64. Following the examination of Panama's régime in relation to anti-dumping and countervailing duties, some members stated that they considered that not all the requirements of the Agreements on Anti-Dumping and Subsidies and Countervailing Measures appeared to be reflected in Panama's legislation. Members expressed particular concerns in relation to the provisions containing the definition of specificity and non-actionable subsidies, as well as in respect of the provisions governing the assessment of the level of domestic support for a petition, retroactive duty price undertakings, public notifications of negative decisions, and the elements required to be contained in a petition. The representative of Panama stated that Panama had altered its draft laws to take account of Members' concerns. In reply to questions concerning the draft laws' definition of material injury, the representative of Panama replied that in his Government's view, the definition provided was compatible with Article 3 of the Anti-Dumping Agreement and Article 15 of the Subsidies and Countervailing Measures Agreement. Some members of the Working Party also considered that certain other provisions of the draft law, such as the definitions of a subsidy, and the provisions dealing with anti-circumvention required improvement. The representative of Panama requested further clarification of those members' concerns. Following further discussions, the representative of Panama informed the Working Party that the draft law had been altered to take account of members' concerns and that the revised draft law was before the National Assembly for approval. The draft law was approved by the National Assembly as Law No. 29, on 1 February 1996. The law is now in full conformity with the requirements of the Agreements regarding definitions of specificity and non-actionable subsidies (Articles 72 and 73); assessment of legitimacy to support a petition (Article 149); retroactive duty price undertakings (Article 163); publicity (Articles 152, 164, 166 and 171); elements required in a petition (Article 150) and material injury (Articles 92 to 95). The definition of subsidy (Article 71) and the dispositions dealing with anti-circumvention (Article 90) were improved. The law is also in

conformity with the Safeguards Agreement. Regarding procedures, it also complies with WTO requisites. Law No. 29 of 1 February 1996 will be notified to the relevant Committees of the WTO.

Government Procurement

65. In response to questions from members of the Working Party, the representative of Panama provided details of the Central Government procurement system. Article 29 of the Fiscal Code required that for all State purchases that exceeded one hundred and fifty thousand balboas (B 150,000), public tenders must be called for. Invitations to tender were required to be publicly announced in the Official Gazette and national newspapers at least 15 calendar days in advance. The announcement was required to indicate the date of the meeting for interested bidders. That meeting was for the purpose of answering any inquiries in relation to the tender specifications and other documents. The Ministry or corresponding public entity was responsible for formulation of the specifications, in which the conditions of the contract and base price for the bid would be clearly indicated. The specifications would indicate: the date, time and place of bidding, and the base price; the obligation on the bidders to lodge a temporary bond to participate in the bidding, and a final bond to be lodged by the contractor to whom the contract is awarded; the obligations required to be assumed and the rights acquired by the contractor; the obligations assumed and the rights acquired by the State; the fines that could be imposed on the contractor, and the liabilities incurred by failure to perform; and the obligation to present a bidder's certificate. The Fiscal Code required that the tender specifications, as well as documents, blueprints, objects or samples relating to the subject-matter of the contract, be displayed at the office where the bidding was to take place, so that they could be examined by the interested parties.

66. The representative of Panama explained that prospective bidders must submit the following documents in support of the tender: a Bidder's Certificate for Public Bids issued by the Treasury, as well as documents proving that the tenderer was not a delinquent debtor vis-à-vis the State, that the tenderer had not cheated the public treasury, that the tenderer had a commercial or industrial licence to engage in the activity, that the tenderer was registered with the Technical Board of Engineering and Architecture, if the tenderer wished to participate in contracts for public works or in others for which this requirement must be fulfilled, and any other document required by law. Tenders were submitted to a designated official. Following the opening of the tenders, a certificate attesting to the validity of the bid is issued. Certified tenders were circulated to the different State agencies. Based upon the proposals received the presiding official will provisionally award the contract to the bidder who has offered the most advantageous proposal among those received. Because the provisional award did not constitute a definitive or firm administrative act, no appeal could be made against it. Once the public bidding procedure had been concluded, bidding files containing all the proposals received were assembled. The temporary bonds were also filed unless the unsuccessful bidders requested their return, on the under-

standing that by so doing they waived any rights to present a claim on the awarding of the contract. All interested parties had right of access to the file, as well as the right to obtain copies of all the documents therein. On the day after the public bidding, the file went to the Proposal Evaluation Committee for consideration. The Committee concluded examination of all bids within the next eight calendar days. Within eight days following the expiration of the time-limit interested parties could present submissions for inclusion in the file. The opinion of the Evaluation Committee was not binding on the deciding authority provided that the latter would show that the opinion was not in the best interests of the State. The contract was awarded on the basis of the economic advantages of the proposals and the technical economic, administrative, and financial capacity of the bidders, and the bid considered to be of the highest quality at the lowest price. Dissatisfied parties could use government channels to appeal to the body that awarded the contract, without prejudicing any action for annulment before the Third Chamber of the Supreme Court of Justice. Once the definitive award is made, the corresponding Minister required the successful bidder to lodge the final bond within three days. If the successful bidder did not post the final bond or does not pay the bid price in cash within the corresponding term, the temporary bond was forfeit to the National Treasury.

67. In response to inquiries whether Panama would consider accession to the Agreement on Government Procurement, the representative of Panama stated that Panama was considering the possibility of acceding to the WTO Government Procurement Agreement and was studying the possible implications of such a decision, in terms of both legislative reform and restrictions on development policies.

68. The representative of Panama confirmed that his Government was currently an observer in the Committee for the Agreement on Government Procurement. He stated that his Government would notify the Committee at the time of Panama's accession to the WTO of its intention to accede to the Agreement on Government Procurement, and that Panama would initiate negotiations for membership in the Agreement by tabling an entity offer prior to 30 June 1997. He also confirmed that, if the results of the negotiations are satisfactory to the interests of Panama and other members of the Agreement, Panama would complete negotiations for membership in the Agreement by 31 December 1997. The Working Party took note of this commitment.

Freedom of transit

69. Regarding the freedom of transit, the representative of Panama stated that his country applies the provisions of traffic and transit as provided for in Article V of the GATT 1994.

Export duties

70. In response to questions from members of the Working Party, the representative of Panama stated that export duties were charged on bananas, scrap iron, copper, bronze, silver, gold and platinum in order to generate revenue to the Treasury. Certain other products were subject to export quotas during periods of short supply. The representative of Panama also stated that currently export duties are applied with the intent of collecting revenue for the Central Government and they are not used to promote local investment; in that sense, he added that there is no manufacturing industry for any of these commodities currently in Panama; that the tax rate is low and therefore does not generate incentive for the establishment of manufacturing industry.

71. The representative of Panama stated that following accession to the WTO, his Government would only apply export controls in conformity with relevant WTO provisions including Article XI paragraph 2(a) of the GATT 1994. The Working Party took note of this commitment.

Free zones

72. The representative of Panama also provided details of Panama's export promotion zones. The purpose of those schemes was to promote investment and Panama's scientific, technological, cultural, educational, economic and social development. He stated that the legislative basis for the schemes was Law No. 25 of 30 November 1992. That law established a régime for the creation and operation of export processing zones. Export Processing Zones were tax-free zones. Both the enterprises operating within those zones and the activities undertaken therein were 100 per cent free of direct and indirect taxes. Both the capital invested within the processing zones and the capital of the enterprises operating in the zones were free of direct or indirect national taxes, including patent or licence taxes. Earnings in the form of dividends and interest creating shares, bonds and other securities issued by the enterprises and placed on the international market were also free of national direct or indirect taxes and duties. There was no time limit for expiry of the scheme. The representative of Panama stated that the export Promotion Free Zones did not differ from the Export Processing Zones: the free zones were classified in two categories: commercial free zones, which included the Colon Free Zone, and industrial free zones, which included the export processing zones and petroleum free zones.

Colón Free Zone

73. The representative of Panama said that most important of the free zones was the Colón Free Zone. Imports from the Colón Free Zone represented Panama's second largest import market. Exports to the Colón Free Zone were not so significant. Panama's Imports and Exports to and from the Colón Free Zone amounted to the following in 1995:

(Millions of dollars)

	Detail	Years	Jan. to April	
		1993	1994	1995
(a)	Fiscal Territory			
	Imports	2,187.4	2,404.1	732.2
	Exports	507.6	532.5	184.9
(b)	Colon Free Zone			
	Imports	4,492.8	5,009.9	1,651.6
	Exports	5,115.2	5,721.0	1,825.4
(c)	Panama with Colon Free Zone			
	Imports from C. Free Zone	241.9	370.1	n.a.
	Exports to C. Free Zone	5.8	6.9	n.a.

n.a. Not available.

74. The Colon Free Zone was created by Decree No. 18 of 17 June 1948. It comprised several adjoining zones close to the Cristobal Port. The operations carried out in the Colon Free Zone were the import and re-export of merchandise and the consolidation of consignments. The Zone was managed and administered by a Board of Directors chaired by the Minister of Trade and Industry, an Executive Committee of the Board of Directors and a manager.

75. All natural or legal persons could operate in the CFZ provided they had obtained an authorization to engage in business from the Administration of the CFZ. No commercial licence or minimum capital investment was required. All activities carried out in the Zone were exempt from all taxes as stipulated in the laws of Panama, excepting income tax. Goods imported *into* the Zone were not subject to Panamanian import duties. Imports *from* the Colón Free Zone were liable to pay all tariffs and duties payable under Panamanian legislation. Any type of good from any country may be imported into and re-exported from the Zone, with the exception of prohibited imports such as explosive or inflammable substances, weapons and narcotics. There were no quantitative restrictions on imports to the Zone. There were no taxes, duties or restrictions on foreign investment in the zone.

76. All goods and other commercial articles or effects imported into the Zone which had been manufactured, altered, assembled, packed or processed there, could be exported without payment of import duties and taxes to: official departments of the United States located in the Canal area, intended for use or consumption by persons entitled to duty-free purchases under inter-governmental agreements; to ships transitting the Panama Canal destined for foreign ports and sailing between any authorized port in the Republic and foreign ports; and for export outside the territory of Panama. The representative of Panama stated that his Government did not consider that the incentives provided to the Free Zones were based on export activity, *de jure or de facto*, as established in Article 3 of the Subsidies Agreement. Furthermore, the representative of Panama explained

that none of the licensing requirements necessary for the establishment of an enterprise within an Export Processing Zone and the Colón Free Zone, adopted by Law No. 25 of 30 November 1992 and Law No. 18 of 17 June 1948, respectively, are based on export performance considerations. The representative of Panama also stated that these requirements were based on national treatment and are fully compatible with the TRIMs Agreement.

77. The representative of Panama stated that free zones including the Colon Free Zone and Export Processing Zones are sovereign Panamanian Territory. As such, they are fully subject to the coverage of Panama's commitments in its Protocol of Accession to the WTO Agreement. In this regard Panama would ensure enforcement of its WTO obligations in those zones, including those commitments derived from the Agreement on Trade Related Aspects of Intellectual Property Rights. In addition, when goods produced or imported into the zones under the special tax and tariff régime existing in these areas enter into the rest of Panama, normal customs formalities, tariffs and taxes would be applied. The Working Party took note of these commitments.

Trade Agreements

78. With the long term objective of integration into the Central American Common Market, Panama launched a process of negotiation and signature of bilateral agreements on free trade and preferential treatment with each of the countries in Central America in the 1970's. These treaties are of indefinite duration and envision the negotiated incorporation of products originating in either contracting State. The goods traded under the preferential régime are subject to either low tariffs or zero tariff, and are exempted from all surcharges and fees that are incidental to the importation and exportation of goods. In the context of a modality agreed under the 1980 Treaty of Montevideo establishing the Latin American Integration Association (LAIA), Panama has signed trade agreements (Partial Scope Agreements) with the United Mexican States and the Republic of Colombia.

79. Panama has signed other agreements, with a view to expanding its trade relations, with the following countries: the former Union of Soviet Socialist Republics (now the Commonwealth of Independent States, CIS), People's Republic of Bulgaria, People's Republic of Hungary, People's Republic of Poland and the Government of Romania. These agreements only provided for a bilateral most-favoured-nation treatment and do not provide for any exemptions from normal tariffs, surcharges or fees.

80. The representative of Panama also stated that Panama would observe the provisions of the WTO including Article XXIV of the GATT 1994, paragraph 3 of the Enabling Clause, and Article V of the GATS in its trade agreements, and would ensure that the provisions of these WTO Agreements concerning preferential trading systems, free trade areas, and customs unions of which Panama is a member are met from the date of its accession. The Working Party took note of these commitments.

Privatization/State Trading Organizations

81. In response to questions concerning the privatization process in Panama, the representative of Panama stated that progress had been made in the privatization of the following enterprises:

Empresa Estatal de Cemento Bayano:	**Privatized**
Ferrocarril de Panamá:	Preliminary studies for privatization were being made.
Corporación de Desarrollo Integral de Bayano:	Real property was being sold.
ATLAPA:	The precise means for privatization modality had yet to be determined.
Corporación Azucarera La Victoria:	A study was being conducted by the Ministry of Economics to determine the most appropriate method of privatization.
Generación de Energía Eléctrica:	Law 9 of February 1995 had granted authority to the Institute of Electrical Resources to give private concessions for the generation of electricity.
Corredor Norte:	An administrative concession had been granted to a private foreign enterprise.
Drinking Water Services:	The method of privatization would be determined shortly.
Cellular Channel:	The law to privatize Band A of Cellular Telephony was being revised to proceed with the public bidding.

82. The representative of Panama stated that in the view of his government, only Corporación Azucarera La Victoria (CALV) (Sugar Company of La Victoria), Instituto de Seguro Agropecuario (ISA) (Agricultural Insurance Company), Instituto Nacional de Telecomunicaciones (INTEL) (National Telecommunications Institute), Instituto de Recursos Hidráulicos y Electrificación (IRHE) (Water Resources and Hydro Electricity Company), Instituto de Acueductos y Alcantarillados Nacionales (IDAAN) (National Sewers and Canals Company), Dirección Metropolitana de Aseo (Metropolitan Cleanliness Authority) were engaged in State trading pursuant to Article XVII of the GATT 1994. With the exception of those firms specifically granted a monopoly by the Government (National Telecommunication Institute, Water Resources and Hydroelectricity Company, National Sewers and Canals Company, National Bingo, National Casinos, National Lottery, President Remon Horse Racing Track), those firms were also subject to the anti-monopoly provisions of the Law on Defence of Competition. The Ministry of Agriculture and the Agriculture and Marketing Institute (AMI) retained the right to State-trading even though they were not engaged in such trade at the present time.

83. The representative of Panama confirmed that his Government would apply its laws and regulations governing the trading activities of these enterprises listed in paragraph 82 in conformity with the relevant provisions of the WTO Agreement, in particular Article XVII of the GATT 1994, the Understanding on that Article and Article VIII of the GATS. He also said that Panama would abide by the provisions for notification, non-discrimination, and the application of commercial considerations for trade transactions, and that it would submit its notification under Article XVII at the time of its accession. The representative of Panama also said that his Government would apply its laws and regulations governing the trading activities of State-owned enterprises and other enterprises with special and exclusive privileges and would otherwise act in full conformity with the provisions of the WTO Agreements. The Working Party took note of these commitments.

84. Some members of the Working Party noted that the Agriculture and Marketing Institute (AMI) had not been listed by Panama as a State trading enterprise even though at various points in Panama's documentation, the AMI had been described as a State purchaser of agricultural products and involved in the distribution of import authorization after ensuring that there were no domestic substitutes. These members asked Panama to clarify the role of the AMI.

85. In response to further questions from Working Party members, the representative of Panama explained that the Agricultural Marketing Institute (AMI) had been established by Law No. 70 of 15 December 1975, to: regulate supplies of agricultural products in the internal market of both national and imported agricultural products; to promote the improvement of marketing systems for agricultural output; and to implement the marketing policies formulated by the Ministry of Agricultural Development. The AMI had also been responsible for administering import permits for some agricultural products. In 1990 an overhaul of AMI had been commenced, resulting in it ceasing to buy and sell agricultural products and concentrating instead on the promotion of the provision of services to the agricultural community. Since 1990, AMI had not bought, sold, imported or exported any agricultural products. It had also privatized or closed the infrastructure owned by the organization, including the National Slaughterhouse. Since 1994 AMI has operated solely as a facilitating enterprise for agricultural producers, by providing information on export markets, training activities and other specialized support services. A draft law restructuring AMI, eliminating its authority to engage in State-trading is in the process of approval. No agricultural products are marketed through State enterprises. However, the Executive power has the constitutional authority to promote and create State enterprises, which may be engaged in trade in agricultural products. The only other State institution with legal authority to engage in State trading is the Ministry of Agriculture.

86. The representative of Panama affirmed that when Panama acceded to the WTO, trade in agricultural products would be administered in conformity with the relevant provisions of the WTO Agreements. The Working Party took note of this commitment.

General Agreement on Trade in Services (GATS)

87. In response to inquiries concerning Panama's services sector, the representative of Panama supplied a Memorandum on the Services Régime in document WT/ACC/PAN/4. The representative of Panama stated that the largest services sectors were tourism, the Colon Free Zone, the Panama Canal and the Transisthmian Oil Pipeline. Services such as banking, air transport, insurance and retail sales to tourists represent more than 25 per cent of the GDP. The Services Balance had averaged US$1,000 million over the last three years. No restrictions on remittance of capital nor foreign exchange controls were in place. The Constitution and the common law régime provided that investment law applied equally to national and foreign investors. Panama's schedule of specific commitments on services was reproduced in WT/SPEC/1. The views expressed by the representative of Panama concerning various service sectors are summarized hereunder.

88. With reference to the banking sector, the representative of Panama said that within Panama there were 108 banks in operation, of which 84 were foreign banks. Banking was regulated by Cabinet Decree No. 238 of 1970, as amended by Law No. 93 of November 1974, copies of which were provided to members of the Working Party. Those laws established the National Banking Commission. Every bank that complied with the conditions set down by the Banking Commission was free to obtain a licence to operate in Panama. There were three (3) classes of banking licence: (i) a General Licence, which permitted the holder of the licence to offer a wide range of banking services, both within or outside Panama. Holders of such a licence were required to have a minimum of US$1,000,000 paid-in capital. Holders of General Licences were required to pay an annual tax of US$25,000; (ii) an International Licence which permitted the holder to conduct foreign transactions from Panama. The holder of such a licence was required to have US$500,000 in National Bonds, free of encumbrances. Holders of an International Licence were required to pay an annual tax of US$15,000 and (iii) a Representation Licence which permitted a foreign bank to establish local representative offices.

89. Concerning insurance, the representative of Panama said that any insurance or reinsurance company could operate in Panama under the same conditions as national companies. The law regulating the provision of insurance was Law 55 of 1984. All insurance companies were required to have a minimum paid-in capital, to maintain a guarantee deposit, and to be authorized and operate under supervision of the Insurance Commissioner of the Ministry of Commerce and Industry. Law No. 56 of 1985 regulated reinsurance. Reinsurance companies were required to have a minimum paid-in or assigned capital, in each case, of not less than B 250,000. Licences were issued by the National Reinsurance Commission. The Insurance Commissioner supervised the activities of reinsurance companies. Insurance brokers were regulated by Law No. 55 of 1984. That law provided that in order to obtain a licence as an insurance broker, applicants must be resident Panamanian citizens. In order to obtain a licence legal persons were required to: (a) present a Certificate of the Public Registry, verifying its registra-

tion in the Mercantile Section of the Registry, and the name of the agent of the corporation; (b) provide a Copy of the Articles of Incorporation, including the name of the Directors, domicile and authorized capital; (c) provide a document certifying that the agent of the corporation is a licensed insurance broker, who has been practising habitually and permanently for the last two years; (d) maintain the required deposit; (e) hold a certificate from the shareholders of the corporation, signed by the Secretary or Treasurer. The shareholders must be licensed insurance brokers.

90. The representative of Panama said that financial enterprises were regulated by Law No. 20 of November 1986, and were natural or legal persons, other than banks, insurance companies, cooperatives, mutual companies and savings and loans associations, engaged in making loans for personal or family purposes. Legal or natural persons must have a minimum paid-in capital of B 150,000. Interest allowed was fixed by Resolution of Ministry of Commerce and Industries between 1.5 per cent and 2.0 per cent per month depending on fluctuations in London Interbank Offering Rate. Financial enterprises were required to pay an annual tax equal to 2.5 per cent of their paid-in capital as of 31 December of each year, with a maximum tax of B 12,500.

91. Concerning securities, the representative of Panama said that the National Securities Commission (NSC) was created by Cabinet Decree No. 247 of 16 July 1970. The NSC regulated the public offering of securities and mutual funds, and the activities of brokers, dealers and exchanges. Two types of securities are available: Initial Public Offerings with the National Securities Commission and the Panama Stock Exchange; and securities issued on a foreign market seeking listing on the Panama Stock Exchange.

92. In relation to tourism services, the representative of Panama stated that there were no restrictions for foreign investment in hotels in Panama. Activities of travel agencies were considered retail trade and accordingly such services could only be provided by Panamanians.

93. In relation to construction, the representative of Panama said that construction activities could be undertaken by foreign persons provided that those persons had a licensed professional (engineer or architect) in charge of the works.

94. In relation to maritime transport, the representative of Panama stated that in 1993, the Panamanian Merchant Marine had a total fleet of 12,500 vessels, equivalent to 77.1 million of Gross Registered Tons, that transported freight amounting to 157,980,301 long tons. Around 12,000 vessels navigated the Panama canal annually. Panama had 16 ports, some of them operating under concessions given to private enterprises (Almirante, Puerto Armuelles). Commercial ports were: Balboa, Cristobal, Coco Solo and Las Minas Bay. The two most important ports were Cristobal and Balboa: in 1991, Cristobal moved a total freight of 398,331 metric tonnes and Balboa, 945,103 metric tonnes (more than 75 per cent of these, were containers freight). In relation to land transport, the representative of Panama stated that any foreign person could participate in land freight

transportation. Land transportation of passengers could only be provided by Panamanian nationals.

95. In relation to air transport, the representative of Panama stated that there were no restrictions for the establishment of enterprises engaged in maintenance or repair of aircraft, and that several foreign air transport companies were engaged in the provision of services in Panama.

96. The representative of Panama stated that the National Political Constitution provided that only Panamanians could engage in retail trade. Retail trade was defined as selling to consumers, representing or acting as agent for manufacturing or trading companies or any other activity defined as retail trade. In general, the provision of services, was considered wholesale trade.

97. In relation to professional services, the representative of Panama explained that in some cases professional services could only be provided by Panamanian providers, or foreigners meeting residency requirements. The provision of legal services were regulated by Law No. 9 of 18 April 1984. The Supreme Court of Justice could only grant licences to practise the profession of attorney to Panamanian nationals with a professional qualification in law, issued by the University of Panama or Universidad Santa Maria La Antigua, or any other recognised university.

98. In relation to accountancy services, the representative of Panama said that the Technical Board of Accountants could grant special permits to practice to foreign accountants only if the applicant was a citizen of a country that accords the same rights to Panamanians, or if the individual was an internal auditor in a resident foreign company or institution or international body that required the applicant to execute functions related to their organization. In addition, a special permit to practice could be granted when there were no national professionals available, or if the applicant was married to a Panamanian citizen, or had resided in Panama for more than ten years. Only natural persons with a Certified Public Accountant's Licence were permitted to establish corporations to provide services to the profession, and the legal person thus constituted must satisfy certain additional conditions.

99. The representative of Panama stated that engineers or architects were required to hold a licence. Qualified Panamanian citizens and qualified foreign citizens of good character married to a Panamanian or with Panamanian children and entitled to permanent residence in Panama were eligible to obtain a licence. In addition citizens of countries which permitted Panamanians to exercise such professions were entitled to obtain a licence. Such foreign professionals could only be employed if there were no Panamanian professionals available to provide those services. If the foreigner was employed for more than 12 months, the employing entity was required to employ a Panamanian professional to be trained in order to take the place of the foreigner when the contract is over. Permits to employ foreign experts for less than 12 months were not renewable.

100. The schedule of Panama's concessions and commitments on services is reproduced in Part II of the Annex to the Protocol of Accession of Panama.

Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS)

101. When reviewing Panama's legislation on intellectual and industry property, some members noted that this legislation was dispersed in several legal instruments. This situation was contrary to international standards concerning transparency and publication of legal texts. They invited the representative of Panama to clarify a number of questions relevant to the consistency of Panama's legislation with the TRIPS Agreement. The representative of Panama said that the legislation had been updated, harmonized and adapted to international provisions in order to simplify procedures and give inventors, owners of trade marks and authors security. He added that Panama had a long history of legislative protection of intellectual property rights, dating from 1916. The representative of Panama provided members of the Working Party with a comprehensive description of intellectual property laws, including the agencies responsible for implementation and a full list of all relevant treaties to which it was a signatory in document WT/ACC/PAN/5. The representative of Panama stated that Copyright is included in Law No. 1 of 16 August 1916, Administrative Code of the Republic of Panama in Book V, Title IV, Literary and Artistic Property. This was the first copyright law of the Republic. Law No. 15 of 8 August 1994 was the new Copyright Law. Law No. 15 included specific regulation of audiovisual work, computer programs, architectural work, press articles, moral rights, patrimonial rights, several kind of contracts, mandatory licensing (which would not affect or condition the protection of works in any way, as provided for in Article 5(2) of the Bern Convention), regulation of related rights, etc. The representative of Panama stated that in the recently enacted legislation on the protection of industrial property, Panama had comprehensively adapted its domestic legislation to the Agreement on TRIPS. The views expressed by the representative of Panama concerning various intellectual property rights are summarized hereunder.

102. The representative of Panama stated that industrial property was regulated by the Administrative Code and Executive Decree No. 1 of 3 March 1939 (Articles 2005-2035), Executive Decree No. 1 of 3 March 1939 and the General Inter-American Convention on Trademarks and Commercial Protection. His Government had recognized the obsolescence of that legislation, and a draft law has been approved by the Cabinet and had been submitted to Legislative Assembly for approval. A copy of that draft law was made available to members of the Working Party. He added that by Law No. 41 of 13 July 1995, Panama had acceded to the Paris Convention for the Protection of Industrial Property.

103. Concerning trademarks and trade names, the representative of Panama stated that they could be registered regardless of whether the owners were Panamanian nationals or foreigners. Registration was valid for ten years but could be renewed in ten year intervals indefinitely. Applications for registration could be filed by the owner or an attorney. All required documents were required to be in Spanish or translated by a public translator. Goods or services pertaining to different classes could not be included in same application. Separate applications for each separate class of mark were required. Marks covering services are registered as service marks. In the case of infringement administrative, civil and penal

remedies applied. There were procedures for the annulment of registered marks and concession procedures. Registration requests were published for the information of third parties.

104. With reference to patents the representative of Panama said that patents were granted to inventors, whether nationals or foreigners, by letters of patent (patente de invención) issued pursuant to the Administrative Code, Articles 1987-2004. They were valid for a term of 20 years. In the case of registration of an existing foreign patent, no Panamanian patent could be granted for a term exceeding 15 years, and in no event could the term of registration extend beyond the duration of the original patent. Extension or renewal could only be granted when the original patent was not for a full term, and provided it was considered to be justified. Applications for registration could be filed by the owner or an attorney. All required documents were required to be in Spanish or translated by a public translator. In the case of infringement the criminal sanctions were applicable pursuant to the Penal Code.

105. In response to questions and comments from some members of the Working Party indicating what they considered to be inadequacies in Panama's intellectual property régime, the representative of Panama stated that a new draft law making Panama's intellectual property régime fully consistent with the Agreement on Trade Related Aspects of Intellectual Property Rights was ready to be presented to the National Assembly for its approval. It was a comprehensive code regulating patents, utility models, trademarks, industrial designs, registration and cancellation procedures, notifications, and allocating administrative resources to carry those provisions into effect. The law had been drafted with the help of international specialists including staff of the World Intellectual Property Organization.

106. Following examination of the text of the draft law, some members asked that alterations be made to remedy certain deficiencies in the fields of copyright; in particular, rental rights, and protection for electronic databases, patents; integrated circuits; trademarks; trade secrets and enforcement of intellectual property laws in the Colón Free Zone. Members also requested clarification of the remedies available under the new law in the case of infringement. The representative of Panama replied that changes had been made to the draft law to take account of the concerns of members. He provided a detailed summary of the new draft law, including an index of its provisions in document WT/ACC/PAN/9. He also provided detailed information on the remedies available to enforce intellectual property rights in Panama, in documents WT/ACC/PAN/5 and 8.

107. In relation to enforcement of copyrights, the representative of Panama stated that summary civil actions based on Title XII, Chapter I of Law No. 15 would be available to the owners of copyrights. Following a Court order to suspend the illegal activity provisional measures could be obtained without prejudice to any rights to compensation for material damage. The right holder could also request an interlocutory order of seizure of the income derived from the illegal activity; seizure of the goods illegally produced and the equipment used to produce them; and an order compelling the defendant to suspend the infringing activity. Administrative procedures and remedies were the province of the Direc-

torate General of Copyright, and were available for non-criminal violations of Law No. 15. In such a case the Directorate General of Copyright would suspend any further dissemination or reproduction of the infringing works. Criminal sanctions were established by Law No. 15 of 1994 (Title XII, Chapter II, Infringement and Sanctions). Imprisonment could range from 30 days to 4 years. Additional pecuniary sanctions could be awarded by the Court.

108. In relation to enforcement of industrial property rights, the representative of Panama stated that civil and administrative remedies similar to those described above in relation to copyrights were available. Administrative remedies were obtained from the General Directorate for Industrial Property. Following an administrative order, registered marks could be expunged. Criminal remedies similar to those described above in relation to copyright were also available.

109. The representative of Panama stated that the draft law on industrial property, aforementioned, became law of the Republic (Law No. 35 of 10 May 1996), making its internal legislation fully compatible with TRIPS provisions and eliminating all existing discriminatory provisions.

110. Following the examination of the information described above concerning Panama's intellectual property régime, some members stated that Panama should implement the Agreement on Trade Related Aspects of Intellectual Property Rights as of its accession to the WTO.

111. The representative of Panama stated that Panama would fully apply all the provisions of the Agreement on Trade Related Aspects of Intellectual Property Rights by the date of its accession to the WTO, without recourse to any transitional period. The Working Party took note of this commitment.

Agreement on Trade Related Investment Measures (TRIMs)

112. In response to questions raised by members of the Working Party, the representative of Panama said that Panama does not maintain and in the future would not introduce any measure inconsistent with the TRIMs Agreement. The Working Party took note of this commitment.

Transparency - Notifications

113. The representative of Panama said that upon entry into force of the Protocol of Accession, Panama would submit notifications of legislation pursuant to the implementation of the following provisions of Multilateral Trade Agreements for which the date specified in those provisions is earlier than the date of entry into force of the Protocol of Accession, and any other notifications required for the following Agreements: Agreement on Sanitary and Phytosanitary Measures; Agreement on Import Licensing Procedures; Agreement on Technical Barriers to Trade; and the Understanding on the Interpretation of Article XVII of the GATT 1994. The notifications for the Agreement on Implementation of Article VII of the GATT 1994 would be submitted by 1 January 1997. Any regulations

subsequently enacted by Panama which gave effect to the laws enacted to implement the above mentioned Agreements would also conform to the requirements of those Agreements. Draft notifications for the Agreements on Agriculture and Subsidies and Countervailing Measures had been examined by the Working Party and those notifications would be submitted to the WTO Secretariat at the time of Panama's accession. The Working Party took note of these commitments.

114. The representative of Panama also stated that his Government would notify the WTO Secretariat annually of the implementation of the phased commitments with definitive dates for compliance referred to in paragraphs 35, 53, 63 and 68 of this Report and would identify any delays in implementation together with the reasons therefore. The Working Party took note of this commitment.

Publication

115. The representative of Panama said that laws are published in the official publication organ, which is currently the Official Gazette. No law enters into force without previous publication in the Official Gazette. He also stated that Panama would secure transparency on all publication requirements and comply with the provisions of Article X of GATT 1994. The Working Party took note of these commitments.

Conclusions

116. The Working Party took note of the explanations and statements of Panama concerning its foreign trade régime, as reflected in this report. The Working Party took note of the commitments given by Panama in relation to certain specific matters, which are reproduced in paragraphs 10, 16, 22, 23, 26, 34, 35, 36, 41, 42, 47, 51, 63, 68, 71, 77, 80, 83, 86, 111, 112, 113, 114 and 115 of this report. The Working Party took note that these commitments had been incorporated in paragraph 2 of the Protocol of Accession of Panama to the WTO.

117. Having carried out the examination of the foreign trade régime of Panama and in the light of the explanations, commitments and concessions made by the representative of Panama, the Working Party reached the conclusion that Panama should be invited to accede to the Agreement Establishing the WTO under the provisions of Article XII. For this purpose, the Working Party has prepared the draft Decision and Protocol of Accession reproduced in the Appendix to this report, and takes note of Panama's Schedule of Specific Commitments on Services (document WT/ACC/PAN/19/Add.2) and its Schedule of Concessions and Commitments on Goods (document WT/ACC/PAN/19/Add.1) that are annexed to the Protocol. It is proposed that these texts be adopted by the General Council when it adopts the report. When the Decision is adopted, the Protocol of Accession would be open for acceptance by Panama which would become a Member thirty days after it accepts the said Protocol. The Working Party agreed, there-

fore, that it had completed its work concerning the negotiations for the accession of Panama to the Agreement Establishing the WTO.

Decision of the General Council on 2 October 1996
(WT/ACC/PAN/20)

The General Council,

Having regard to the results of the negotiations directed towards the establishment of the terms of accession of the Republic of Panama to the Marrakesh Agreement Establishing the World Trade Organization and having prepared a Protocol for the Accession of the Republic of Panama,

Decid es, in accordance with Article XII of the Marrakesh Agreement Establishing the World Trade Organization, that the Republic of Panama may accede to the Marrakesh Agreement Establishing the World Trade Organization on the terms set out in the said Protocol.[1]

ACCESSION OF PAPUA NEW GUINEA

EXTENSION OF TIME-LIMIT FOR ACCEPTANCE OF THE PROTOCOL OF ACCESSION

Decision of the General Council on 6 February 1996
(WT/L/130)

Considering that the Government of Papua New Guinea has notified the World Trade Organization that the acceptance of the Protocol of Accession of Papua New Guinea to the Agreement Establishing the World Trade Organization may not be concluded within the time-limit prescribed in paragraph 6 thereof and has requested that the aforesaid time-limit be extended to 13 May 1996,

The General Council,

Decides to extend the time-limit for acceptance by the Government of Papua New Guinea of the Protocol of Accession of Papua New Guinea to the Agreement Establishing the World Trade Organization, until 13 May 1996.

[1] See under section "Legal Instruments".

ACCESSION OF PAPUA NEW GUINEA

EXTENSION OF TIME-LIMIT FOR ACCEPTANCE OF THE PROTOCOL OF ACCESSION

Decision of 16 April 1996
(WT/L/148)

Considering that the Government of Papua New Guinea has notified the World Trade Organization that the acceptance of the Protocol of Accession of Papua New Guinea to the Marrakesh Agreement Establishing the World Trade Organization may not be concluded within the time-limit prescribed in paragraph 6 thereof and has requested that the aforesaid time-limit be further extended to 13 August 1996,

The General Council,

Decides to extend the time-limit for acceptance by the Government of Papua New Guinea of the Protocol of Accession of Papua New Guinea to the Marrakesh Agreement Establishing the World Trade Organization, until 13 August 1996.

ACCESSION OF THE UNITED ARAB EMIRATES

Decision of the General Council on 6 February 1996
(WT/L/128)

The General Council,

Recalling that certain contracting parties which became contracting parties to the General Agreement on Tariffs and Trade 1947 (hereinafter referred to as "GATT 1947") during the course of 1994 were unable to complete the negotiations on their schedules to the General Agreement on Tariffs and Trade 1994 (hereinafter referred to as "GATT 1994") and the General Agreement on Trade in Services (hereinafter referred to as the "GATS"),

Recalling further that the General Council decided on 31 January 1995 that these contracting parties to the GATT 1947 should be able to accede to the WTO Agreement in accordance with special procedures under which the General Council's approval of the schedules to the GATT 1994 and the GATS shall be deemed to be the approval of their terms of accession,

Noting that the negotiations on the schedules of the United Arab Emirates have been completed and a Protocol for the Accession of the United Arab Emirates has been prepared,

Decides, in accordance with Article XII of the Marrakesh Agreement Establishing the World Trade Organization, that the United Arab Emirates may accede to the Marrakesh Agreement Establishing the World Trade Organization on the terms set out in the said Protocol.[1]

[1] See under section "Legal Instruments".

APPELLATE BODY

WORKING PROCEDURES FOR APPELLATE REVIEW

Adopted on 15 February 1996
(WT/AB/WP/1)

Definitions

1. In these *Working Procedures for Appellate Review*,

"appellant"

means any party to the dispute that has filed a Notice of Appeal pursuant to Rule 20 or has filed a submission pursuant to paragraph 1 of Rule 23;

"appellate report"

means an Appellate Body report as described in Article 17 of the *DSU*;

"appellee"

means any party to the dispute that has filed a submission pursuant to Rule 22 or paragraph 3 of Rule 23;

"consensus"

a decision is deemed to be made by consensus if no Member formally objects to it;

"covered agreements"

has the same meaning as "covered agreements" in paragraph 1 of Article 1 of the *DSU*;

"division"

means the three Members who are selected to serve on any one appeal in accordance with paragraph 1 of Article 17 of the *DSU* and paragraph 2 of Rule 6;

"documents"

means the Notice of Appeal and the submissions and other written statements presented by the participants;

"DSB"

means the Dispute Settlement Body established under Article 2 of the *DSU*;

"DSU"

means the *Understanding on Rules and Procedures Governing the Settlement of Disputes* which is Annex 2 to the *WTO Agreement*;

"Member"

means a Member of the Appellate Body who has been appointed by the DSB in accordance with Article 17 of the *DSU*;

"participant"

means any party to the dispute that has filed a Notice of Appeal pursuant to Rule 20 or a submission pursuant to Rule 22 or paragraphs 1 or 3 of Rule 23;

"party to the dispute"

means any WTO Member who was a complaining or defending party in the panel dispute, but does not include a third party;

"proof of service"

means a letter or other written acknowledgement that a document has been delivered, as required, to the parties to the dispute, participants, third parties or third participants, as the case may be;

"Rules"

means these *Working Procedures for Appellate Review;*

"Rules of Conduct"

means the *Rules of Conduct for the Understanding on Rules and Procedures Governing the Settlement of Disputes* as attached in Annex II to these Rules;

"SCM Agreement"

means the *Agreement on Subsidies and Countervailing Measures* which is in Annex 1A to the *WTO Agreement;*

"Secretariat"

means the Appellate Body Secretariat;

"service address"

means the address of the party to the dispute, participant, third party or third participant as generally used in WTO dispute settlement proceedings, unless the party to the dispute, participant, third party or third participant has clearly indicated another address;

"third participant"

means any third party that has filed a submission pursuant to Rule 24;

"third party"

means any WTO Member who has notified the DSB of its substantial interest in the matter before the panel pursuant to paragraph 2 of Article 10 of the *DSU*;

"WTO"

means the World Trade Organization;

"WTO Agreement"

means the *Marrakesh Agreement Establishing the World Trade Organization*, done at Marrakesh, Morocco on 15 April 1994;

"WTO Member"

means any State or separate customs territory possessing full autonomy in the conduct of its external commercial relations that has accepted or acceded to the WTO in accordance with Articles XI, XII or XIV of the *WTO Agreement;* and

"WTO Secretariat"

means the Secretariat of the World Trade Organization.

PART I

MEMBERS

Duties and Responsibilities

2. (1) A Member shall abide by the terms and conditions of the *DSU*, these Rules and any decisions of the DSB affecting the Appellate Body.

(2) During his/her term, a Member shall not accept any employment nor pursue any professional activity that is inconsistent with his/her duties and responsibilities.

(3) A Member shall exercise his/her office without accepting or seeking instructions from any international, governmental, or non-governmental organization or any private source.

(4) A Member shall be available at all times and on short notice and, to this end, shall keep the Secretariat informed of his/her whereabouts at all times.

Decision-Making

3. (1) In accordance with paragraph 1 of Article 17 of the *DSU*, decisions relating to an appeal shall be taken solely by the division assigned to that appeal. Other decisions shall be taken by the Appellate Body as a whole.

(2) The Appellate Body and its divisions shall make every effort to take their decisions by consensus. Where, nevertheless, a decision cannot be arrived at by consensus, the matter at issue shall be decided by a majority vote.

Collegiality

4. (1) To ensure consistency and coherence in decision-making, and to draw on the individual and collective expertise of the Members, the Members shall convene on a regular basis to discuss matters of policy, practice and procedure.

(2) The Members shall stay abreast of dispute settlement activities and other relevant activities of the WTO and, in particular, each Member shall receive all documents filed in an appeal.

(3) In accordance with the objectives set out in paragraph 1, the division responsible for deciding each appeal shall exchange views with the other Members before the division finalizes the appellate report for circulation to the WTO Members. This paragraph is subject to paragraphs 2 and 3 of Rule 11.

(4) Nothing in these Rules shall be interpreted as interfering with a division's full authority and freedom to hear and decide an appeal assigned to it in accordance with paragraph 1 of Article 17 of the *DSU*.

Chairman

5. (1) There shall be a Chairman of the Appellate Body who shall be elected by the Members.

(2) The term of office of the Chairman shall be one year. In order to ensure rotation of the Chairmanship, no Member shall serve as Chairman for more than one term consecutively.

(3) The Chairman shall be responsible for the overall direction of the Appellate Body business, and in particular, his/her responsibilities shall include:

(a) the supervision of the internal functioning of the Appellate Body; and

(b) any such other duties as the Members may agree to entrust to him/her.

(4) Where the office of the Chairman becomes vacant due to permanent incapacity as a result of illness or death or by resignation or expiration of his/her term, the Members shall elect a new Chairman who shall serve a full term in accordance with paragraph 2.

(5) In the event of a temporary absence or incapacity of the Chairman, the Appellate Body shall authorize another Member to act as Chairman *ad interim*, and the Member so authorized shall temporarily exercise all the powers, duties and functions of the Chairman until the Chairman is capable of resuming his/her functions.

Divisions

6. (1) In accordance with paragraph 1 of Article 17 of the *DSU*, a division consisting of three Members shall be established to hear and decide an appeal.

(2) The Members constituting a division shall be selected on the basis of rotation, while taking into account the principles of random selection, unpredictability and opportunity for all Members to serve regardless of their national origin.

(3) A Member selected pursuant to paragraph 2 to serve on a division shall serve on that division, unless:

(i) he/she is excused from that division pursuant to Rules 9 or 10;

(ii) he/she has notified the Chairman and the Presiding Member that he/she is prevented from serving on the division because of illness or other serious reasons pursuant to Rule 12; or

(iii) he/she has notified his/her intentions to resign pursuant to Rule 14.

Presiding Member of the Division

7. (1) Each division shall have a Presiding Member, who shall be elected by the Members of that division.

(2) The responsibilities of the Presiding Member shall include:

(a) coordinating the overall conduct of the appeal proceeding;

(b) chairing all oral hearings and meetings related to that appeal; and

(c) coordinating the drafting of the appellate report.

(3) In the event that a Presiding Member becomes incapable of performing his/her duties, the other Members serving on that division and the Member selected as a replacement pursuant to Rule 13 shall elect one of their number to act as the Presiding Member.

Rules of Conduct

8. (1) On a provisional basis, the Appellate Body adopts those provisions of the *Rules of Conduct for the Understanding on Rules and Procedures Governing the Settlement of Disputes*, attached in Annex II to these Rules, which are applicable to it, until *Rules of Conduct* are approved by the DSB.

(2) Upon approval of *Rules of Conduct* by the DSB, such *Rules of Conduct* shall be directly incorporated and become part of these Rules and shall supersede Annex II.

9. (1) Upon the filing of a Notice of Appeal, each Member shall take the steps set out in Article V:4(b)(i) of Annex II, and a Member may consult with the other Members prior to completing the disclosure form.

(2) Upon the filing of a Notice of Appeal, the professional staff of the Secretariat assigned to that appeal shall take the steps set out in Article V:4(b)(ii) of Annex II.

(3) Where information has been submitted pursuant to Article V:4(b)(i) or (ii) of Annex II, the Appellate Body shall consider whether further action is necessary.

(4) As a result of the Appellate Body's consideration of the matter pursuant to paragraph 3, the Member or the professional staff member concerned may continue to be assigned to the division or may be excused from the division.

10. (1) Where evidence of a material violation is filed by a participant pursuant to Article VII of Annex II, such evidence shall be confidential and shall be supported by affidavits made by persons having actual knowledge or a reasonable belief as to the truth of the facts stated.

(2) Any evidence filed pursuant to Article VII:1 of Annex II shall be filed at the earliest practicable time: that is, forthwith after the participant submitting it knew or reasonably could have known of the facts supporting it. In no case shall such evidence be filed after the appellate report is circulated to the WTO Members.

(3) Where a participant fails to submit such evidence at the earliest practicable time, it shall file an explanation in writing of the reasons why it did not do so earlier, and the Appellate Body may decide to consider or not to consider such evidence, as appropriate.

(4) While taking fully into account paragraph 5 of Article 17 of the *DSU*, where evidence has been filed pursuant to Article VII of Annex II, an appeal shall be suspended for fifteen days or until the procedure referred to in Article VII:14-16 of Annex II is completed, whichever is earlier.

(5) As a result of the procedure referred to in Article VII:14-16 of Annex II, the Appellate Body may decide to dismiss the allegation, to excuse the Member or professional staff member concerned from being assigned to the division or make such other order as it deems necessary in accordance with Article VII of Annex II.

11. (1) A Member who has submitted a disclosure form with information attached pursuant to Article V:4(b)(i) or is the subject of evidence of a material violation pursuant to Article VII:1 of Annex II, shall not participate in any decision taken pursuant to paragraph 4 of Rule 9 or paragraph 5 of Rule 10.

(2) A Member who is excused from a division pursuant to paragraph 4 of Rule 9 or paragraph 5 of Rule 10 shall not take part in the exchange of views conducted in that appeal pursuant to paragraph 3 of Rule 4.

(3) A Member who, had he/she been a Member of a division, would have been excused from that division pursuant to paragraph 4 of Rule 9, shall not

take part in the exchange of views conducted in that appeal pursuant to paragraph 3 of Rule 4.

Incapacity

12. (1) A Member who is prevented from serving on a division by illness or for other serious reasons shall give notice and duly explain such reasons to the Chairman and to the Presiding Member.

(2) Upon receiving such notice, the Chairman and the Presiding Member shall forthwith inform the Appellate Body.

Replacement

13. Where a Member is unable to serve on a division for a reason set out in paragraph 3 of Rule 6, another Member shall be selected forthwith pursuant to paragraph 2 of Rule 6 to replace the Member originally selected for that division.

Resignation

14. (1) A Member who intends to resign from his/her office shall notify his/her intentions in writing to the Chairman of the Appellate Body who shall immediately inform the Chairman of the DSB, the Director-General and the other Members of the Appellate Body.

(2) The resignation shall take effect 90 days after the notification has been made pursuant to paragraph 1, unless the DSB, in consultation with the Appellate Body, decides otherwise.

Transition

15. A person who ceases to be a Member of the Appellate Body may, with the authorization of the Appellate Body and upon notification to the DSB, complete the disposition of any appeal to which that person was assigned while a Member, and that person shall, for that purpose only, be deemed to continue to be a Member of the Appellate Body.

PART II

PROCESS

General Provisions

16. (1) In the interests of fairness and orderly procedure in the conduct of an appeal, where a procedural question arises that is not covered by these Rules,

a division may adopt an appropriate procedure for the purposes of that appeal only, provided that it is not inconsistent with the *DSU*, the other covered agreements and these Rules. Where such a procedure is adopted, the Division shall immediately notify the participants and third participants in the appeal as well as the other Members of the Appellate Body.

(2) In exceptional circumstances, where strict adherence to a time period set out in these Rules would result in a manifest unfairness, a party to the dispute, a participant, a third party or a third participant may request that a division modify a time period set out in these Rules for the filing of documents or the date set out in the working schedule for the oral hearing. Where such a request is granted by a division, any modification of time shall be notified to the parties to the dispute, participants, third parties and third participants in a revised working schedule.

17. (1) Unless the DSB decides otherwise, in computing any time period stipulated in the *DSU* or in the special or additional provisions of the covered agreements, or in these Rules, within which a communication must be made or an action taken by a WTO Member to exercise or preserve its rights, the day from which the time period begins to run shall be excluded and, subject to paragraph 2, the last day of the time-period shall be included.

(2) The DSB Decision on "Expiration of Time-Periods in the *DSU*", WT/DSB/M/7, shall apply to appeals heard by divisions of the Appellate Body.

Documents

18. (1) No document is considered filed with the Appellate Body unless the document is received by the Secretariat within the time period set out for filing in accordance with these Rules.

(2) Except as otherwise provided in these Rules, every document filed by a party to the dispute, a participant, a third party or a third participant shall be served on each of the other parties to the dispute, participants, third parties and third participants in the appeal.

(3) A proof of service on the other parties to the dispute, participants, third parties and third participants shall appear on, or be affixed to, each document filed with the Secretariat under paragraph 1 above.

(4) A document shall be served by the most expeditious means of delivery or communication available, including by:

(a) delivering a copy of the document to the service address of the party to the dispute, participant, third party or third participant; or

(b) sending a copy of the document to the service address of the party to the dispute, participant, third party or third participant by facsimile transmission, expedited delivery courier or expedited mail service.

(5) Upon authorization by the division, a participant or a third participant may correct clerical errors in any of its submissions. Such correction shall be made within 3 days of the filing of the original submission and a copy of the

revised version shall be filed with the Secretariat and served upon the other participants and third participants.

Ex Parte Communications

19. (1) Neither a division nor any of its Members shall meet with or contact one participant or third participant in the absence of the other participants and third participants.

(2) No Member of the division may discuss any aspect of the subject matter of an appeal with any participant or third participant in the absence of the other Members of the division.

(3) A Member who is not assigned to the division hearing the appeal shall not discuss any aspect of the subject matter of the appeal with any participant or third participant.

Commencement of Appeal

20. (1) An appeal shall be commenced by notification in writing to the DSB in accordance with paragraph 4 of Article 16 of the *DSU* and simultaneous filing of a Notice of Appeal with the Secretariat.

(2) A Notice of Appeal shall include the following information:

(a) the title of the panel report under appeal;

(b) the name of the party to the dispute filing the Notice of Appeal;

(c) the service address, telephone and facsimile numbers of the party to the dispute; and

(d) a brief statement of the nature of the appeal, including the allegations of errors in the issues of law covered in the panel report and legal interpretations developed by the panel.

Appellant's Submission

21. (1) The appellant shall, within 10 days after the date of the filing of the Notice of Appeal, file with the Secretariat a written submission prepared in accordance with paragraph 2 and serve a copy of the submission on the other parties to the dispute and third parties.

(2) A written submission referred to in paragraph 1 shall

(a) be dated and signed by the appellant; and

(b) set out

(i) a precise statement of the grounds for the appeal, including the specific allegations of errors in the issues of law covered in the panel report and legal interpretations developed by the panel, and the legal arguments in support thereof;

(ii) a precise statement of the provisions of the covered agreements and other legal sources relied on; and

(iii) the nature of the decision or ruling sought.

Appellee's Submission

22. (1) Any party to the dispute that wishes to respond to allegations raised in an appellant's submission filed pursuant to Rule 21 may, within 25 days after the date of the filing of the Notice of Appeal, file with the Secretariat a written submission prepared in accordance with paragraph 2 and serve a copy of the submission on the appellant, other parties to the dispute and third parties.

(2) A written submission referred to in paragraph 1 shall

(a) be dated and signed by the appellee; and

(b) set out

(i) a precise statement of the grounds for opposing the specific allegations of errors in the issues of law covered in the panel report and legal interpretations developed by the panel raised in the appellant's submission, and the legal arguments in support thereof;

(ii) an acceptance of, or opposition to, each ground set out in the appellant's submission;

(iii) a precise statement of the provisions of the covered agreements and other legal sources relied on; and

(iv) the nature of the decision or ruling sought.

Multiple Appeals

23. (1) Within 15 days after the date of the filing of the Notice of Appeal, a party to the dispute other than the original appellant may join in that appeal or appeal on the basis of other alleged errors in the issues of law covered in the panel report and legal interpretations developed by the panel.

(2) Any written submission made pursuant to paragraph 1 shall be in the format required by paragraph 2 of Rule 21.

(3) The appellant, any appellee and any other party to the dispute that wishes to respond to a submission filed pursuant to paragraph 1 may file a written submission within 25 days after the date of the filing of the Notice of Appeal, and any such submission shall be in the format required by paragraph 2 of Rule 22.

(4) This Rule does not preclude a party to the dispute which has not filed a submission under Rule 21 or paragraph 1 of this Rule from exercising its right of appeal pursuant to paragraph 4 of Article 16 of the *DSU*.

(5) Where a party to the dispute which has not filed a submission under Rule 21 or paragraph 1 of this Rule exercises its right to appeal as set out in paragraph 4, a single division shall examine the appeals.

Third Participants

24. Any third party may file a written submission, stating its intention to participate as a third participant in the appeal and containing the grounds and legal arguments in support of its position, within 25 days after the date of the filing of the Notice of Appeal.

Transmittal of Record

25. (1) Upon the filing of a Notice of Appeal, the Director-General of the WTO shall transmit forthwith to the Appellate Body the complete record of the panel proceeding.

(2) The complete record of the panel proceeding includes, but is not limited to:

(i) written submissions, rebuttal submissions, and supporting evidence attached thereto by the parties to the dispute and the third parties;

(ii) written arguments submitted at the panel meetings with the parties to the dispute and the third parties, the recordings of such panel meetings, and any written answers to questions posed at such panel meetings;

(iii) the correspondence relating to the panel dispute between the panel or the WTO Secretariat and the parties to the dispute or the third parties; and

(iv) any other documentation submitted to the panel.

Working Schedule

26. (1) Forthwith after the commencement of an appeal, the division shall draw up an appropriate working schedule for that appeal in accordance with the time periods stipulated in these Rules.

(2) The working schedule shall set forth precise dates for the filing of documents and a timetable for the division's work, including where possible, the date for the oral hearing.

(3) In accordance with paragraph 9 of Article 4 of the *DSU*, in appeals of urgency, including those which concern perishable goods, the Appellate Body shall make every effort to accelerate the appellate proceedings to the greatest extent possible. A division shall take this into account in drawing up its working schedule for that appeal.

(4) The Secretariat shall serve forthwith a copy of the working schedule on the appellant, the parties to the dispute and any third parties.

Oral Hearing

27. (1) A division shall hold an oral hearing, which shall be held, as a general rule, 30 days after the date of the filing of the Notice of Appeal.

(2) Where possible in the working schedule or otherwise at the earliest possible date, the Secretariat shall notify all parties to the dispute, participants, third parties and third participants of the date for the oral hearing.

(3) Any third participant who has filed a submission pursuant to Rule 24 may appear to make oral arguments or presentations at the oral hearing.

(4) The Presiding Member may, as necessary, set time-limits for oral arguments and presentations.

Written Responses

28. (1) At any time during the appellate proceeding, including, in particular, during the oral hearing, the division may address questions orally or in writing to, or request additional memoranda from, any participant or third participant, and specify the time periods by which written responses or memoranda shall be received.

(2) Any such questions, responses or memoranda shall be made available to the other participants and third participants in the appeal, who shall be given an opportunity to respond.

Failure to Appear

29. Where a participant fails to file a submission within the required time periods or fails to appear at the oral hearing, the division shall, after hearing the views of the participants, issue such order, including dismissal of the appeal, as it deems appropriate.

Withdrawal of Appeal

30. (1) At any time during an appeal, the appellant may withdraw its appeal by notifying the Appellate Body, which shall forthwith notify the DSB.

(2) Where a mutually agreed solution to a dispute which is the subject of an appeal has been notified to the DSB pursuant to paragraph 6 of Article 3 of the *DSU*, it shall be notified to the Appellate Body.

Prohibited Subsidies

31. (1) Subject to Article 4 of the *SCM Agreement*, the general provisions of these Rules shall apply to appeals relating to panel reports concerning prohibited subsidies under Part II of that *Agreement*.

(2) The working schedule for an appeal involving prohibited subsidies under Part II of the *SCM Agreement* shall be as set out in Annex I to these Rules.

Entry into Force and Amendment

32. (1) These Rules shall enter into force on 15 February 1996.

(2) The Appellate Body may amend these Rules in compliance with the procedures set forth in paragraph 9 of Article 17 of the *DSU*.

(3) Whenever there is an amendment to the *DSU* or to the special or additional rules and procedures of the covered agreements, the Appellate Body shall examine whether amendments to these Rules are necessary.

ANNEX I

TIMETABLE FOR APPEALS

	General Appeals	*Prohibited Subsidies Appeals*
	Day	Day
Notice of Appeal[1]	0	0
Appellant's Submission[2]	10	5
Other Appellant(s) Submission(s)[3]	15	7
Appellee(s) Submission(s)[4]	25	12
Third Participant(s) Submission(s)[5]	25	12
Oral Hearing[6]	30	15
Circulation of Appellate Report	60 - 90[7]	30 - 60[8]
DSB Meeting for Adoption	90 - 120[9]	50 - 80[10]

ANNEX II

RULES OF CONDUCT FOR THE UNDERSTANDING ON RULES AND PROCEDURES GOVERNING THE SETTLEMENT OF DISPUTES

I. Preamble

Members,

Recalling that on 15 April 1994 in Marrakesh, Ministers welcomed the stronger and clearer legal framework they had adopted for the conduct of international trade, including a more effective and reliable dispute settlement mechanism;

[1] Rule 20.
[2] Rule 21.
[3] Rule 23(1).
[4] Rules 22 and 23(3).
[5] Rule 24.
[6] Rule 27.
[7] Article 17:5, *DSU*.
[8] Article 4:9, *SCM Agreement*.
[9] Article 17:14, *DSU*.
[10] Article 4:9, SCM *Agreement*.

Recognizing the importance of full adherence to the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU) and the principles for the management of disputes applied under Articles XXII and XXIII of GATT 1947, as further elaborated and modified by the DSU;

Affirming that the operation of the DSU would be strengthened by rules of conduct designed to maintain the integrity, impartiality and confidentiality of proceedings conducted under the DSU thereby enhancing confidence in the new dispute settlement mechanism;

Hereby establish the following Rules of Conduct.

II. Governing Principle

1. Each person covered by these Rules (as defined in Section IV below and hereinafter called "covered person") shall be independent and impartial, shall avoid direct or indirect conflicts of interest and shall respect the confidentiality of proceedings of bodies pursuant to the dispute settlement mechanism, so that through the observance of such standards of conduct the integrity and impartiality of that mechanism are preserved. These Rules shall in no way modify the rights and obligations of Members under the DSU nor the rules and procedures therein.

III. Observance of the Governing Principle

1. To ensure the observance of the Governing Principle of these Rules, each person covered by them is expected (1) to adhere strictly to the provisions of the DSU; (2) to disclose the existence or development of any interest, relationship or matter that that person could reasonably be expected to know and that is likely to affect, or give rise to justifiable doubts as to, that person's independence or impartiality; and (3) to take due care in the performance of their duties to fulfil these expectations, including through avoidance of any direct or indirect conflicts of interest in respect of the subject matter of the proceedings.

2. Pursuant to the Governing Principle, each person covered by these Rules, shall be independent and impartial, and shall maintain confidentiality. Moreover, such persons shall consider only issues raised in, and necessary to fulfil their responsibilities within, the dispute settlement proceeding and shall not delegate this responsibility to any other person. Such person shall not incur any obligation or accept any benefit that would in anyway interfere with, or which could give rise to, justifiable doubts as to the proper performance of that person's dispute settlement duties.

IV. Scope

1. These Rules shall apply, as specified in the text, to each person serving: (a) on a panel; (b) on the Standing Appellate Body; (c) as an arbitrator pursuant

to the provisions mentioned in Annex "1a"; or (d) as an expert participating in the dispute settlement mechanism pursuant to the provisions mentioned in Annex "1b". These Rules shall also apply, as specified in this text and the relevant provisions of the Staff Regulations, to members of the Secretariat called upon to assist the panel in accordance with Article 27.1 of the DSU or to assist in formal arbitration proceedings pursuant to Annex "1a" and to Standing Appellate Body support staff called upon to provide the Standing Appellate Body with administrative or legal support in accordance with Article 17.7 of the DSU (hereinafter "Member of the Secretariat or Standing Appellate Body support staff"), reflecting their acceptance of established norms regulating the conduct of such persons as international civil servants and the Governing Principle of these Rules.

2. The application of these Rules shall not in any way impede the Secretariat's discharge of its responsibility to continue to respond to Members' requests for assistance and information.

V. Self-Disclosure Requirements by Covered Persons

1. (a) Each person requested to serve on a panel, on the Standing Appellate Body, as an arbitrator, or as an expert shall, at the time of the request, receive from the Secretariat these Rules, which include an Illustrative List (Annex 2) of examples of the matters subject to disclosure.

(b) Any member of the Secretariat who may expect to be called upon to assist in a dispute, and Standing Appellate Body support staff, shall be familiar with these Rules.

2. As set out in paragraph V:4 below, all persons covered by paragraph V.1(a) and V.1(b) shall disclose any information that could reasonably be expected to be known to them at the time which, coming within the scope of the Governing Principle of these Rules, is likely to affect or give rise to justifiable doubts as to their independence or impartiality. These disclosures include the type of information described in the Illustrative List, if relevant.

3. These disclosure requirements shall not extend to the identification of matters whose relevance to the issues to be considered in the proceedings would be insignificant. They shall take into account the need to respect the personal privacy of those to whom these Rules apply and shall not be so administratively burdensome as to make it impracticable for otherwise qualified persons to serve on panels, the Standing Appellate Body, or in other dispute settlement roles.

4. (a) All panelists, arbitrators and experts, prior to confirmation of their appointment, shall complete the form at Annex 3 of these Rules. Such information would be disclosed to the Chair of the Dispute Settlement Body (DSB) for consideration by the parties to the dispute.

(b) (i) Persons serving on the Standing Appellate Body who, through rotation, are selected to hear the appeal of a particular panel case, shall review the factual portion of the Panel report and complete the form at Annex 3. Such

information would be disclosed to the Standing Appellate Body for its consideration whether the member concerned should hear a particular appeal.

(ii) Standing Appellate Body support staff shall disclose any relevant matter to the Standing Appellate Body, for its consideration in deciding on the assignment of staff to assist in a particular appeal.

(c) When considered to assist in a dispute, members of the Secretariat shall disclose to the Director-General of the WTO the information required under paragraph V:2 of these Rules and any other relevant information required under the Staff Regulations, including the information described in the footnote.[1]

5. During a dispute, each covered person shall also disclose any new information relevant to paragraph V:2 above at the earliest time they become aware of it.

6. The Chair of the DSB, the Secretariat, parties to the dispute, and other individuals involved in the dispute settlement mechanism shall maintain the confidentiality of any information revealed through this disclosure process, even after the panel process and its enforcement procedures, if any, are completed.

VI. Confidentiality

1. Each covered person shall at all times maintain the confidentiality of dispute settlement deliberations and proceedings together with any information identified by a party as confidential. No covered person shall at any time use such information acquired during such deliberations and proceedings to gain personal advantage or advantage for others.

2. During the proceedings, no covered person shall engage in *ex parte* contacts concerning matters under consideration. Subject to paragraph VI:1, no covered person shall make any statements on such proceedings or the issues in dispute in which that person is participating, until the report of the panel or the Standing Appellate Body has been derestricted.

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[1] Pending adoption of the Staff Regulations, members of the Secretariat shall make disclosures to the Director-General in accordance with the following draft provision to be included in the Staff Regulations: "When paragraph V:4(c) of the Rules of Conduct for the DSU is applicable, members of the Secretariat would disclose to the Director-General of the WTO the information required in paragraph V:2 of those Rules, as well as any information regarding their participation in earlier formal consideration of the specific measure at issue in a dispute under any provisions of the WTO Agreement, including through formal legal advice under Article 27.2 of the DSU, as well as any involvement with the dispute as an official of a WTO Member government or otherwise professionally, before having joined the Secretariat.

The Director-General shall consider any such disclosures in deciding on the assignment of members of the Secretariat to assist in a dispute.

When the Director-General, in the light of his consideration, including of available Secretariat resources, decides that a potential conflict of interest is not sufficiently material to warrant non-assignment of a particular member of the Secretariat to assist in a dispute, the Director-General shall inform the panel of his decision and of the relevant supporting information."

VII. Procedures Concerning Subsequent Disclosure and Possible Material Violations

1. Any party to a dispute, conducted pursuant to the WTO Agreement, who possesses or comes into possession of evidence of a material violation of the obligations of independence, impartiality or confidentiality or the avoidance of direct or indirect conflicts of interest by covered persons which may impair the integrity, impartiality or confidentiality of the dispute settlement mechanism, shall at the earliest possible time and on a confidential basis, submit such evidence to the Chair of the DSB, the Director-General or the Standing Appellate Body, as appropriate according to the respective procedures detailed in paragraphs VII:5 to VII:17 below, in a written statement specifying the relevant facts and circumstances. Other Members who possess or come into possession of such evidence, may provide such evidence to the parties to the dispute in the interest of maintaining the integrity and impartiality of the dispute settlement mechanism.

2. When evidence as described in paragraph VII:1 is based on an alleged failure of a covered person to disclose a relevant interest, relationship or matter, that failure to disclose, as such, shall not be a sufficient ground for disqualification unless there is also evidence of a material violation of the obligations of independence, impartiality, confidentiality or the avoidance of direct or indirect conflicts of interests and that the integrity, impartiality or confidentiality of the dispute settlement mechanism would be impaired thereby.

3. When such evidence is not provided at the earliest practicable time, the party submitting the evidence shall explain why it did not do so earlier and this explanation shall be taken into account in the procedures initiated in paragraph VII:1.

4. Following the submission of such evidence to the Chair of the DSB, the Director-General of the WTO or the Standing Appellate Body, as specified below, the procedures outlined in paragraphs VII:5 to VII:17 below shall be completed within fifteen working days.

Panelists, Arbitrators, Experts

5. If the person who is the subject of the evidence is a panelist, an arbitrator or an expert, the party shall provide such evidence to the Chair of the DSB.

6. Upon receipt of the evidence referred to in paragraphs VII:1 and VII:2, the Chair of the DSB shall forthwith provide the evidence to the person who is the subject of such evidence, for consideration by the latter.

7. If, after having consulted with the person concerned, the matter is not resolved, the Chair of the DSB shall forthwith provide all the evidence, and any additional information from the person concerned, to the parties to the dispute. If the person concerned resigns, the Chair of the DSB shall inform the parties to the dispute and, as the case may be, the panelists, the arbitrator(s) or experts.

8. In all cases, the Chair of the DSB, in consultation with the Director-General and a sufficient number of Chairs of the relevant Council or Councils to provide an odd number, and after having provided a reasonable opportunity for the views of the person concerned and the parties to the dispute to be heard, would decide whether a material violation of these Rules as referred to in paragraphs VII:1 and VII:2 above has occurred. Where the parties agree that a material violation of these Rules has occurred, it would be expected that, consistent with maintaining the integrity of the dispute settlement mechanism, the disqualification of the person concerned would be confirmed.

9. The person who is the subject of the evidence shall continue to participate in the consideration of the dispute unless it is decided that a material violation of these Rules has occurred.

10. The Chair of the DSB shall thereafter take the necessary steps for the appointment of the person who is the subject of the evidence to be formally revoked, or excused from the dispute as the case may be, as of that time.

Secretariat

11. If the person who is the subject of the evidence is a member of the Secretariat, the party shall only provide the evidence to the Director-General of the WTO, who shall forthwith provide the evidence to the person who is the subject of such evidence and shall further inform the other party or parties to the dispute and the panel.

12. It shall be for the Director-General to take any appropriate action in accordance with the Staff Regulations.[2]

13. The Director-General shall inform the parties to the dispute, the panel and the Chair of the DSB of his decision, together with relevant supporting information.

Standing Appellate Body

14. If the person who is the subject of the evidence is a member of the Standing Appellate Body or of the Standing Appellate Body support staff, the party shall provide the evidence to the other party to the dispute and the evidence shall thereafter be provided to the Standing Appellate Body.

[2] Pending adoption of the Staff Regulations, the Director-General would act in accordance with the following draft provision for the Staff Regulations: "If paragraph VII:11 of the Rules of Conduct for the DSU governing the settlement of disputes is invoked, the Director-General shall consult with the person who is the subject of the evidence and the panel and shall, if necessary, take appropriate disciplinary action".

15. Upon receipt of the evidence referred to in paragraphs VII:1 and VII:2 above, the Standing Appellate Body shall forthwith provide it to the person who is the subject of such evidence, for consideration by the latter.

16. It shall be for the Standing Appellate Body to take any appropriate action after having provided a reasonable opportunity for the views of the concerned person and the parties to the dispute to be heard.

17. The Standing Appellate Body shall inform the parties to the dispute and the Chair of the DSB of its decision, together with relevant supporting information.

***

18. Following completion of the procedures in paragraphs VII:5 to VII:17, if the appointment of a person covered by these Rules, other than a member of the Standing Appellate Body, is revoked or that person is excused or resigns, the procedures specified in the DSU for initial appointment shall be followed for appointment of a replacement, but the time periods shall be half those specified in the DSU.[3] The member of the Standing Appellate Body who, under that Body's rules, would next be selected through rotation to consider the dispute, would automatically be assigned to the appeal. The panel, members of the Standing Appellate Body hearing the appeal, or the arbitrator, as the case may be, may then decide after consulting with the parties to the dispute, on any necessary modifications to their working procedures or proposed timetable.

19. All persons and Members concerned shall resolve matters involving possible material violations of these Rules as expeditiously as possible so as not to delay the completion of proceedings, as provided in the DSU.

20. Except to the extent strictly necessary to carry out this decision, all information concerning possible or actual material violations of these Rules shall be kept confidential.

VIII. Review

1. These Rules of Conduct shall be reviewed within two years of their adoption and a decision shall be taken by the Dispute Settlement Body as to whether to continue, modify or terminate these Rules.

ANNEX 1a

Arbitrators acting pursuant to the following provisions:

- Articles 21.3(c); 22.6 and 22.7; 26.1(c) and 25 of the DSU;

[3] Appropriate adjustments would be made in the case of appointments pursuant to the SCM Agreement.

- Article 8.5 of the SCM Agreement;
- Articles XXI.3 and XXII.3 of the GATS.

ANNEX 1b

Experts advising or providing information pursuant to the following provisions:

- Article 13.1; 13.2 of the DSU;
- Article 4.5 of the SCM Agreement;
- Article 11.2 of the SPS Agreement;
- Article 14.2; 14.3 of the TBT Agreement.

ANNEX 2

ILLUSTRATIVE LIST OF INFORMATION TO BE DISCLOSED

This list contains examples of information of the type that a person called upon to serve in a dispute should disclose pursuant to the Rules of Conduct for the Understanding on Rules and Procedures Governing the Settlement of Disputes.

Each person covered by these Rules of Conduct has a continuing duty to disclose the information described in Section V:2 of the Rules of Conduct which may include the following:

(a) financial interests (e.g. investments, loans, shares, interests, other debts); business interests (e.g. directorship or other contractual interests); and property interests relevant to the dispute in question;

(b) professional interests (e.g. a past or present relationship with private clients, or any interests the person may have in domestic or international proceedings, and their implications, where these involve issues similar to those addressed in the dispute in question);

(c) other active interests (e.g. active participation in public interest groups or other organisations which may have a declared agenda relevant to the dispute in question);

(d) considered statements of personal opinion on issues relevant to the dispute in question (e.g. publications, public statements);

(e) employment or family interests (e.g. the possibility of any indirect advantage or any likelihood of pressure which could arise from their employer, business associates or immediate family members).

ANNEX 3

Dispute Number: _____

WORLD TRADE ORGANIZATION DISCLOSURE FORM

I have read the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU) and the Rules of Conduct for the DSU. I understand my continuing duty, while participating in the dispute settlement mechanism, and until such time as the Dispute Settlement Body (DSB) makes a decision on adoption of a report relating to the proceeding or notes its settlement, to disclose herewith and in future any information likely to affect my independence or impartiality, or which could give rise to justifiable doubts as to the integrity and impartiality of the dispute settlement mechanism; and to respect my obligations regarding the confidentiality of dispute settlement proceedings.

Signed: Dated:

GENERAL COUNCIL

ESTABLISHMENT OF THE COMMITTEE ON REGIONAL TRADE AGREEMENTS

Decision of the General Council on 6 February 1996
(WT/L/127)

Having regard to agreements[1] which are required to be notified, as the case may be, under Article XXIV of the General Agreement on Tariffs and Trade (GATT) 1994, Article V of the General Agreement on Trade in Services or the 1979 Decision on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries;

Having regard to the biennial reporting envisaged in Paragraph 11 of the Uruguay Round Understanding on the Interpretation of Article XXIV of the GATT 1994; and

Acting pursuant to paragraphs 1 and 7 of Article IV of the Agreement Establishing the World Trade Organization (WTO),

The General Council hereby *decides*:

1. To establish a Committee on Regional Trade Agreements, open to all Members of the WTO, with the following terms of reference:

(a) to carry out the examination of agreements in accordance with the procedures and terms of reference adopted by the Council for Trade in Goods, the Council for Trade in Services or the Committee on Trade and Development, as the case may be, and thereafter present its report to the relevant body for appropriate action[2];

(b) to consider how the required reporting on the operation of such agreements should be carried out and make appropriate recommendations to the relevant body;

(c) to develop, as appropriate, procedures to facilitate and improve the examination process;

(d) to consider the systemic implications of such agreements and regional initiatives for the multilateral trading system and the rela-tionship between them, and make appropriate recommendations to the General Council; and

[1] The term "agreements" in this Decision refers to all bilateral, regional, and plurilateral trade agreements of a preferential nature.

[2] The Committee will also carry out the outstanding work of the working parties already established by the Council for Trade in Goods, the Council for Trade in Services or the Committee on Trade and Development, within the terms of reference defined for those working parties, and report to the appropriate bodies.

(e) to carry out any additional functions assigned to it by the General Council.

2. That the Committee shall report annually to the General Council on its activities.

AGREEMENTS BETWEEN THE WTO AND THE IMF AND THE WORLD BANK

Decision Adopted by the General Council at its Meeting on 7, 8 and 13 November 1996 (WT/L/194)

Recalling the increasing linkages between the various aspects of economic policymaking that fall within the respective mandates of the World Trade Organization ("WTO"), the International Monetary Fund ("IMF") and the International Bank for Reconstruction and Development ("World Bank"), the call for greater coherence among economic policies contained in the Marrakesh Agreement Establishing the World Trade Organization, and the invitation of Ministers for the Director- General of the WTO to review with the Managing Director of the International Monetary Fund and the President of the World Bank the implications of the WTO's responsibilities for its cooperation with the Bretton Woods institutions, as well as the forms such cooperation might take, with a view to achieving greater coherence in global economic policymaking;

Recognizing the close collaborative relationship existing over the past several decades between the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade and the IMF and the World Bank, the importance of continuing and strengthening those relationships, and the negotiating mandate contained in the General Council Decision on the Relationship between the WTO and the IMF and World Bank (document WT/GC/M/5),

Taking note of the statement by the Director-General on Consultations and Coherence (WT/L/194/Add.1), and of the budgetary implications of the Agreements (WT/L/194/Add.2),

The General Council hereby *decides*:

(1) The proposed Agreement between the International Monetary Fund and the World Trade Organization ("IMF Agreement") as contained in Annex I of WT/GC/W/43[1] and the proposed Agreement between the International Bank for Reconstruction and Development and the World Trade Organization ("World Bank Agreement") as contained in Annex II of WT/GC/W/43[1] (collectively the "Agreements") are hereby approved. The Director-General is authorized to sign these Agreements on behalf of the World Trade Organization and to

[1] Subsequently reissued as WT/L/195.

implement the Agreements in accordance with the provisions of this Decision and any subsequent decisions that may be taken by the General Council.

(2) The Director-General shall inform Members and consult with them regularly as to matters relating to the implementation of the Agreements. To this effect, the Director-General shall, *inter alia*, hold consultations with Members under the auspices of the Chairman of the General Council, as appropriate but at least two times per year. These consultations shall include reports on the coherence consultations between the Director-General and the Managing Director of the IMF and the President of the World Bank, WTO observership in IMF and World Bank bodies, any IMF or World Bank observership in the Dispute Settlement Body (DSB), any written communications between the organizations pursuant to the Agreements, any joint research or technical cooperation projects undertaken pursuant to the Agreements, and the general scope of contacts with the IMF pursuant to paragraph 10 of the IMF Agreement and with the World Bank pursuant to paragraph 8 of the World Bank Agreement.

(3) The Director-General is invited to build on the Agreements that have been concluded and thus to pursue the consultations on Coherence provided for in paragraph 2 of each Agreement, with a view to meeting the provision established in Article III:5 of the Marrakesh Agreement Establishing the World Trade Organization and the mandate contained in the Declaration on the Contribution of the World Trade Organization to Achieving Greater Coherence in Global Economic Policymaking. Any conclusions reached as a result of such consultations shall be submitted to the General Council for approval.

(4) In respect of the implementation and interpretation of these Agreements, it is decided that:

(a) The procedures for granting IMF observership in the DSB pursuant to paragraph 6 of the IMF Agreement shall be implemented as follows: The Director-General shall convey the invitation of the DSB to the IMF to send a member of its staff as an observer to meetings of the DSB where matters of jurisdictional relevance to the IMF are to be considered. For other meetings of the DSB, the Director-General may propose to the Chairman of the DSB that a member of the IMF's staff be admitted as an observer to a particular meeting, or in respect of particular agenda items proposed for a meeting, of the DSB.

For meetings of other WTO bodies for which attendance is not specifically provided for or excluded in the Agreements or in the above subparagraph, the Director-General may propose to the Chairman of a WTO body that a member of the IMF's staff be admitted as an observer to a meeting where particular matters of common interest to the WTO and the IMF will be under discussion; similarly, the Director-General may propose to the Chairman of a WTO body that a member of the World Bank staff be admitted as an observer to a meeting where particular matters of common interest to the WTO and the World Bank will be under discussion.

(b) In light of Articles III:5 and V:1 of the Marrakesh Agreement Establishing the World Trade Organization, Article XV of the General Agreement on Tariffs and Trade 1994 (and, in particular, Article XV:2) and Articles XI and

XII of the General Agreement on Trade in Services, the General Council considers it appropriate that whenever the IMF wishes to submit its views to a panel on whether an exchange measure within its jurisdiction is consistent with the IMF's Articles of Agreement, it shall submit these views by directing a letter containing those views to the Chairman of the DSB. The Chairman of the DSB shall inform the chairman of the panel of the availability of this communication which, unless the panel decides otherwise, shall remain confidential to the panel and to the parties to the dispute.

Nothing in this Decision nor in the Agreements shall affect the rights and obligations of Members under the Dispute Settlement Understanding, including those provided for in Article 13 thereof.

(c) In the Agreements, each reference to the *WTO*, to the *Fund* or to the *World Bank* as such (and not explicitly to the WTO *Secretariat*, the Fund's *staff* or the World Bank's *staff*), or to the *institution* or the *organization*, is understood to refer to the decision-making bodies of the WTO, the IMF and the World Bank, respectively.

(d) In respect of the work of dispute-settlement panels, documentation to be provided to the IMF and the World Bank does not include documents submitted or prepared in the course of the work of panels, but only the panels' final reports to the DSB.

(e) The established competences and practices in budgetary matters will be preserved. In accordance with these competences and practices, the Secretariat will keep the Committee on Budget, Finance and Administration duly informed of the budgetary consequences of the Agreements.

(5) The General Council reaffirms the importance of the Marrakesh Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries. In its view, the improved co-operation between the WTO and the IMF and the World Bank provided for in these Agreements should enhance the possibilities for governments to respond effectively to the issues addressed in that Decision.

WTO AGREEMENTS WITH THE FUND AND THE BANK

Approved by the General Council on the 7, 8 and 13 November 1996 (WT/L/195)

The Director-General was mandated by the General Council (WT/GC/M/5) to develop draft agreements for cooperation with the International Monetary Fund ("Fund") and the World Bank ("Bank"). In conformity with this mandate, the Secretariat worked with the staffs of the Fund and the Bank in the development of the requested agreements, which are annexed (Annexes I and II, respectively). Accompanying these two agreements (as Annex I A and Annex II A, respectively) are side-letters from the Managing Director of the Fund and the President of the Bank. There are also two documents of commentary on the cor-

responding agreements (Annexes III and IV, respectively), which were prepared jointly and agreed between the WTO Secretariat and the Fund and Bank staffs and which explain the significance of certain provisions contained therein. In addition, a chart (Chart I) is enclosed which sets out the mandate received from the General Council and indicates the manner in which the provisions of the agreements with the Fund and the Bank meet this mandate.

Commensurate with the importance attached by the Ministers at Marrakesh to the strengthening of cooperation between the WTO and the Fund and the Bank, the agreements with these two institutions represent a solid step forward to that effect. The agreements recognize the close collaborative relationship existing over the past several decades between the GATT/WTO and the Fund and the Bank, and the importance of strengthening that relationship. They also provide a formal inter-institutional basis on which to implement the Declaration on the Contribution of the World Trade Organization to Achieving Greater Coherence in Global Economic Policymaking.

The agreements substantially strengthen and give formality to the WTO's cooperative relationships with the Fund and the Bank while fully maintaining our respective independence and different rôles. The agreements provide concrete results on observership and procedures for consultations to ensure the adoption of consistent and mutually supportive policies, exchange of documents and access to data bases, and overall, provide for heightened cooperation in all areas of mutual concern.

ANNEX I

AGREEMENT BETWEEN THE INTERNATIONAL MONETARY FUND AND THE WORLD TRADE ORGANIZATION

Preamble

CONSIDERING the growing interactions between economic policies pursued by individual countries arising from the globalization of markets;

RECOGNIZING the increasing linkages between the various aspects of economic policymaking that fall within the respective mandates of the International Monetary Fund ("Fund") and the World Trade Organization ("WTO"), and the call in the Marrakesh Agreement for greater coherence among economic policies internationally;

RECOGNIZING the close collaborative relationship existing over the past several decades between the Fund and the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade, and the importance of continuing and strengthening such a relationship between the Fund and the WTO;

HAVING REGARD to Article X of the Fund's Articles of Agreement, which provides that "the Fund shall cooperate within the terms of this Agreement with any general international organization and with public international organizations having specialized responsibility in related fields";

HAVING REGARD to Article III.5 of the Marrakesh Agreement Establishing the World Trade Organization, which provides that "with a view to achieving greater coherence in global economic policymaking, the WTO shall cooperate, as appropriate, with the International Monetary Fund";

HAVING REGARD to the Declarations in the Marrakesh Agreement on the Contribution of the World Trade Organization to Achieving Greater Coherence in Global Economic Policymaking and on the Relationship of the WTO with the Fund, and to the provisions of Article XV:1, XV:2, XV:3 and Articles XII and XVIII of the General Agreement on Tariffs and Trade 1994 (GATT 1994) and of Articles XI, XII, and XXVI of the General Agreement on Trade in Services (GATS) concerning cooperation and consultation, including on exchange and trade matters;

The Fund and the WTO *agree* as follows:

Paragraph 1

The Fund and the WTO shall cooperate in the discharge of their respective mandates in accordance with the provisions of this Agreement.

Paragraph 2

The Fund and the WTO shall consult with each other with a view to achieving greater coherence in global economic policymaking.

Paragraph 3

The Fund shall inform the WTO of any decisions approving restrictions on the making of payments or transfers for current international transactions, decisions approving discriminatory currency arrangements or multiple currency practices, and decisions requesting a Fund member to exercise controls to prevent a large or sustained outflow of capital.

Paragraph 4

The Fund agrees to participate in consultations carried out by the WTO Committee on Balance-of-Payments Restrictions on measures taken by a WTO member to safeguard its balance of payments. For these consultations, existing procedures for Fund participation shall continue and may be adapted as appropriate in accordance with paragraph 14 below.

Paragraph 5

The Fund shall invite the WTO Secretariat to send an observer to the ordinary meetings of the Executive Board of the Fund on general and regional

trade policy issues, including the formulation of Fund policies on trade matters, and to discussions of the World Economic Outlook (WEO) when there is a significant trade content. In addition, when consultations between the Fund's staff and the WTO Secretariat lead to the conclusion that matters of particular common interest to both organizations will be under discussion at other meetings of the Executive Board, including country-specific matters, or at meetings of the Committee on Liaison with the WTO, the Managing Director shall recommend that the WTO Secretariat be invited to send an observer to such meetings.

Paragraph 6

The WTO shall invite the Fund to send a member of its staff as an observer to the meetings of the Ministerial Conference, General Council, Trade Policy Review Body, the three sectoral councils, Committee on Trade and Development, Committee on Regional Trade Agreements, Committee on Trade-Related Investment Measures, and Committee on Trade and the Environment and their subsidiary bodies (excluding the Committee on Budget, Finance and Administration, the Dispute Settlement Body, and dispute settlement panels). The WTO shall invite the Fund to send a member of its staff as an observer to meetings of the WTO Dispute Settlement Body where matters of jurisdictional relevance to the Fund are to be considered. The WTO shall also invite the Fund to send a member of its staff to other meetings of the Dispute Settlement Body as well as of other WTO bodies for which attendance is not provided above (excluding the Committee on Budget, Finance and Administration, and dispute settlement panels), when the WTO, after consultation between the WTO Secretariat and the staff of the Fund, finds that such a presence would be of particular common interest to both organizations.

Paragraph 7

The Fund and the WTO shall make available to each other in advance the agendas, and relevant documents, for the meetings to which they are invited pursuant to the terms of this Agreement. In addition, the Fund shall make available to the WTO Secretariat the agendas of the Executive Board meetings at the time of their circulation in the Fund, and the WTO shall make available to the Fund the agendas of the Dispute Settlement Body at the time of their circulation in the WTO.

Paragraph 8

Each organization may communicate its views in writing on matters of mutual interest to the other organization or any of its organs or bodies (excluding the WTO's dispute settlement panels) and such views shall become part of the official record of such organs and bodies. The Fund shall inform in writing the relevant WTO body (including dispute settlement panels) considering exchange

measures within the Fund's jurisdiction whether such measures are consistent with the Articles of Agreement of the Fund.

Paragraph 9

For the purpose of this Agreement, the Director-General of the WTO and the Managing Director of the Fund shall ensure cooperation between the staffs of the two institutions and, to that end, shall agree on appropriate procedures for collaboration, including access to databases, and exchanges of views on jurisdictional and policy issues.

Paragraph 10

The Fund's staff shall consult with the WTO Secretariat on issues of possible inconsistency between measures under discussion with a common member and that member's obligations under the WTO Agreement. The WTO Secretariat shall consult with the Fund's staff on issues of possible inconsistency between measures under discussion with a common member and that member's obligations under the Fund's Articles of Agreement.

Paragraph 11

The Fund shall provide the WTO, promptly after circulation to the Executive Board, for the confidential use of its Secretariat, with staff reports and related background staff papers on Article IV consultations and on use of Fund resources on common members and on Fund members seeking accession to the WTO, subject to the consent of the member.

Paragraph 12

The WTO shall provide the Fund, for the confidential use of its management and staff, with Trade Policy Review Reports, summary records and reports of Councils, Bodies and Committees, and reports of WTO Members to these organs.

Paragraph 13

Each party to this Agreement shall ensure that any information communicated under this Agreement shall be used only within the limits specified by the other party.

Paragraph 14

The Director-General of the WTO and the Managing Director of the Fund shall be responsible for the implementation of this Agreement and, to that effect, shall make such arrangements as they deem appropriate.

Paragraph 15

This Agreement shall be reviewed upon the request of either party and may be amended by mutual agreement.

Paragraph 16

This Agreement may be terminated by either party by written notice to the other and, unless otherwise agreed by the parties, shall terminate six months after receipt of such notice.

Paragraph 17

Following approval by the General Council of the WTO and the Executive Board of the Fund, this Agreement shall enter into force on the date of its signature.

To be added at time of signature:

Signed at _____on _____ in duplicate

For the World Trade Organization,	For the International Monetary Fund,
Director-General	Managing Director

ANNEX I A

DRAFT ACCOMPANYING LETTER FROM MR. CAMDESSUS

Dear Mr. Ruggiero:

I take great pleasure in transmitting to the World Trade Organization the attached WTO/IMF Cooperation Agreement as approved by the Fund's Executive Board on , 1996.

In respect of the Interim and Development Committees, and in order to foster closer cooperation between our institutions, I have recommended that the Director-General of the WTO be invited regularly as an observer to these committees' plenary sessions, as well as to those restricted sessions where matters of common interest are to be addressed.

Very truly yours,
Michel Camdessus
Managing Director

ANNEX II

AGREEMENT BETWEEN THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, THE INTERNATIONAL DEVELOPMENT ASSOCIATION AND THE WORLD TRADE ORGANIZATION

AGREEMENT, dated_____,_____,_____, between the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, the INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter collectively referred to as the World Bank) and the WORLD TRADE ORGANIZATION (hereinafter referred to as WTO).

Preamble

CONSIDERING the growing interactions between economic policies pursued by individual countries arising from the globalization of markets;

RECOGNIZING the increasing interlinkages between various aspects of economic policymaking that fall within the respective mandates of the World Bank and the WTO and the call in the Marrakesh Agreement for greater coherence among economic policies internationally;

RECOGNIZING the close collaborative relationship existing over the past several decades between the World Bank and the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade, and the importance of continuing and strengthening such a relationship between the World Bank and the WTO;

HAVING REGARD to Article V, Section 8(a) of the Articles of Agreement of the International Bank for Reconstruction and Development, which provides that the Bank "shall cooperate with any general international organization and with public international organizations having specialized responsibilities in related fields",

HAVING REGARD to the Declaration on the Contribution of the World Trade Organization to Achieving Greater Coherence in Global Economic Policymaking, and to Article III.5 of the Marrakesh Agreement Establishing the World Trade Organization, which provides that "with a view to achieving greater

coherence in global economic policymaking, the WTO shall cooperate, as appropriate, with the International Monetary Fund and with the International Bank for Reconstruction and Development and its affiliated agencies".

The World Bank and the WTO *agree* as follows:

Paragraph 1

The World Bank and the WTO shall cooperate in the discharge of their respective mandates in accordance with the provisions of this Agreement.

Paragraph 2

The World Bank and the WTO shall consult with each other with a view to achieving greater coherence in global economic policymaking.

Paragraph 3

The World Bank agrees that the WTO be granted observer status at the Annual Meetings of its Board of Governors. The WTO agrees that the World Bank be granted observer status at meetings of its Ministerial Conference.

Paragraph 4

The World Bank shall invite the WTO Secretariat to send an observer to the meetings of the Executive Directors of the World Bank on general and regional trade policy issues, including the formulation of World Bank policies on trade matters. In addition, when consultations between the World Bank's staff and the WTO Secretariat lead to a conclusion that matters of particular common interest to both organizations will be under discussion at other meetings of the Executive Directors, including country specific matters, the President of the World Bank shall recommend that the WTO Secretariat be invited to send an observer to such meetings.

Paragraph 5

The WTO shall invite the World Bank to send a member of its staff as an observer to the meetings of the General Council, Trade Policy Review Body, the three sectoral councils, Committee on Trade and Development, Committee on Regional Trade Agreements, Committee on Trade-Related Investment Measures, and Committee on Trade and Environment and their subsidiary bodies (excluding the Dispute Settlement Body, the Committee on Budget, Finance and Administration and dispute settlement panels). The WTO shall invite the World Bank to send a member of its staff as an observer to meetings of other WTO bodies for which attendance is not provided above (excluding the Committee on

Budget, Finance and Administration and dispute settlement panels) where the World Bank and the WTO expect that particular matters of common interest to both organizations will be under discussion.

Paragraph 6

The World Bank and the WTO shall make available to each other in advance the agenda, and relevant documents, for the meetings to which they are invited pursuant to the terms of this Agreement. In addition, the World Bank shall make available to the WTO Secretariat agendas of meetings of the Executive Directors at the time of their circulation in the World Bank, and the WTO shall make available to the World Bank the agendas of other bodies at the time of their circulation in the WTO.

Paragraph 7

For the purposes of this Agreement, the Director-General of the WTO and the President of the World Bank shall ensure cooperation between the staffs of the two institutions who, to that end, as appropriate, shall share access to databases, undertake joint research and technical cooperation activities and exchange views on policy issues.

Paragraph 8

The WTO Secretariat and the World Bank staff shall consult and exchange views on all matters of mutual interest with the view to ensuring the adoption of consistent and mutually supportive policies. To that end, they shall keep each other regularly informed of their programmes and activities in matters related to international trade.

Paragraph 9

Subject to such limitations as may be necessary for safeguarding of confidential material, the WTO and the World Bank shall arrange the timely exchange of information, reports and other documents of mutual interest.

Paragraph 10

Each party to this Agreement shall ensure that any information communicated under this Agreement shall be used only within the limits specified by the other party.

Paragraph 11

The Director-General of the WTO and the President of the World Bank shall be responsible for the implementation of this Agreement and, to that effect, shall make such arrangements as they deem appropriate.

Paragraph 12

This Agreement shall be reviewed upon the request of either party and may be amended by mutual agreement.

Paragraph 13

This Agreement may be terminated by either party by written notice to the other and unless otherwise agreed by the parties, shall terminate six months after receipt of such notice.

This Agreement shall enter into force on the date of its signature.

Signed at _____ on _____ in duplicate.

For the World Trade Organization,	For the World Bank,
Director-General	President

ANNEX II A

DRAFT ACCOMPANYING LETTER FROM MR. WOLFENSOHN

Dear Mr. Ruggiero,

I take great pleasure in transmitting to the World Trade Organization the attached World Bank/WTO Agreement as approved by the Executive Directors on , 1996.

In respect of the Development Committee, and in order to foster closer cooperation between our institutions, I have recommended that the Director-General of the WTO be invited regularly as an observer to this committee's plenary sessions, as well as to those restricted sessions where matters of common interest are to be addressed.

Very truly yours,
James D. Wolfensohn
President

ANNEX III

AGREED COMMENTARY ON THE

Agreement between the International Monetary Fund
and the World Trade Organization

(No Commentary on the Preamble)

Paragraph 1

The Fund and the WTO shall cooperate in the discharge of their respective mandates in accordance with the provisions of this Agreement.

Comment: Under this provision, the Agreement provides the basis for cooperation between the Fund and the WTO.

Paragraph 2

The Fund and the WTO shall consult with each other with a view to achieving greater coherence in global economic policymaking.

Comment: Under this provision, it is agreed that the Fund and the WTO will consult with each other at the institutional level with a view to achieving greater coherence in global economic policymaking. A working group on coherence (comprising senior staff from the Fund, the World Bank, and the WTO) has been established and will prepare a joint report for the executive heads of their respective institutions on an approach to achieving greater coherence in global economic policymaking. The report will consider the scope of the subject, identify the types of issues to be covered, and suggest potential mechanisms for implementation.

Paragraph 3

The Fund shall inform the WTO of any decisions approving restrictions on the making of payments or transfers for current international transactions, decisions approving discriminatory currency arrangements or multiple currency practices, and decisions requesting a Fund member to exercise controls to prevent a large or sustained outflow of capital.

Comment: This information on Fund decisions is relevant to the implementation of GATT and GATS because of certain consequences under these Agreements when a measure is consistent with the Fund's Articles (Article XV of GATT 1994 and Article XI of the GATS). Additionally, under the GATS, members are allowed to impose controls on capital transactions related to their scheduled

commitments under certain circumstances, including if such controls are imposed at the request of the Fund. In practice, the Fund's authority to request capital controls (Article VI, Section 1(a) of the Fund's Articles) has never been used.

Non-approval of exchange measures that constitute restrictions under the Fund's Articles (and may be subject to consultation on their trade implications under WTO balance-of-payments provisions or action under WTO dispute settlement) would not be separately notified to the WTO. Information on these measures, however, is contained in staff reports on Article IV Consultations, which the WTO Secretariat will receive (see paragraph 11); additionally, the Fund's staff would be ready to respond to the Secretariat's requests for clarifications on their status.

Paragraph 4

The Fund agrees to participate in consultations carried out by the WTO Committee on Balance-of-Payments Restrictions on measures taken by a WTO member to safeguard its balance of payments. For these consultations, existing procedures for Fund participation shall continue and may be adapted as appropriate in accordance with paragraph 14 below.

Comment: The consultations would take place as requested by the WTO for the operation of its rules on trade-related measures taken for balance of payments reasons. This provision makes permanent the provisional agreement contained in a December 1994 exchange of letters between the Fund and the Chairman of the GATT Committee on Balance of Payments to apply to the WTO the procedures that existed vis-à-vis the GATT and to extend such procedures to services.

Under existing procedures, the WTO Secretariat and the Fund's staff coordinate so that the timing of the consultations will be suitable to the consulting Member and the institutions, with a view to ensuring that the Fund is in a position to provide the requisite information. The Fund provides to the WTO Committee on Balance-of-Payments Restrictions the most recent RED, subject to consent of the member, and supplementary background information (in cases where the RED may require updating) and a statement on the Member's balance of payments situation and external reserve position, which are approved by the Board, normally on a lapse of time basis. The Fund's staff receives and comments on a background document that the WTO Secretariat prepares based in part on the Article IV Consultation Report and background papers that it receives routinely from the Fund (see paragraph 12 on provision of documents). The Fund's representative participates in the discussions and is available to answer questions raised by Committee members.

The paragraph also provides that the procedures may be adapted (see below, paragraph 14 on implementation).

Paragraph 5

The Fund shall invite the WTO Secretariat to send an observer to the ordinary meetings of the Executive Board of the Fund on general and regional trade policy issues, including the formulation of Fund policies on trade matters, and to discussions of the World Economic Outlook (WEO) when there is a significant trade content. In addition, when consultations between the Fund's staff and the WTO Secretariat lead to the conclusion that matters of particular common interest to both organizations will be under discussion at other meetings of the Executive Board, including country-specific matters, or at meetings of the Committee on Liaison with the WTO, the Managing Director shall recommend that the WTO Secretariat be invited to send an observer to such meetings.

Comment: This paragraph deals with attendance by a representative of the WTO Secretariat, as an observer, at the specified meetings of the Fund's Executive Board. A distinction is made between two tiers of meetings. With respect to the first tier, the Agreement provides for a standing invitation to ordinary meetings of the Fund's Executive Board when the topic of discussion is general or regional trade policy issues (such as the Comprehensive Trade Paper) or that a discussion on the World Economic Outlook involves a significant trade content. As used in this provision, the term "trade content" is understood to mean not only trade in goods and services, but also trade-related matters within the scope of the Agreements annexed to the Agreement Establishing the WTO.[1] The reference to "ordinary" meetings means that the standing invitation does not apply when the Executive Board exercises its prerogative to meet in "restricted" sessions, which exclude all observers and limit attendance by the Fund's staff.[2]

The second tier provides for the possibility of ad hoc invitations to the WTO Secretariat to send an observer to Executive Board meetings not included in the first tier. Under the procedure established by the provision, either WTO Secretariat or the Fund's staff may initiate informal consultations on possible attendance by the WTO Secretariat representative at the relevant meeting of the Executive Board or the Committee on Liaison with the WTO. When both staffs conclude that the matter is of particular common interest to both institutions, the Managing Director of the Fund shall recommend that an invitation be

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[1] *The following agreements are annexed to the Agreement Establishing the WTO: Annex 1: GATT 1994 and agreements on agriculture, sanitary and phytosanitary measures, textiles and clothing, technical barriers to trade, trade-related investment measures, antidumping measures, customs procedures, preshipment inspection, rules of origin, import licensing, subsidies and countervailing measures, safeguards, trade related aspects of intellectual property and the GATS; Annex 2: the dispute settlement understanding; Annex 3: trade policy review mechanism, and Annex 4: the plurilateral trade agreements on trade in civil aircraft, government procurement, dairy, and bovine meat.*

[2] *In practice, restricted sessions occur infrequently; in 1995, for example, only five Executive Board meetings were restricted out of a total of 124.*

extended to that meeting. The word "particular" means that such cases should have sufficient importance for both institutions. It will be for the Executive Board to decide whether to extend the invitation in any given case, taking into account the Managing Director's recommendation.

It has been agreed that the Managing Director will recommend that the Director-General be invited to attend, as an observer, meetings of the Interim and Development Committees, as per the attachment.

Paragraph 6

The WTO shall invite the Fund to send a member of its staff as an observer to the meetings of the Ministerial Conference, General Council, Trade Policy Review Body, the three sectoral councils, Committee on Trade and Development, Committee on Regional Trade Agreements, Committee on Trade-Related Investment Measures, and Committee on Trade and the Environment and their subsidiary bodies (excluding the Committee on Budget, Finance and Administration, the Dispute Settlement Body, and dispute settlement panels). The WTO shall invite the Fund to send a member of its staff as an observer to meetings of the WTO Dispute Settlement Body where matters of jurisdictional relevance to the Fund are to be considered. The WTO shall also invite the Fund to send a member of its staff to other meetings of the Dispute Settlement Body as well as of other WTO bodies for which attendance is not provided above (excluding the Committee on Budget, Finance and Administration, and dispute settlement panels), when the WTO, after consultation between the WTO Secretariat and the staff of the Fund, finds that such a presence would be of particular common interest to both organizations.

Comment: As in paragraph 5, attendance at the specified meetings is provided for a member of the Fund's staff who would attend as an observer. Two situations are also distinguished. First, the provision provides a standing invitation to all meetings of the bodies specified in the first sentence, and to the Dispute Settlement Body where matters of jurisdictional relevance to the Fund are to be among those considered. Second, for other meetings of WTO bodies (except the two specifically excluded) an invitation will be extended in cases where the relevant WTO body finds, after consultation between the WTO Secretariat and the Fund's staff, that the meeting includes a matter of particular common interest to both institutions (as this term is explained in the comment to paragraph 5).

In this Agreement, the phrase "dispute settlement panels" includes panels, arbitrators and the Appellate Body established under the WTO Dispute Settlement Understanding, the Textiles Monitoring Body established under the WTO Agreement on Textiles and Clothing, the Permanent Group of Experts established under the WTO Agreement on Subsidies and Countervailing Measures, panels appointed by the independent entity established pursuant to the WTO Agreement on Preshipment Inspection and any other bodies with restricted membership constituted for the settlement of disputes.

Paragraph 7

The Fund and the WTO shall make available to each other in advance the agendas, and relevant documents, for the meetings to which they are invited pursuant to the terms of this Agreement. In addition, the Fund shall make available to the WTO Secretariat the agendas of the Executive Board meetings at the time of their circulation in the Fund, and the WTO shall make available to the Fund the agendas of the Dispute Settlement Body at the time of their circulation in the WTO.

Comment: For meetings to which representatives of either institution are invited, each institution will make available the agenda and relevant documents in advance of the meeting. The provision also obliges the Fund to send to the WTO Secretariat the agendas of all Executive Board meetings when they are circulated in the Fund, (which is normally the day before the meeting) and obliges the WTO to send to the Fund the agendas of the Dispute Settlement Body when they are circulated in the WTO. In addition, as an informal arrangement, the Fund's staff will provide a copy of the Tentative Schedule of Executive Board meetings to the WTO Secretariat, for its confidential use, shortly after it is circulated in the Fund. In general, these measures should permit each institution to be adequately informed of the activities of the other in a timely manner.

Paragraph 8

Each organization may communicate its views in writing on matters of mutual interest to the other organization or any of its organs or bodies (excluding the WTO's dispute settlement panels) and such views shall become part of the official record of such organs and bodies. The Fund shall inform in writing the relevant WTO body (including dispute settlement panels) considering exchange measures within the Fund's jurisdiction whether such measures are consistent with the Articles of Agreement of the Fund.

Comment: This provision allows each organization to communicate its views to any organ or body of the other organization (other than the bodies specifically excluded). While these communications may cover all matters, in practice, they are expected to be used only for purposes of communicating views on important matters of policy and/or jurisdiction. As the views communicated would be views of the organization, they would be approved by the appropriate institutional body before their transmittal. The provision also requires that such views be included in the official record of the relevant body or organ, which means they must be noted, but are not binding on the other party.

Also, under this provision, the Fund is required to inform a WTO body considering exchange measures within the Fund's jurisdiction (including a dispute settlement panel) whether such measures are consistent with the Fund's Articles as is relevant for the application of certain provisions in the related agreements (GATT Article XV and GATS Article XI; see also comment on paragraph 3 above).

The scope of this communication is limited to jurisdictional matters and would not include views on policy matters. As the provision of "information" will implement the requirement of consultation with the Fund on consistency of exchange measures with the Fund's Articles, these communications will have official status in the proceedings, which could mean that they will be recorded, for instance, in the reports of the panels to the Dispute Settlement Body.

Paragraph 9

For the purpose of this Agreement, the Director-General of the WTO and the Managing Director of the Fund shall ensure cooperation between the staffs of the two institutions and, to that end, shall agree on appropriate procedures for collaboration, including access to databases, and exchanges of views on jurisdictional and policy issues.

Comment: This general provision affirms the practice of cooperation between the staffs of the two institutions. The details of staff contacts can be determined by the Director-General of the WTO and the Managing Director of the Fund pursuant to their authority to implement the Agreement (see below, paragraph 14 on implementation).

Issues for discussions may include the balance-of-payments implications of the Uruguay Round on least-developed and net-food-importing developing countries and other matters of interest to both organizations that either may propose for consideration.

On access to databases, the Fund's staff will make available to the WTO Secretariat upon request the publications files, in print, tape or other appropriate form, of the International Financial Statistics (IFS), Balance of Payments Statistics (BOPS), Government Financial Statistics (GFS), Direction of Trade Statistics (DOTS) on the following understanding: (a) these are the copyrighted work of the Fund and redistribution beyond the WTO Secretariat is prohibited; and (b) at least three copies each will be provided on a complimentary basis. The Fund's staff will also make available to the WTO Secretariat upon request historical data and aggregate projections in the WEO. Sympathetic consideration will be given to specific additional requests pertaining to the IFS, BOPS, GFS and DOTS databases, as well as requests for projections of individual country data to be used in the WEO and for other statistics, subject to confidentiality requirements restricting the release of the information requested.

The WTO Secretariat will provide to the Fund's staff access to the Integrated Database of the WTO and to final schedules of commitments of WTO Members on the understanding that the material provided is the copyrighted work of the WTO and redistribution beyond the Fund's staff is prohibited. In addition, six complimentary copies of the WTO annual International Trade report will be provided to the Fund's staff. The WTO Secretariat will give sympathetic consideration to requests by the Fund's staff for other statistics.

It is understood that any information provided under paragraph 9 may be subject to a confidentiality constraint under paragraph 13.

Paragraph 10

The Fund's staff shall consult with the WTO Secretariat on issues of possible inconsistency between measures under discussion with a common member and that member's obligations under the WTO Agreement. The WTO Secretariat shall consult with the Fund's staff on issues of possible inconsistency between measures under discussion with a common member and that member's obligations under the Fund's Articles of Agreement.

Comment: This provision requires the Fund's staff and the WTO Secretariat to consult each other on an informal basis about matters that one organization is discussing with a common member that could raise issues of possible inconsistencies regarding that member's obligations under the charter of the other organization. It is understood that the feedback provided would not constitute an authoritative statement of the views of the organization and thus would not be binding.

Paragraph 11

The Fund shall provide the WTO, promptly after circulation to the Executive Board, for the confidential use of its Secretariat, with staff reports and related background staff papers on Article IV consultations and on use of Fund resources on common members and on Fund members seeking accession to the WTO, subject to the consent of the member.

Comment: The Fund documents noted would be provided to the WTO Secretariat after a suitable period following circulation to Executive Directors, to allow sufficient time for the Director concerned to consent to the transmittal of the document, but before discussion by the Executive Board. This provision reflects the WTO Secretariat's expressed need to receive the referenced Fund documents at an earlier stage than provided for under the Fund's current policy on transmittal of documents to other international organizations, which is not sooner than five days after consideration of the documents by the Executive Board. Approval of this provision thus represents revision of the Fund's procedures on transmittal of documents with regard to the WTO. The documents are for the exclusive use of the WTO Secretariat. In the opinion of the Fund's staff, five working days following circulation of the documents to Executive Directors would constitute a suitable period.

In cases where a policy framework paper (PFP) is being prepared, in the context of discussions on recipients of the PFP, the Fund's staff will suggest to its missions to indicate to the country concerned the WTO's interest in receiving such documents.

Paragraph 12

The WTO shall provide the Fund, for the confidential use of its management and staff, with Trade Policy Review Reports, summary records and reports

of Councils, Bodies and Committees, and reports of WTO Members to these organs.

Comment: The WTO will promptly provide all the noted documents to the Fund's staff, as was the practice in the past concerning documents from GATT committees.

Paragraph 13

Each party to this Agreement shall ensure that any information communicated under this Agreement shall be used only within the limits specified by the other party.

Comment: This paragraph commits each institution to preserve the confidentiality of material received from the other organization. Because of the general wording of the paragraph, the obligation extends to use of the information whether within or outside the institution.

Paragraph 14

The Director-General of the WTO and the Managing Director of the Fund shall be responsible for the implementation of this Agreement and, to that effect, shall make such arrangements as they deem appropriate.

Comment: The Director-General of the WTO and the Managing Director of the Fund are charged with implementing the Agreement. They are authorized to make supplementary arrangements within the terms of the Agreement.

Paragraph 15

This Agreement shall be reviewed upon the request of either party and may be amended by mutual agreement.

Comment: This provision requires the two institutions to review the Agreement if either one requests reconsideration of any matter in the Agreement; while there is no obligation to agree to amendments, any request for review would have to be examined in good faith. An amendment would require the consent of both parties.

Paragraph 16

This Agreement may be terminated by either party by written notice to the other and, unless otherwise agreed by the parties, shall terminate six months after receipt of such notice.

Comment: It is standard practice to include a paragraph on termination in international agreements and such provisions have been contained in Fund agreements with other institutions.

Paragraph 17

Following approval by the General Council of the WTO and the Executive Board of the Fund, this Agreement shall enter into force on the date of its signature.

Comment: The agreement requires approval by the Executive Board of the Fund and the General Council of the WTO before it becomes effective. The date of effectiveness will be the date it is signed by the Director-General of the WTO and the Managing Director of the Fund.

ANNEX IV

AGREED COMMENTARY
on the
Agreement between the International Bank for Reconstruction and Development, the International Development Association and the World Trade Organization
(No commentary on the Preamble)

Paragraph 1

The World Bank and the WTO shall cooperate in the discharge of their respective mandates in accordance with the provisions of this Agreement.

Comment: Under this provision the Agreement provides the basis for cooperation between the World Bank and the WTO.

Paragraph 2

The World Bank and the WTO shall consult with each other with a view to achieving greater coherence in global economic policymaking.

Comment: Under this provision, it is agreed that the World Bank and the WTO will consult with each other at the institutional level with a view to achieving greater coherence in global economic policymaking. A working group on coherence (comprising senior staff from the Fund, the World Bank, and the WTO) has been established and will prepare a joint report for the executive heads of their respective institutions on an approach to achieving greater coherence in global economic policymaking. The report will consider the scope of the subject, identify the types of issues to be covered, and suggest potential mechanisms for implementation.

Paragraph 3

The World Bank agrees that the WTO be granted observer status at the Annual Meetings of its Board of Governors. The WTO agrees that the World Bank be granted observer status at meetings of its Ministerial Conference.

Comment: Under this provision, reciprocal observer status is provided for meetings of the corresponding top governing bodies of the two organizations.

Paragraph 4

The World Bank shall invite the WTO Secretariat to send an observer to the meetings of the Executive Directors of the World Bank on general and regional trade policy issues, including the formulation of World Bank policies on trade matters. In addition, when consultations between the World Bank's staff and the WTO Secretariat lead to a conclusion that matters of particular common interest to both organizations will be under discussion at other meetings of the Executive Directors, including country specific matters, the President of the World Bank shall recommend that the WTO Secretariat be invited to send an observer to such meetings.

Comment: This paragraph deals with attendance by a representative of the WTO Secretariat, as an observer, at the specified meetings of the Executive Directors of the World Bank. A distinction is made between two tiers of meetings. With respect to the first tier, the Agreement provides for a standing invitation to meetings of the Executive Directors of the World Bank when the topic of discussion is general or regional trade policy issues, including Global Economic Prospects *and, when appropriate, the* World Development Report*. As used in this provision, the term "trade policy issues" is understood to mean not only trade in goods and services, but also trade-related matters within the scope of the Agreements annexed to the Agreement Establishing the WTO.*[1]

The second tier provides for the possibility of ad hoc invitations to the WTO Secretariat to send an observer to Executive Directors' meetings not included in the first tier. Under the procedure established by the provision, either the World Bank staff or the WTO Secretariat may initiate informal consultations on possible attendance by the WTO Secretariat representative at the relevant meeting of the Executive Directors of the World Bank. When both staffs conclude that the matter is of particular common interest to both institutions, the

[1] *The following agreements are annexed to the Agreement Establishing the WTO: Annex 1: GATT 1994 and agreements on agriculture, sanitary and phytosanitary measures, textiles and clothing, technical barriers to trade, trade-related investment measures, anti-dumping measures, customs procedures, preshipment inspection, rules of origin, import licensing, subsidies and countervailing measures, safeguards, trade related aspects of intellectual property and the GATS; Annex 2: the dispute settlement understanding; Annex 3: trade policy review mechanism, and Annex 4: the plurilateral trade agreements on trade in civil aircraft, government procurement, dairy, and bovine meat.*

President of the World Bank shall recommend that an invitation be extended to that meeting. The word "particular" means that such cases should have sufficient importance for both institutions. It will be for the Executive Directors of the World Bank to decide whether to extend the invitation in any given case, taking into account the President's recommendation.

It has been separately agreed that the President will recommend that the Director-General be invited to attend, as an observer, meetings of the Development Committee, as per the attachment.

Paragraph 5

The WTO shall invite the World Bank to send a member of its staff as an observer to the meetings of the General Council, Trade Policy Review Body, the three sectoral councils, Committee on Trade and Development, Committee on Regional Trade Agreements, Committee on Trade-Related Investment Measures, and Committee on Trade and Environment and their subsidiary bodies (excluding the Dispute Settlement Body, the Committee on Budget, Finance and Administration and dispute settlement panels). The WTO shall invite the World Bank to send a member of its staff as an observer to meetings of other WTO bodies for which attendance is not provided above (excluding the Committee on Budget, Finance and Administration and dispute settlement panels) where the World Bank and the WTO expect that particular matters of common interest to both organizations will be under discussion.

Comment: As in paragraph 4, attendance at the specified meetings is provided for a member of the World Bank's staff who would attend as an observer. Two situations are also distinguished. First, the provision provides a standing invitation to all meetings of the bodies specified in the first sentence. "Subsidiary bodies" includes the Committee on Safeguards, the Committee on Subsidies and Countervailing Measures, the Committee on Agriculture, the Committee on Balance-of-Payments Restrictions, the Committee on Market Access, the Committee on Anti-Dumping Practices, the Committee on Rules of Origin, the Committee on Import Licensing, the Committee on Customs Valuation, the Committee on Sanitary and Phytosanitary Measures. Second, for other meetings of WTO bodies (except the two specifically excluded) an invitation will be extended in cases where the relevant WTO body finds, after consultation between the World Bank's staff and the WTO Secretariat, that the meeting includes a matter of particular common interest to both institutions (as this term is explained in the comment to paragraph 4).

In this Agreement, the phrase "dispute settlement panels" includes panels, arbitrators and the Appellate Body established under the WTO Dispute Settlement Understanding, the Textiles Monitoring Body established under the WTO Agreement on Textiles and Clothing, the Permanent Group of Experts established under the WTO Agreement on Subsidies and Countervailing Measures, panels appointed by the independent entity established pursuant to the WTO

Agreement on Preshipment Inspection and any other bodies with restricted membership constituted for the settlement of disputes.

Paragraph 6

The World Bank and the WTO shall make available to each other in advance the agenda, and relevant documents, for the meetings to which they are invited pursuant to the terms of this Agreement. In addition, the World Bank shall make available to the WTO Secretariat agendas of meetings of the Executive Directors at the time of their circulation in the World Bank, and the WTO shall make available to the World Bank the agendas of other bodies at the time of their circulation in the WTO.

Comment: For meetings to which representatives of either institution are invited, each institution will make available the agenda and relevant documents in advance of the meeting. The provision also obliges the World Bank to send to the WTO Secretariat the agendas of all Executive Director's meetings when they are circulated in the World Bank, and obliges the WTO to send to the World Bank the agendas of the Dispute Settlement Body when they are circulated in the WTO. In addition, as an informal arrangement, the World Bank's staff will provide copies of the semi-annual Executive Directors' Work Program and its monthly updates to the WTO Secretariat, for its confidential use, shortly after it is circulated in the World Bank. In general, these measures should permit each institution to be adequately informed of the activities of the other in a timely manner.

Paragraph 7

For the purposes of this Agreement, the President of the World Bank and the Director-General of the WTO shall ensure cooperation between the staffs of the two institutions who, to that end, as appropriate, shall share access to databases, undertake joint research and technical cooperation activities and exchange views on policy issues.

Comment: This general provision affirms the practice of cooperation between the staffs of the two institutions. The details of staff contacts can be determined by the President of the World Bank and the Director-General of the WTO pursuant to their authority to implement the Agreement (see below, paragraph 11 on implementation).

Issues for discussion may include the implications of the Uruguay Round on least-developed and net-food-importing developing countries, the roles of trade and trade policy in enhancing economic growth in Africa, and other matters of common interest that either organization may propose.

The World Bank will provide the WTO Secretariat access to the Bank Economic and Social Database (BESD), as well as three complementary copies in appropriate form (print, diskette or CD-ROM), of the World Debt Ta-

bles, World Bank Atlas, World Development Indicators, Trends in Developing Economies and African Development Indicators. The World Bank staff will also make available upon request the Statistical Annex of the Global Economic Prospects and the Developing Countries. The World Bank staff will give sympathetic consideration to requests by the WTO Secretariat for other statistics. Any material provided to the WTO will be on the understanding that it is the copyrighted work of the World Bank and redistribution beyond the WTO Secretariat is prohibited.

The WTO Secretariat will continue to provide the World Bank staff access to the Integrated Database of the WTO and to final schedules of commitments of WTO Members on the understanding that the material provided is the copyrighted work of the WTO and that its redistribution beyond the World Bank's staff is prohibited.

It is understood that any information provided under paragraph 7 may be subject to a confidentiality constraint under paragraphs 9 and 10.

This paragraph also provides for the institutions to develop joint research and technical assistance projects in areas of common interest.

Paragraph 8

The World Bank staff and the WTO Secretariat shall consult and exchange views on all matters of mutual interest with the view to ensuring the adoption of consistent and mutually supportive policies. To that end, they shall keep each other regularly informed of their programmes and activities in matters related to international trade.

Comment: This paragraph provides for consultations as appropriate at the staff level.

Paragraph 9

Subject to such limitations as may be necessary for safeguarding of confidential material, the World Bank and the WTO shall arrange the timely exchange of information, reports and other documents of mutual interest.

Comment: This provision provides for a regular exchange of documentation between the two Institutions.

The WTO will provide the World Bank with the Trade Policy Review Reports, Summary Records and Reports of Councils, Committees or other bodies, and reports of WTO Members to these organs. In addition, six complimentary copies of the WTO annual International Trade report will be provided to the World Bank's staff. The WTO Secretariat will give sympathetic consideration to requests by the World Bank's staff for other information, publications and statistics.

The World Bank will provide the WTO with six complementary copies of World Development Report, and Global Economic Prospects and the

Developing Countries. The World Bank staff will give sympathetic consideration to other requests for information and publications by the WTO Secretariat.

Within this provision it is understood that, in cases where a policy framework paper (PFP) is being prepared, and in the context of discussions on recipients of the PFP, the World Bank's staff will suggest to its missions to indicate to the country concerned the WTO's interest in receiving such documents.

It is understood that any information provided under this Paragraph may be subject to a confidentiality constraint under this Paragraph and Paragraph 10.

Paragraph 10

Each party to this Agreement shall ensure that any information communicated under this Agreement shall be used only within the limits specified by the other party.

Comment: This paragraph commits each institution to preserve the confidentiality of material received from the other organization. The general wording of the paragraph entails the possibility that restrictions may be placed on the use of the information either inside or outside the institution.

Paragraph 11

The President of the World Bank and the Director-General of the WTO shall be responsible for the implementation of this Agreement and, to that effect, shall make such arrangements as they deem appropriate.

Comment: The President of the World Bank and the Director-General of the WTO are charged with implementing the Agreement. They are authorized to make supplementary arrangements within the terms of the Agreement.

Paragraph 12

This Agreement shall be reviewed upon the request of either party and may be amended by mutual agreement.

Comment: This provision requires the two institutions to review the Agreement if either one requests reconsideration of any matter in the Agreement; while there is no obligation to agree to amendments, any request for review would have to be examined in good faith. An amendment would require the consent of both parties.

Paragraph 13

This Agreement may be terminated by either party by written notice to the other and unless otherwise agreed by the parties, shall terminate six months after receipt of such notice.

Comment: It is standard practice to include a paragraph on termination in international agreements.

This Agreement shall enter into force on the date of its signature.

Comment: The agreement requires approval by the Board of Governors of the World Bank and the General Council of the WTO before it becomes effective. The date of effectiveness will be the date it is signed by the Director-General of the WTO and the President of the World Bank.

CHART I

SCHEMATIC COMPARISON OF GENERAL COUNCIL MANDATE WITH AGREEMENTS WITH THE FUND AND THE BANK

General Council Mandate	**Agreement with the Fund**	**Agreement with the Bank**
The General Council requests the Director-General to pursue the invitation given to him by Ministers in the Declaration on the Contribution of the World Trade Organization in Achieving Greater Coherence in Global Economic Policymaking keeping in view paragraph 5 of Article III of the Agreement Establishing the WTO.	The agreement provides a formal basis for the dialogue on coherence.	The agreement provides a formal basis for the dialogue on coherence.
The Director-General, while implementing his mandate in accordance with the criteria contained in the Declaration, is invited to give the necessary attention to possible means for cooperation in global economic policymaking and specific policies followed by each international institution within	Preambular language references greater coherence and the increasing linkages between various aspects of economic policymaking that fall within the respective mandates of the Fund and the WTO. Para. 2 mandates consultations with a view to	Preambular language references greater coherence and the increasing interlinkages between various aspects of economic policymaking that fall within the respective mandates of the Bank and the WTO. Para. 2 mandates consultations with a view to

General Council Mandate	Agreement with the Fund	Agreement with the Bank
their respective area of competence.	achieving greater coherence in global economic policymaking. Para. 10 mandates staff consultations on issues of possible inconsistency. The mandate is being substantially implemented through the unprecedented strengthening of institutional cooperation.	achieving greater coherence in global economic policymaking. Para. 8 mandates staff consultations with the view to ensuring the adoption of consistent and mutually supportive policies. The mandate is being substantially implemented through the unprecedented strengthening of institutional cooperation.
As to the means to achieve greater coherence in global economic policymaking, the General Council recalls that the interlinkages between the different aspects of economic policy require that the international institutions with responsibilities in each of these areas follow consistent and mutually supportive policies.	Para. 14 provides that the Director-General of the WTO and the Managing Director of the Fund shall be responsible for the implementation of this Agreement and, to that effect, shall make such arrangements as they deem appropriate. They have already agreed to meet regularly and are doing so.	Para. 11 provides that the Director-General of the WTO and the President of the World Bank shall be responsible for the implementation of this Agreement and, to that effect, shall make such arrangements as they deem appropriate. They have already agreed to meet regularly and are doing so.
The WTO and the IMF [Bank] will pursue and develop the cooperation maintained in the past between the GATT and the IMF [Bank]. In this respect, the following should be taken into account:	Preambular language covers this point.	Preambular language covers this point.
The formalization of the current provisional arrangement, and the contribution of the IMF to balance-of-payments consulta-	Para. 3 provides that the Fund shall inform the WTO of any decisions approving restrictions on pay-	[Not applicable]

General Council Mandate	Agreement with the Fund	Agreement with the Bank
tions, both in goods and services, as well as the IMF participation in meetings of the Committee on Balance-of-Payments Restrictions. The possibility of consultations with the IMF on other finance and exchange matters should be provided for.	ments or transfers, or discriminatory currency arrangements. In para. 4, the Fund agrees to participate in consultations in the WTO's BOP Committee and that existing procedures for Fund participation shall continue and may be adapted as appropriate. Para. 8 provides for communication in writing from either institution to the other or any of its organs or bodies (but excluding dispute settlement panels) on matters of mutual interest. It further provides that the Fund shall inform in writing the relevant WTO body (including dispute settlement panels) "considering exchange measures within the Fund's jurisdiction whether such measures are consistent with the Articles of Agreement of the Fund". Para. 9 indicates that the heads of the two institutions shall ensure cooperation between their staffs and, to that end, shall agree on appropriate procedures for exchange of views on	

General Council Mandate	Agreement with the Fund	Agreement with the Bank
	jurisdictional and policy issues. Finally, para. 10 calls for consultations between the staffs on issues of possible inconsistency.	
This should include, inter alia, a joint follow-up of relevant provisions contained in the Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries	Concerning joint follow-up on the Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries, the agreement provides an appropriate consultation framework for addressing the issue. It will be pursued in detail in the dialogue on coherence.	Concerning joint follow-up on the Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries, the agreement provides an appropriate consultation framework for addressing the issue. It will be pursued in detail in the dialogue on coherence.
This should include, inter alia, ... consultations with the IMF on matters related to the establishment of special exchange agreements for countries which are WTO Members but not IMF members.	As for consultations with the Fund on matters related to the establishment of special exchange agreements for countries which are WTO Members but not Fund members, the agreement addresses this issue by providing a general consultation procedure such that the requirements of GATT Article XV:6 can be adequately dealt with if and when such issue arises. No special	[Not applicable]

General Council Mandate	Agreement with the Fund	Agreement with the Bank
	exchange agreements have been entered into since the 1950s and none have been in force for many years.	
The IMF [Bank] would be granted observer status at meetings of the Ministerial Conference, General Council, Dispute Settlement Body, TPRB, the three sectoral Councils and other relevant subsidiary bodies of the four Councils. The WTO would be granted observer status at meetings of the Executive Board; WTO-IMF Liaison committee; bi-annual Interim Committee Meetings, IMF/World Bank bi-annual Development Committee Meetings as well as IMF/World Bank Annual Meetings.	Para. 5 provides that the WTO Secretariat shall be invited to ordinary meetings of the Executive Board on general and regional trade policy issues, including the formulation of Fund policies on trade matters, and to discussions of the World Economic Outlook when there is a significant trade content. Para. 6 provides that the Fund staff shall be invited to the Ministerial Conference, General Council, Trade Policy Review Body, the three sectoral councils, Committee on Trade and Development, Committee on Regional Trading Agreements, Committee on TRIMS, and Committee on Trade and Environment, and their subsidiary bodies (excluding the Committee on Budget, Finance and Administration, the DSB and dispute settlement panels). The Fund	Paras. 3 provides that the WTO shall be granted observer status at the Annual Meetings of the Bank's Board of Governors, and that the Bank shall be granted observer status at meetings of the WTO's Ministerial Conference. Para. 4 then provides that the WTO Secretariat shall be invited to meetings of the Executive Directors on general and regional trade policy issues, including the formulation of World Bank policies on trade matters. Para. 5 provides that the Bank staff shall be invited to the General Council, Trade Policy Review Body, the three sectoral councils, Committee on Trade and Development, Committee on Regional Trading Agreements, Committee on TRIMS, and Committee on Trade and Environment, and their subsidiary bodies

General Council Mandate	Agreement with the Fund	Agreement with the Bank
	staff shall also be invited to send an observer to DSB meetings where matters of jurisdictional relevance to the Fund are considered.	(excluding the Committee on Budget, Finance and Administration, the DSB and dispute settlement panels).
	Under para. 5, when consultations between the staffs of the Fund and the WTO lead to the conclusion that matters of particular common interest to both organizations will be under discussion at other meetings of the Executive Board, including country-specific meetings, or at meetings of the Fund's Committee on Liaison with the WTO, the Managing Director will recommend that the WTO Secretariat be invited to send an observer. Under para. 6, the WTO shall invite the Fund to send a member of its staff as observer to other meetings of the DSB as well as other WTO bodies for which attendance is not provided above (excluding the Budget Committee and dispute settlement panels), where the Fund and the WTO expect that	Under para. 4, when consultations between the staffs of the Bank and the WTO lead to the conclusion that matters of particular common interest to both organizations will be under discussion at other meetings of the Executive Directors, including country-specific matters, the President of the Bank will recommend that the WTO Secretariat be invited to send an observer. Under para. 5, the WTO shall invite the Bank to send a member of its staff as observer to meetings of other WTO bodies for which attendance is not provided above (excluding the Budget Committee and dispute settlement panels), where the Bank and the WTO expect that particular matters of common interest to both organizations will be under discussion.

General Council Mandate	Agreement with the Fund	Agreement with the Bank
	particular matters of common interest to both organizations will be under discussion.	
	WTO observership in the Interim and Development Committees will be dealt with in an accompanying letter addressed to the WTO Director-General from the Managing Director of the Fund, stating that in respect of the Interim and Development Committees, and in order to foster closer cooperation between our institutions, the Managing Director of the Fund has recommended that the Director-General of the WTO be invited regularly as an observer to these committees' plenary sessions, as well as to those restricted sessions where matters of common interest are to be addressed.	WTO observership in the Fund/Bank Development Committee will be dealt with in an accompanying letter addressed to the WTO Director-General from the President of the World Bank, stating that in respect of the Development Committee, and in order to foster closer cooperation between our institutions, the President of the Bank has recommended that the Director-General of the WTO be invited regularly as an observer to this committee's plenary sessions, as well as to those restricted sessions where matters of common interest are to be addressed.
The WTO and IMF [Bank] will provide each other with access to their respective documentation and databases (including the IDB).	Under para. 7, the WTO and the Fund shall make available to each other in advance the agendas, and relevant documents, for the meetings to which they are invited pursuant to	Under para. 6, the WTO and the Bank shall make available to each other in advance the agendas, and relevant documents, for the meetings to which they are invited pursuant to

General Council Mandate	Agreement with the Fund	Agreement with the Bank
	the terms of the agreement. The Fund shall make available to the WTO Secretariat agendas of meetings of the Executive Board at the time of their circulation in the Fund, and the WTO shall make available to the Fund the agendas of the DSB at the time of their circulation in the WTO. Para. 9 states that the Director-General and the Managing Director shall ensure cooperation between the staffs of the two institutions and, to that end, shall agree on appropriate procedures for collaboration, including access to databases, and exchanges of views on jurisdictional and policy issues. According to para. 11, the Fund shall provide the WTO, promptly after circulation to the Executive Board, for the confidential use of its Secretariat, with staff reports and related background staff papers on Article IV consultations and on use of Fund resources on common members and on Fund mem-	the terms of the agreement. The Bank shall make available to the WTO Secretariat agendas of meetings of the Executive Directors at the time of their circulation in the Bank, and the WTO shall make available to the Bank the agendas of other bodies at the time of their circulation in the WTO. Para. 7 provides that the Director-General and the Bank's President shall ensure cooperation between the staffs of the two institutions who, to that end, as appropriate, shall share access to databases, undertake joint research and technical cooperation activities and exchange views on policy issues. Para. 8 provides in part that the staffs of the two institutions shall keep each other regularly informed of their programmes and activities in matters related to international trade. Under para. 9, subject to such limitations as may be necessary for safeguarding of confidential material, the WTO and the Bank

General Council Mandate	Agreement with the Fund	Agreement with the Bank
	bers seeking accession to the WTO, subject to the consent of the member. Para. 12 commits the WTO to providing the Fund, for the confidential use of its management and staff, with TPR reports, summary records and reports of Councils, Bodies and Committees, and reports of WTO Members to these organs.	shall arrange the timely exchange of information, reports and other documents of mutual interest.
The necessary confidentiality shall be respected.	Para. 13 provides that each party to the agreement shall ensure that any information communicated under the agreement shall be used only within the limits specified by the other party.	Para. 10 provides that each party to the agreement shall ensure that any information communicated under the agreement shall be used only within the limits specified by the other party.

RULES OF PROCEDURE FOR SESSIONS OF THE MINISTERIAL CONFERENCE AND MEETINGS OF THE GENERAL COUNCIL[1]

Adopted by the General Council
(WT/L/161)

RULES OF PROCEDURE FOR SESIONS OF THE MINISTERIAL CONFERENCE

Note: For the purposes of these Rules, the term "WTO Agreement" includes the Multilateral Trade Agreements.

Chapter I - Sessions

Rule 1

Regular sessions of the Ministerial Conference shall be held at least once every two years. The date of each regular session shall be fixed by the Ministerial Conference at a previous session.

Rule 2

A special session may, however, be held at another date on the initiative of the Chairperson, at the request of a Member concurred in by the majority of the Members, or by a decision of the General Council. Notice of the convening of any such session shall be given to Members at least twenty-one days before the opening of the session. In the event that the twenty-first day falls on a week-end or a holiday, the notice shall be issued no later than the preceding WTO working day.

[1] This document reproduces the rules of procedure for sessions of the Ministerial Conference and meetings of the General Council adopted by the General Council on 31 January 1995 (WT/L/28), as amended by the General Council on 3 April 1995 with regard to Chapter V - Officers of the Rules for the General Council, and on 18 July 1996 with regard to Annex 3 referred to in Rule 11 of the Rules for both the Ministerial Conference and the General Council.

Chapter II - Agenda

Rule 3

The provisional agenda for each regular session shall be drawn up by the Secretariat in consultation with the Chairperson and shall be communicated to Members at least five weeks before the opening of the session. It shall be open to any Member to propose items for inclusion in this provisional agenda up to six weeks before the opening of the session. Additional items on the agenda shall be proposed under "Other Business" at the opening of the session. Inclusion of these items on the agenda shall depend upon the agreement of the Ministerial Conference.

Rule 4

The provisional agenda for a special session shall be drawn up by the Secretariat in consultation with the Chairperson and shall be communicated to Members at least twenty-one days before the opening of the session. It shall be open to any Member to propose items for inclusion in this provisional agenda up to twenty-one days before the opening of the session. Additional items on the agenda shall be proposed under "Other Business" at the opening of the session. Inclusion of these items on the agenda shall depend upon the agreement of the Ministerial Conference.

Rule 5

The first item of business at each session shall be the consideration and approval of the agenda.

Rule 6

The Ministerial Conference may amend the agenda or give priority to certain items at any time in the course of the Session.

Chapter III - Credentials

Rule 7

Each Member shall be represented by an accredited representative.

Rule 8

Each representative may be accompanied by such alternates and advisers as the representative may require.

Rule 9

The credentials of representatives shall be submitted to the Secretariat at least one week before the opening of the session. They shall take the form of a communication from or on behalf of the Minister for Foreign Affairs or the competent authority of the Member authorizing the representative to perform on behalf of the Member the functions indicated in the WTO Agreement.[2] The Chairperson after consulting with the Secretariat shall draw attention to any case where a representative has omitted to present credentials in due time and form.

Chapter IV - Observers

Rule 10

Representatives of States or separate customs territories may attend the meetings as observers on the invitation of the Ministerial Conference in accordance with paragraphs 9 to 11 of the guidelines in Annex 2 to these Rules.

Rule 11

Representatives of international intergovernmental organizations may attend the meetings as observers on the invitation of the Ministerial Conference in accordance with the guidelines in Annex 3 to these Rules.

Chapter V - Officers

Rule 12

During the course of each regular session a Chairperson and three Vice-Chairpersons shall be elected from among the Members. They shall hold office from the end of that session until the end of the next regular session.

[2] It is understood that in the case of a separate customs territory Member the credentials of its representatives shall have no implication as to sovereignty.

Rule 13

If the Chairperson is absent from any meeting or part thereof, one of the three Vice-Chairpersons shall perform the functions of the Chairperson. If no Vice-Chairperson is present the Ministerial Conference shall elect an interim Chairperson for that meeting or that part of the meeting.

Rule 14

If the Chairperson can no longer perform the functions of the office, the Ministerial Conference shall designate one of the Vice-Chairpersons to perform those functions pending election of a new Chairperson in accordance with rule 12.

Rule 15

The Chairperson shall normally participate in the proceedings as such and not as the representative of a Member. The Chairperson may, however, at any time request permission to act in either capacity.

Chapter VI - Conduct of business

Rule 16

A simple majority of the Members shall constitute a quorum.

Rule 17

In addition to exercising the powers conferred elsewhere by these rules, the Chairperson shall declare the opening and closing of each meeting, shall direct the discussion, accord the right to speak, submit questions for decision, announce decisions, rule on points of order and, subject to these rules, have complete control of the proceedings. The Chairperson may also call a speaker to order if the remarks of the speaker are not relevant.

Rule 18

During the discussion of any matter, a representative may raise a point of order. In this case the Chairperson shall immediately state the ruling. If the ruling is challenged, the Chairperson shall immediately submit it for decision and it shall stand unless overruled.

Rule 19

During the discussion of any matter a representative may move the adjournment of the debate. Any such motion shall have priority. In addition to the proponent of the motion, one representative may be allowed to speak in favour of, and two representatives against, the motion, after which the motion shall be submitted for decision immediately.

Rule 20

A representative may at any time move the closure of the debate. In addition to the proponent of the motion, not more than one representative may be granted permission to speak in favour of the motion and not more than two representatives may be granted permission to speak against the motion, after which the motion shall be submitted for decision immediately.

Rule 21

During the course of the debate, the Chairperson may announce the list of speakers and, with the consent of the meeting, declare the list closed. The Chairperson may, however, accord the right of reply to any representative if a speech delivered after the list has been declared closed makes this desirable.

Rule 22

The Chairperson, with the consent of the meeting, may limit the time allowed to each speaker.

Rule 23

Proposals and amendments to proposals shall normally be introduced in writing and circulated to all representatives not later than twelve hours before the commencement of the meeting at which they are to be discussed.

Rule 24

If two or more proposals are moved relating to the same question, the meeting shall first decide on the most far-reaching proposal and then on the next most far-reaching proposal and so on.

Rule 25

When an amendment is moved to a proposal, the amendment shall be submitted for decision first and, if it is adopted, the amended proposal shall then be submitted for decision.

Rule 26

When two or more amendments are moved to a proposal, the meeting shall decide first on the amendment farthest removed in substance from the original proposal, then, if necessary, on the amendment next farthest removed, and so on until all the amendments have been submitted for decision.

Rule 27

Parts of a proposal may be decided on separately if a representative requests that the proposal be divided.

Chapter VII - Decision-Making

Rule 28

The Ministerial Conference shall take decisions in accordance with the decision-making provisions of the WTO Agreement, in particular Article IX thereof entitled "Decision-Making".

Rule 29

When, in accordance with the WTO Agreement, decisions are required to be taken by vote, such votes shall be taken by ballot. Ballot papers shall be distributed to representatives of Members present at the session and a ballot box placed in the conference room. However, the representative of any Member may request, or the Chairperson may suggest, that a vote be taken by the raising of cards or by roll call. In addition, where in accordance with the WTO Agreement a vote by a qualified majority of all Members is required to be taken, the Ministerial Conference may decide, upon request from a Member or the suggestion of the Chairperson, that the vote be taken by airmail ballots or ballots transmitted by telegraph or telefacsimile in accordance with the procedures described in Annex 1 to these Rules.

Chapter VIII - Languages

Rule 30

English, French and Spanish shall be the working languages.

Chapter IX - Records

Rule 31

Summary records of the meetings of the Ministerial Conference shall be kept by the Secretariat.[3]

Chapter X - Publicity of meetings

Rule 32

The meetings of the Ministerial Conference shall ordinarily be held in private. It may be decided that a particular meeting or meetings should be held in public.

Rule 33

After a private meeting has been held, the Chairperson may issue a communiqué to the Press.

Chapter XI - Revision

Rule 34

The Ministerial Conference may decide at any time to revise these rules or any part of them.

[3] The customary practice under the GATT 1947, whereby representatives may, upon their request, verify those portions of the draft records containing their statements, prior to the issuance of such records, shall be continued.

RULES OF PROCEDURE FOR MEETINGS OF THE GENERAL COUNCIL

Note: For the purposes of these Rules, the term "WTO Agreement" includes the Multilateral Trade Agreements.

Chapter I - Meetings

Rule 1

The General Council shall meet as appropriate.

Rule 2

Meetings of the General Council shall be convened by the Director-General by a notice issued not less than ten calendar days prior to the date set for the meeting. In the event that the tenth day falls on a weekend or a holiday, the notice shall be issued no later than the preceding WTO working day. Meetings may be convened with shorter notice for matters of significant importance or urgency at the request of a Member concurred in by the majority of the Members.

Chapter II - Agenda

Rule 3

A list of the items proposed for the agenda of the meeting shall be communicated to Members together with the convening notice for the meeting. It shall be open to any Member to suggest items for inclusion in the proposed agenda up to, and not including, the day on which the notice of the meeting is to be issued.

Rule 4

Requests for items to be placed on the agenda of a forthcoming meeting shall be communicated to the Secretariat in writing, together with the accompanying documentation to be issued in connection with that item. Documentation for consideration at a meeting shall be circulated not later than the day on which the notice of the meeting is to be issued.

Rule 5

A proposed agenda shall be circulated by the Secretariat one or two days before the meeting.

Rule 6

The first item of business at each meeting shall be the consideration and approval of the agenda. Representatives may suggest amendments to the proposed agenda, or additions to the agenda under "Other Business". Representatives shall provide the Chairperson or the Secretariat, and the other Members directly concerned, whenever possible, advance notice of items intended to be raised under "Other Business".

Rule 7

The General Council may amend the agenda or give priority to certain items at any time in the course of the meeting.

Chapter III - Representation

Rule 8

Each Member shall be represented by an accredited representative.

Rule 9

Each representative may be accompanied by such alternates and advisers as the representative may require.

Chapter IV - Observers

Rule 10

Representatives of States or separate customs territories may attend the meetings as observers on the invitation of the General Council in accordance with paragraphs 9 to 11 of the guidelines in Annex 2 to these Rules.

Rule 11

Representatives of international intergovernmental organizations may attend the meetings as observers on the invitation of the General Council in accordance with the guidelines in Annex 3 to these Rules.

Chapter V - Officers

Rule 12

The General Council shall elect a Chairperson[4] from among the representatives of Members. The election shall take place at the first meeting of the year and shall take effect at the end of the meeting. The Chairperson shall hold office until the end of the first meeting of the following year.

Rule 13

If the Chairperson is absent from any meeting or part thereof, the Chairperson of the Dispute Settlement Body or the Chairperson of the Trade Policy Review Body, shall perform the functions of the Chairperson. If the Chairperson of the Dispute Settlement Body and of the Trade Policy Review Body are also not present, the General Council shall elect an interim Chairperson for that meeting or that part of the meeting.

Rule 14

If the Chairperson can no longer perform the functions of the office, the General Council shall designate a Chairperson in accordance with Rule 13 to perform those functions pending the election of a new Chairperson.

Rule 15

The Chairperson shall not normally participate in the proceedings as the representative of a Member. The Chairperson may, however, at any time request permission to do so.

[4] The General Council shall apply the relevant guidelines contained in the "Guidelines for Appointment of Officers to WTO Bodies" (WT/L/31).

Chapter VI - Conduct of business

Rule 16

A simple majority of the Members shall constitute a quorum.

Rule 17

In addition to exercising the powers conferred elsewhere by these rules, the Chairperson shall declare the opening and closing of each meeting, shall direct the discussion, accord the right to speak, submit questions for decision, announce decisions, rule on points of order and, subject to these rules, have complete control of the proceedings. The Chairperson may also call a speaker to order if the remarks of the speaker are not relevant.

Rule 18

During the discussion of any matter, a representative may raise a point of order. In this case the Chairperson shall immediately state the ruling. If the ruling is challenged, the Chairperson shall immediately submit it for decision and it shall stand unless overruled.

Rule 19

During the discussion of any matter, a representative may move the adjournment of the debate. Any such motion shall have priority. In addition to the proponent of the motion, one representative may be allowed to speak in favour of, and two representatives against, the motion, after which the motion shall be submitted for decision immediately.

Rule 20

A representative may at any time move the closure of the debate. In addition to the proponent of the motion, not more than one representative may be granted permission to speak in favour of the motion and not more than two representatives may be granted permission to speak against the motion, after which the motion shall be submitted for decision immediately.

Rule 21

During the course of the debate, the Chairperson may announce the list of speakers and, with the consent of the meeting, declare the list closed. The Chair-

person may, however, accord the right of reply to any representative if a speech delivered after the list has been declared closed makes this desirable.

Rule 22

The Chairperson, with the consent of the meeting, may limit the time allowed to each speaker.

Rule 23

Representatives shall endeavour, to the extent that a situation permits, to keep their oral statements brief. Representatives wishing to develop their position on a particular matter in fuller detail may circulate a written statement for distribution to Members, the summary of which, at the representative's request, may be reflected in the records of the General Council.

Rule 24

In order to expedite the conduct of business, the Chairperson may invite representatives that wish to express their support for a given proposal to show their hands, in order to be duly recorded in the records of the General Council as supporting statements; thus, only representatives with dissenting views or wishing to make explicit points or proposals would actually be invited to make a statement. This procedure shall only be applied in order to avoid undue repetition of points already made, and will not preclude any representative who so wishes from taking the floor.

Rule 25

Representatives should avoid unduly long debates under "Other Business". Discussions on substantive issues under "Other Business" shall be avoided, and the General Council shall limit itself to taking note of the announcement by the sponsoring delegation, as well as any reactions to such an announcement by other delegations directly concerned.

Rule 26

While the General Council is not expected to take action in respect of an item introduced as "Other Business", nothing shall prevent the General Council, if it so decides, to take action in respect of any such item at a particular meeting, or in respect of any item for which documentation was not circulated at least ten calendar days in advance.

Rule 27

Representatives should make every effort to avoid the repetition of a full debate at each meeting on any issue that has already been fully debated in the past and on which there appears to have been no change in Members' positions already on record.

Rule 28

Proposals and amendments to proposals shall normally be introduced in writing and circulated to all representatives not later than twelve hours before the commencement of the meeting at which they are to be discussed.

Rule 29

If two or more proposals are moved relating to the same question, the meeting shall first decide on the most far-reaching proposal and then on the next most far-reaching proposal and so on.

Rule 30

When an amendment is moved to a proposal, the amendment shall be submitted for decision first and, if it is adopted, the amended proposal shall then be submitted for decision.

Rule 31

When two or more amendments are moved to a proposal, the meeting shall decide first on the amendment farthest removed in substance from the original proposal, then, if necessary, on the amendment next farthest removed, and so on until all the amendments have been submitted for decision.

Rule 32

Parts of a proposal may be decided on separately if a representative requests that the proposal be divided.

Chapter VII - Decision-Making

Rule 33

The General Council shall take decisions in accordance with the decision-making provisions of the WTO Agreement, in particular Article IX thereof entitled "Decision-Making".

Rule 34

When, in accordance with the WTO Agreement, decisions are required to be taken by vote, such votes shall be taken by ballot. Ballot papers shall be distributed to representatives of Members present at the meeting and a ballot box placed in the conference room. However, the representative of any Member may request, or the Chairperson may suggest, that a vote be taken by the raising of cards or by roll call. In addition, where in accordance with the WTO Agreement a vote by a qualified majority of all Members is required to be taken, the General Council may decide, upon request from a Member or the suggestion of the Chairperson, that the vote be taken by airmail ballots or ballots transmitted by telegraph or telefacsimile in accordance with the procedures described in Annex 1 to these Rules.

Chapter VIII - Languages

Rule 35

English, French and Spanish shall be the working languages.

Chapter IX - Records

Rule 36

Records of the discussions of the General Council shall be in the form of minutes.[5]

[5] The customary practice under the GATT 1947, whereby representatives may, upon their request, verify those portions of the draft records containing their statements, prior to the issuance of such records, shall be continued.

Chapter X - Publicity of meetings

Rule 37

The meetings of the General Council shall ordinarily be held in private. It may be decided that a particular meeting or meetings should be held in public.

Rule 38

After a private meeting has been held, the Chairperson may issue a communiqué to the Press.

Chapter XI - Revision

Rule 39

The General Council may decide at any time to revise these rules or any part of them.

ANNEX 1

RULES FOR AIRMAIL BALLOTS AND BALLOTS TRANSMITTED BY TELEGRAPH OR TELEFACSIMILE

In any case where the Ministerial Conference or the General Council decides that a vote be taken by airmail ballots or ballots transmitted by telegraph or telefacsimile, ballot papers shall be distributed to representatives of Members present at the meeting and a notice shall be sent to each Member. The notice shall contain such information as the Chairperson considers necessary and a clear statement of the question to which each Member shall be requested to answer "yes" or "no".

The Chairperson of the Ministerial Conference or the General Council shall determine the date and hour by which votes must be received. The time-limit shall be set at no later than 30 days after the date the notice is sent. Any Member from which a vote has not been received within such time-limit shall be regarded as not voting.

Members entitled to participate in a vote by airmail ballots or ballots transmitted by telegraph or telefacsimile are those which are Members at the time of the decision to submit the matter in question to a vote.

ANNEX 2

GUIDELINES FOR OBSERVER STATUS FOR GOVERNMENTS IN THE WTO

1. Governments seeking observer status in the Ministerial Conference shall address a communication to that body indicating their reasons for seeking such status. Such requests shall be examined on a case-by-case basis by the Ministerial Conference.

2. Governments accorded observer status at sessions of the Ministerial Conference shall not automatically have that status at meetings of the General Council or its subsidiary bodies. However, governments accorded such status in the General Council and its subsidiary bodies in accordance with the procedures described below, shall be invited to attend sessions of the Ministerial Conference as observers.

3. The purpose of observer status in the General Council and its subsidiary bodies is to allow a government to better acquaint itself with the WTO and its activities, and to prepare and initiate negotiations for accession to the WTO Agreement.

4. Governments wishing to request observer status in the General Council shall address to that body a communication expressing the intent to initiate negotiations for accession to the WTO Agreement within a maximum period of five years, and provide a description of their current economic and trade policies, as well as any intended future reforms of these policies.

5. The General Council shall examine requests for observer status by governments on a case-by-case basis.

6. Observer status in the General Council shall be granted initially for a period of five years. In addition to being invited to sessions of the Ministerial Conference, governments with observer status in the General Council may participate as observers at meetings of working parties and other subsidiary bodies of the General Council as appropriate, with the exception of the Committee on Budget, Finance and Administration.

7. During its period of observership, an observer government shall provide the Members of the WTO with any additional information it considers relevant concerning developments in its economic and trade policies. At the request of any Member or the observer government itself, any matter contained in such information may be brought to the attention of the General Council after governments have been allowed sufficient time to examine the information.

8. (a) If, at the end of five years, an observer government has not yet initiated a process of negotiation with a view to acceding to the WTO Agreement, it may request an extension of its status as observer. Such a request shall be made in writing and shall be accompanied by a comprehensive, up-dated description of the requesting government's current economic and trade policies, as well as an indication of its future plans in relation to initiating accession negotiations.

(b) Upon receiving such a request, the General Council shall review the situation, and decide upon the extension of the status of observer and the duration of such extension.

9. Observer governments shall have access to the main WTO document series. They may also request technical assistance from the Secretariat in relation to the operation of the WTO system in general, as well as to negotiations on accession to the WTO Agreement.

10. Representatives of governments accorded observer status may be invited to speak at meetings of the bodies to which they are observers normally after Members of that body have spoken. The right to speak does not include the right to make proposals, unless a government is specifically invited to do so, nor to participate in decision-making.

11. Observer governments shall be required to make financial contributions for services provided to them in connection with their observer status in the WTO, subject to financial regulations established pursuant to Article VII:2 of the WTO Agreement.

ANNEX 3

OBSERVER STATUS FOR INTERNATIONAL INTERGOVERNMENTAL ORGANIZATIONS IN THE WTO[6]

1. The purpose of observer status for international intergovernmental organizations (hereinafter referred to as "organizations") in the WTO is to enable these organizations to follow discussions therein on matters of direct interest to them.

2. Requests for observer status shall accordingly be considered from organizations which have competence and a direct interest in trade policy matters, or which, pursuant to paragraph V:1 of the WTO Agreement, have responsibilities related to those of the WTO.

3. Requests for observer status shall be made in writing to the WTO body in which such status is sought, and shall indicate the nature of the work of the organization and the reasons for its interest in being accorded such status. Requests for observer status from organizations shall not, however, be considered for meetings of the Committee on Budget, Finance and Administration or of the Dispute Settlement Body.[7]

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[6] These guidelines shall apply also to other organizations referred to by name in the WTO Agreement.

[7] In the case of the IMF and the World Bank, their requests for attendance as observers to the DSB will be acted upon in accordance with the arrangements to be concluded between the WTO and these two organizations.

4. Requests for observer status shall be considered on a case-by-case basis by each WTO body to which such a request is addressed, taking into account such factors as the nature of work of the organization concerned, the nature of its membership, the number of WTO Members in the organization, reciprocity with respect to access to proceedings, documents and other aspects of observership, and whether the organization has been associated in the past with the work of the CONTRACTING PARTIES to GATT 1947.

5. In addition to organizations that request, and are granted, observer status, other organizations may attend meetings of the Ministerial Conference, the General Council or subsidiary bodies on the specific invitation of the Ministerial Conference, the General Council or the subsidiary body concerned, as the case may be. Invitations may also be extended, as appropriate and on a case-by-case basis, to specific organizations to follow particular issues within a body in an observer capacity.

6. Organizations with which the WTO has entered into a formal arrangement for cooperation and consultation shall be accorded observer status in such bodies as may be determined by that arrangement.

7. Organizations accorded observer status in a particular WTO body shall not automatically be accorded such status in other WTO bodies.

8. Representatives of organizations accorded observer status may be invited to speak at meetings of the bodies to which they are observers normally after Members of that body have spoken. The right to speak does not include the right to circulate papers or to make proposals, unless an organization is specifically invited to do so, nor to participate in decision-making.

9. Observer organizations shall receive copies of the main WTO documents series and of other documents series relating to the work of the subsidiary bodies which they attend as observers. They may receive such additional documents as may be specified by the terms of any formal arrangements for cooperation between them and the WTO.

10. If for any one-year period after the date of the grant of observer status, there has been no attendance by the observer organization, such status shall cease. In the case of sessions of the Ministerial Conference, this period shall be two years.

PROCEDURES FOR THE CIRCULATION AND DERESTRICTION OF WTO DOCUMENTS[1]

Decision of the General Council adopted on 18 July 1996[2]
(WT/L/160 Rev.1)

The General Council *decides* to adopt the following procedures with respect to the circulation[3] and derestriction of documents:

1. Documents circulated after the date of entry into force of the Marrakesh Agreement Establishing the World Trade Organization (hereinafter referred to as "WTO Agreement") in any WTO document series shall be circulated as unrestricted with the exception of documents specified in the attached Appendix, which shall be circulated as restricted and subject to derestriction, or consideration thereof, as provided. Notwithstanding the exceptions specified in the Appendix, any document that contains only information that is publicly available or information that is required to be published under any agreement in Annex 1, 2 or 3 of the WTO Agreement shall be circulated on an unrestricted basis.

2. Notwithstanding the exceptions to paragraph 1 set forth in the Appendix,

(a) any Member may, at the time it submits any document for circulation, indicate to the Secretariat that the document be issued as unrestricted ; and

(b) any restricted document circulated after the date of entry into force of the WTO Agreement may be considered for derestriction at any time by the Ministerial Conference, the General Council, or the body under the auspices of which the document was circulated, or may be considered for derestriction at the request of any Member.

3. Requests for consideration for derestriction shall be made in writing and shall be directed to the Chairman of the Ministerial Conference, the General Council or the relevant WTO body. Such requests shall be circulated to all Members and placed on the agenda of a forthcoming meeting of the body concerned for consideration. However, in order to preserve the efficiency of work of the body concerned, the Member concerned may indicate to the Secretariat that it circulate to Members a notice advising them of the documents proposed for derestriction and the date proposed for derestriction, which shall normally be sixty

[1] A copy of this decision shall be transmitted to the bodies established under the Plurilateral Trade Agreements for their consideration and appropriate action. The decision does not, furthermore, cover documents outside of a formal document series, such as a submission to a dispute settlement panel, or an interim report of a dispute settlement panel submitted to the parties thereto.

[2] In adopting these procedures, the General Council took note that Members attached particular importance to the restricted nature of documents so designated, and that individual governments should proceed accordingly in their handling of such documents.

[3] The terms "circulation" and "circulated" when used in this decision shall be understood to refer to the distribution by the Secretariat of documents to all WTO Members.

days after the date the notice is circulated. These documents shall be derestricted on the date set forth in the notice unless, prior to that date, a Member notifies the Secretariat in writing of its objection to the derestriction of a document, or any portion of a document.

4. The Secretariat shall prepare and circulate a list of all documents eligible for consideration for derestriction, indicating the proposed date of derestriction, which shall normally be sixty days after the circulation of the list. These documents shall be derestricted on the date set forth in the notice unless, prior to that date, a Member notifies the Secretariat in writing of its objection to the derestriction of a document, or any portion of a document.

5. If a document[4] considered for derestriction is not derestricted because of an objection by any Member, and remains restricted at the end of the first year following the year in which an objection was raised, the document shall be considered for derestriction at that time.

6. The Secretariat will circulate periodically (e.g., every six months) a list of newly derestricted documents, as well as a list of all documents remaining restricted.

7. In the light of the experience gained from the operation of these procedures and changes in any other relevant procedures under the WTO, the General Council will review, and if necessary modify, the procedures two years after their adoption.

APPENDIX

(a) Working documents in all series (i.e., draft documents such as agendas, decisions and proposals, as well as other working papers, issued as "-/W/-" documents in a particular series), including documents in the Spec/- series.

Such documents shall be derestricted upon the adoption of the report[5] or of the decision pertaining to their subject matter, or considered for derestriction six months after the date of their circulation[6], whichever is earlier. However, working documents relating to balance-of-payments consultations, the Committee on Market Access, the Committee on Trade and Development and the Trade Policy Review Mechanism, shall be considered for derestriction at the end of each six-month period.[7,8] All background notes by the Secretariat, how-

[4] These procedures shall apply *mutatis mutandis* to the consideration for derestriction of a portion of a document that remains restricted as a result of an objection made pursuant to paragraph 4.

[5] Reference to "adoption" of a report in this decision is intended to mean its adoption by the Ministerial Conference, General Council or other relevant WTO body.

[6] The "date of circulation" means the date printed on the front page of a document indicating when it has been made available to Members' delegations.

[7] Documents circulated during the period January through June would be considered for derestriction directly after the end of that period. Documents circulated during the period July

ever, shall be considered for derestriction six months after the date of their circulation.

(b) Documents in the SECRET/- series (i.e., those documents relating to modification or withdrawal of concessions pursuant to Article XXVIII of the GATT 1994).

Such documents shall be derestricted upon completion of the Article XXVIII process (including such process initiated pursuant to Article XXIV:6) through certification of the changes in the schedule in accordance with the Decision by the CONTRACTING PARTIES to GATT 1947 of 26 March 1980 (BISD 27S/25).

(c) Minutes of meetings of all WTO bodies (other than minutes of the Trade Policy Review Body, which shall be circulated as unrestricted), including Summary Records of Sessions of the Ministerial Conference.

Such documents shall be considered for derestriction six months after the date of their circulation.

(d) Reports by the Secretariat and by the government concerned, relating to the Trade Policy Review Mechanism, including the annual report by the Director-General on the overview of developments in the international trading environment.

Such documents shall be derestricted upon the expiry of the press embargo thereon.

(e) Documents relating to working parties on accession.

Such documents shall be derestricted upon the adoption of the report of the working party. Prior to the adoption of the report, any such documents shall be considered for derestriction at the end of the first year following the year in which they were circulated.

(f) Documents (other than working documents covered by (a) above) relating to balance-of-payments consultations, including the reports thereon.

Such documents shall be considered for derestriction at the end of each six-month period.[9]

(g) Documents submitted to the Secretariat by a Member for circulation if, at the time the Member submits the document, the Member

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through December would be considered for derestriction directly after the end of that period.

[8] Notwithstanding these provisions, budget working documents in the Spec/- series shall not be derestricted.

[9] Documents circulated during the period January through June would be considered for derestriction directly after the end of that period. Documents circulated during the period July through December would be considered for derestriction directly after the end of that period.

indicates to the Secretariat that the document should be issued as restricted.

Such documents shall be considered for derestriction at the end of each six-month period.[9]

(h) Reports of panels which are circulated in accordance with the provisions of the Understanding on Rules and Procedures Governing the Settlement of Disputes.[10]

Such reports shall be circulated to all Members as restricted documents and derestricted no later than the tenth day thereafter if, prior to the date of circulation a party to the dispute that forms the basis of a report submits to the Chairman of the Dispute Settlement Body a written request for delayed derestriction. A report circulated as a restricted document shall indicate the date upon which it will be derestricted.[11]

GUIDELINES FOR ARRANGEMENTS ON RELATIONS WITH NON-GOVERNMENTAL ORGANIZATIONS

Decision of the General Council on 18 July 1996
(WT/L/162)

1. Under Article V:2 of the Marrakesh Agreement establishing the WTO "the General Council may make appropriate arrangements for consultation and cooperation with non-governmental organizations concerned with matters related to those of the WTO".

2. In deciding on these guidelines for arrangements on relations with non-governmental organizations, Members recognize the rôle NGOs can play to increase the awareness of the public in respect of WTO activities and agree in this regard to improve transparency and develop communication with NGOs.

3. To contribute to achieve greater transparency Members will ensure more information about WTO activities in particular by making available documents which would be derestricted more promptly than in the past. To enhance this process the Secretariat will make available on on-line computer network the material which is accessible to the public, including derestricted documents.

[10] This provision will be subject to review at the time of review of the Dispute Settlement Understanding, and will be discontinued if there is no consensus on the matter.

[11] The following standard cover note will be placed on panel reports: "The report of the Panel on [name of dispute] is being circulated to all Members, pursuant to the DSU. The report is being circulated as an unrestricted document from [date] pursuant to the procedures for the Circulation and Derestriction of WTO Documents [document number]. Members are reminded that in accordance with the DSU only parties to the dispute may appeal a panel report, an appeal shall be limited to issues of law covered in the panel report and legal interpretations developed by the panel, and that there shall be no ex parte communications with the panel or Appellate Body concerning matters under consideration by the panel or Appellate Body."

4. The Secretariat should play a more active rôle in its direct contacts with NGOs who, as a valuable resource, can contribute to the accuracy and richness of the public debate. This interaction with NGOs should be developed through various means such as *inter alia* the organization on an *ad hoc* basis of symposia on specific WTO-related issues, informal arrangements to receive the information NGOs may wish to make available for consultation by interested delegations and the continuation of past practice of responding to requests for general information and briefings about the WTO.

5. If chairpersons of WTO councils and committees participate in discussions or meetings with NGOs it shall be in their personal capacity unless that particular council or committee decides otherwise.

6. Members have pointed to the special character of the WTO, which is both a legally binding intergovernmental treaty of rights and obligations among its Members and a forum for negotiations. As a result of extensive discussions, there is currently a broadly held view that it would not be possible for NGOs to be directly involved in the work of the WTO or its meetings. Closer consultation and cooperation with NGOs can also be met constructively through appropriate processes at the national level where lies primary responsibility for taking into account the different elements of public interest which are brought to bear on trade policy-making.

DISPUTE SETTLEMENT BODY

RULES OF PROCEDURE FOR MEETINGS OF THE DISPUTE SETTLEMENT BODY

Adopted by the Dispute Settlement Body on 15 February 1996 (WT/DSB/9)

1. When the General Council convenes as the Dispute Settlement Body (DSB), it shall follow the rules of procedure for meetings of the General Council, except as provided otherwise in the Dispute Settlement Understanding (DSU) or below.

Chapter IV - Observers

2. Observership at meetings of the DSB shall be governed by paragraphs 9 to 11 of Annex 2 and paragraph 3, including footnote 5 of Annex 3 to these Rules.

Chapter V - Officers

3. The DSB shall elect its own Chairperson[1] from among the representatives of Members. The election shall take place at the first meeting of the year and shall take effect at the end of the meeting. The Chairperson shall hold office until the end of the first meeting of the following year.

4. If the Chairperson is absent from any meeting or part thereof, the Chairperson of the General Council or in the latter's absence, the Chairperson of the Trade Policy Review Body, shall perform the functions of the Chairperson. If the Chairpersons of the General Council and of the Trade Policy Review Body are also not present, the DSB shall elect an interim Chairperson for that meeting or that part of the meeting.

5. If the Chairperson can no longer perform the functions of the office, the DSB shall designate a Chairperson in accordance with paragraph 4 to perform those functions pending the election of a new Chairperson.

[1] The Dispute Settlement Body shall apply the relevant guidelines contained in the "Guidelines for Appointment of Officers to WTO Bodies" (WT/L/31).

RULES OF CONDUCT FOR THE UNDERSTANDING ON RULES AND PROCEDURES GOVERNING THE SETTLEMENT OF DISPUTES

Adopted by the Dispute Settlement Body on 3 December 1996 (WT/DSB/RC/1)

I. Preamble

Members,

Recalling that on 15 April 1994 in Marrakesh, Ministers welcomed the stronger and clearer legal framework they had adopted for the conduct of international trade, including a more effective and reliable dispute settlement mechanism;

Recognizing the importance of full adherence to the Understanding on Rules and Procedures Governing the Settlement of Disputes ("DSU") and the principles for the management of disputes applied under Articles XXII and XXIII of GATT 1947, as further elaborated and modified by the DSU;

Affirming that the operation of the DSU would be strengthened by rules of conduct designed to maintain the integrity, impartiality and confidentiality of proceedings conducted under the DSU thereby enhancing confidence in the new dispute settlement mechanism;

Hereby establish the following Rules of Conduct.

II. Governing Principle

1. Each person covered by these Rules (as defined in paragraph 1 of Section IV below and hereinafter called "covered person") shall be independent and impartial, shall avoid direct or indirect conflicts of interest and shall respect the confidentiality of proceedings of bodies pursuant to the dispute settlement mechanism, so that through the observance of such standards of conduct the integrity and impartiality of that mechanism are preserved. These Rules shall in no way modify the rights and obligations of Members under the DSU nor the rules and procedures therein.

III. Observance of the Governing Principle

1. To ensure the observance of the Governing Principle of these Rules, each covered person is expected (1) to adhere strictly to the provisions of the DSU; (2) to disclose the existence or development of any interest, relationship or matter that that person could reasonably be expected to know and that is likely to affect, or give rise to justifiable doubts as to, that person's independence or impartiality; and (3) to take due care in the performance of their duties to fulfil

these expectations, including through avoidance of any direct or indirect conflicts of interest in respect of the subject matter of the proceedings.

2. Pursuant to the Governing Principle, each covered person, shall be independent and impartial, and shall maintain confidentiality. Moreover, such persons shall consider only issues raised in, and necessary to fulfil their responsibilities within, the dispute settlement proceeding and shall not delegate this responsibility to any other person. Such person shall not incur any obligation or accept any benefit that would in anyway interfere with, or which could give rise to, justifiable doubts as to the proper performance of that person's dispute settlement duties.

IV. Scope

1. These Rules shall apply, as specified in the text, to each person serving: (a) on a panel; (b) on the Standing Appellate Body; (c) as an arbitrator pursuant to the provisions mentioned in Annex "1a"; or (d) as an expert participating in the dispute settlement mechanism pursuant to the provisions mentioned in Annex "1b". These Rules shall also apply, as specified in this text and the relevant provisions of the Staff Regulations, to those members of the Secretariat called upon to assist the panel in accordance with Article 27.1 of the DSU or to assist in formal arbitration proceedings pursuant to Annex "1a"; to the Chairman of the Textiles Monitoring Body (hereinafter called "TMB") and other members of the TMB Secretariat called upon to assist the TMB in formulating recommendations, findings or observations pursuant to the WTO Agreement on Textiles and Clothing; and to Standing Appellate Body support staff called upon to provide the Standing Appellate Body with administrative or legal support in accordance with Article 17.7 of the DSU (hereinafter "Member of the Secretariat or Standing Appellate Body support staff"), reflecting their acceptance of established norms regulating the conduct of such persons as international civil servants and the Governing Principle of these Rules.

2. The application of these Rules shall not in any way impede the Secretariat's discharge of its responsibility to continue to respond to Members' requests for assistance and information.

3. These Rules shall apply to the members of the TMB to the extent prescribed in Section V.

V. Textiles Monitoring Body

1. Members of the TMB shall discharge their functions on an *ad personam* basis, in accordance with the requirement of Article 8.1 of the Agreement on

Textiles and Clothing, as further elaborated in the working procedures of the TMB, so as to preserve the integrity and impartiality of its proceedings.[1]

VI. Self-Disclosure Requirements by Covered Persons

1. (a) Each person requested to serve on a panel, on the Standing Appellate Body, as an arbitrator, or as an expert shall, at the time of the request, receive from the Secretariat these Rules, which include an Illustrative List (Annex 2) of examples of the matters subject to disclosure.

(b) Any member of the Secretariat described in paragraph IV:1, who may expect to be called upon to assist in a dispute, and Standing Appellate Body support staff, shall be familiar with these Rules.

2. As set out in paragraph VI:4 below, all covered persons described in paragraph VI.1(a) and VI.1(b) shall disclose any information that could reasonably be expected to be known to them at the time which, coming within the scope of the Governing Principle of these Rules, is likely to affect or give rise to justifiable doubts as to their independence or impartiality. These disclosures include the type of information described in the Illustrative List, if relevant.

3. These disclosure requirements shall not extend to the identification of matters whose relevance to the issues to be considered in the proceedings would be insignificant. They shall take into account the need to respect the personal privacy of those to whom these Rules apply and shall not be so administratively burdensome as to make it impracticable for otherwise qualified persons to serve on panels, the Standing Appellate Body, or in other dispute settlement roles.

4. (a) All panelists, arbitrators and experts, prior to confirmation of their appointment, shall complete the form at Annex 3 of these Rules. Such information would be disclosed to the Chair of the Dispute Settlement Body ("DSB") for consideration by the parties to the dispute.

(b) (i) Persons serving on the Standing Appellate Body who, through rotation, are selected to hear the appeal of a particular panel case, shall review the factual portion of the Panel report and complete the form at Annex 3. Such information would be disclosed to the Standing Appellate Body for its consideration whether the member concerned should hear a particular appeal.

[1] These working procedures, as adopted by the TMB on 26 July 1995 (G/TMB/R/1), currently include, *inter alia*, the following language in paragraph 1.4: "In discharging their functions in accordance with paragraph 1.1 above, the TMB members and alternates shall undertake not to solicit, accept or act upon instructions from governments, nor to be influenced by any other organisations or undue extraneous factors. They shall disclose to the Chairman any information that they may consider likely to impede their capacity to discharge their functions on an *ad personam* basis. Should serious doubts arise during the deliberations of the TMB regarding the ability of a TMB member to act on an *ad personam* basis, they shall be communicated to the Chairman. The Chairman shall deal with the particular matter as necessary".

(ii) Standing Appellate Body support staff shall disclose any relevant matter to the Standing Appellate Body, for its consideration in deciding on the assignment of staff to assist in a particular appeal.

(c) When considered to assist in a dispute, members of the Secretariat shall disclose to the Director-General of the WTO the information required under paragraph VI:2 of these Rules and any other relevant information required under the Staff Regulations, including the information described in the footnote.[2]

5. During a dispute, each covered person shall also disclose any new information relevant to paragraph VI:2 above at the earliest time they become aware of it.

6. The Chair of the DSB, the Secretariat, parties to the dispute, and other individuals involved in the dispute settlement mechanism shall maintain the confidentiality of any information revealed through this disclosure process, even after the panel process and its enforcement procedures, if any, are completed.

VII. Confidentiality

1. Each covered person shall at all times maintain the confidentiality of dispute settlement deliberations and proceedings together with any information identified by a party as confidential. No covered person shall at any time use such information acquired during such deliberations and proceedings to gain personal advantage or advantage for others.

2. During the proceedings, no covered person shall engage in *ex parte* contacts concerning matters under consideration. Subject to paragraph VII:1, no covered person shall make any statements on such proceedings or the issues in dispute in which that person is participating, until the report of the panel or the Standing Appellate Body has been derestricted.

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[2] Pending adoption of the Staff Regulations, members of the Secretariat shall make disclosures to the Director-General in accordance with the following draft provision to be included in the Staff Regulations:

"When paragraph VI:4(c) of the Rules of Conduct for the DSU is applicable, members of the Secretariat would disclose to the Director-General of the WTO the information required in paragraph VI:2 of those Rules, as well as any information regarding their participation in earlier formal consideration of the specific measure at issue in a dispute under any provisions of the WTO Agreement, including through formal legal advice under Article 27.2 of the DSU, as well as any involvement with the dispute as an official of a WTO Member government or otherwise professionally, before having joined the Secretariat.

The Director-General shall consider any such disclosures in deciding on the assignment of members of the Secretariat to assist in a dispute.

When the Director-General, in the light of his consideration, including of available Secretariat resources, decides that a potential conflict of interest is not sufficiently material to warrant non-assignment of a particular member of the Secretariat to assist in a dispute, the Director-General shall inform the panel of his decision and of the relevant supporting information."

VIII. Procedures Concerning Subsequent Disclosure and Possible Material Violations

1. Any party to a dispute, conducted pursuant to the WTO Agreement, who possesses or comes into possession of evidence of a material violation of the obligations of independence, impartiality or confidentiality or the avoidance of direct or indirect conflicts of interest by covered persons which may impair the integrity, impartiality or confidentiality of the dispute settlement mechanism, shall at the earliest possible time and on a confidential basis, submit such evidence to the Chair of the DSB, the Director-General or the Standing Appellate Body, as appropriate according to the respective procedures detailed in paragraphs VIII:5 to VIII:17 below, in a written statement specifying the relevant facts and circumstances. Other Members who possess or come into possession of such evidence, may provide such evidence to the parties to the dispute in the interest of maintaining the integrity and impartiality of the dispute settlement mechanism.

2. When evidence as described in paragraph VIII:1 is based on an alleged failure of a covered person to disclose a relevant interest, relationship or matter, that failure to disclose, as such, shall not be a sufficient ground for disqualification unless there is also evidence of a material violation of the obligations of independence, impartiality, confidentiality or the avoidance of direct or indirect conflicts of interests and that the integrity, impartiality or confidentiality of the dispute settlement mechanism would be impaired thereby.

3. When such evidence is not provided at the earliest practicable time, the party submitting the evidence shall explain why it did not do so earlier and this explanation shall be taken into account in the procedures initiated in paragraph VIII:1.

4. Following the submission of such evidence to the Chair of the DSB, the Director-General of the WTO or the Standing Appellate Body, as specified below, the procedures outlined in paragraphs VIII:5 to VIII:17 below shall be completed within fifteen working days.

Panelists, Arbitrators, Experts

5. If the covered person who is the subject of the evidence is a panelist, an arbitrator or an expert, the party shall provide such evidence to the Chair of the DSB.

6. Upon receipt of the evidence referred to in paragraphs VIII:1 and VIII:2, the Chair of the DSB shall forthwith provide the evidence to the person who is the subject of such evidence, for consideration by the latter.

7. If, after having consulted with the person concerned, the matter is not resolved, the Chair of the DSB shall forthwith provide all the evidence, and any additional information from the person concerned, to the parties to the dispute. If the person concerned resigns, the Chair of the DSB shall inform the parties to the dispute and, as the case may be, the panelists, the arbitrator(s) or experts.

8. In all cases, the Chair of the DSB, in consultation with the Director-General and a sufficient number of Chairs of the relevant Council or Councils to provide an odd number, and after having provided a reasonable opportunity for the views of the person concerned and the parties to the dispute to be heard, would decide whether a material violation of these Rules as referred to in paragraphs VIII:1 and VIII:2 above has occurred. Where the parties agree that a material violation of these Rules has occurred, it would be expected that, consistent with maintaining the integrity of the dispute settlement mechanism, the disqualification of the person concerned would be confirmed.

9. The person who is the subject of the evidence shall continue to participate in the consideration of the dispute unless it is decided that a material violation of these Rules has occurred.

10. The Chair of the DSB shall thereafter take the necessary steps for the appointment of the person who is the subject of the evidence to be formally revoked, or excused from the dispute as the case may be, as of that time.

Secretariat

11. If the covered person who is the subject of the evidence is a member of the Secretariat, the party shall only provide the evidence to the Director-General of the WTO, who shall forthwith provide the evidence to the person who is the subject of such evidence and shall further inform the other party or parties to the dispute and the panel.

12. It shall be for the Director-General to take any appropriate action in accordance with the Staff Regulations.[3]

13. The Director-General shall inform the parties to the dispute, the panel and the Chair of the DSB of his decision, together with relevant supporting information.

Standing Appellate Body

14. If the covered person who is the subject of the evidence is a member of the Standing Appellate Body or of the Standing Appellate Body support staff, the party shall provide the evidence to the other party to the dispute and the evidence shall thereafter be provided to the Standing Appellate Body.

[3] Pending adoption of the Staff Regulations, the Director-General would act in accordance with the following draft provision for the Staff Regulations: "If paragraph VIII:11 of the Rules of Conduct for the DSU governing the settlement of disputes is invoked, the Director-General shall consult with the person who is the subject of the evidence and the panel and shall, if necessary, take appropriate disciplinary action".

15. Upon receipt of the evidence referred to in paragraphs VIII:1 and VIII:2 above, the Standing Appellate Body shall forthwith provide it to the person who is the subject of such evidence, for consideration by the latter.

16. It shall be for the Standing Appellate Body to take any appropriate action after having provided a reasonable opportunity for the views of the person concerned and the parties to the dispute to be heard.

17. The Standing Appellate Body shall inform the parties to the dispute and the Chair of the DSB of its decision, together with relevant supporting information.

***

18. Following completion of the procedures in paragraphs VIII:5 to VIII:17, if the appointment of a covered person, other than a member of the Standing Appellate Body, is revoked or that person is excused or resigns, the procedures specified in the DSU for initial appointment shall be followed for appointment of a replacement, but the time periods shall be half those specified in the DSU.[4] The member of the Standing Appellate Body who, under that Body's rules, would next be selected through rotation to consider the dispute, would automatically be assigned to the appeal. The panel, members of the Standing Appellate Body hearing the appeal, or the arbitrator, as the case may be, may then decide after consulting with the parties to the dispute, on any necessary modifications to their working procedures or proposed timetable.

19. All covered persons and Members concerned shall resolve matters involving possible material violations of these Rules as expeditiously as possible so as not to delay the completion of proceedings, as provided in the DSU.

20. Except to the extent strictly necessary to carry out this decision, all information concerning possible or actual material violations of these Rules shall be kept confidential.

IX. Review

1. These Rules of Conduct shall be reviewed within two years of their adoption and a decision shall be taken by the DSB as to whether to continue, modify or terminate these Rules.

ANNEX 1A

Arbitrators acting pursuant to the following provisions:

- Articles 21.3(c); 22.6 and 22.7; 26.1(c) and 25 of the DSU;
- Article 8.5 of the Agreement on Subsidies and Countervailing Measures;

[4] Appropriate adjustments would be made in the case of appointments pursuant to the Agreement on Subsidies and Countervailing Measures.

- Articles XXI.3 and XXII.3 of the General Agreement on Trade in Services.

ANNEX 1B

Experts advising or providing information pursuant to the following provisions:

- Article 13.1; 13.2 of the DSU;
- Article 4.5 of the Agreement on Subsidies and Countervailing Measures;
- Article 11.2 of the Agreement on the Application of Sanitary and Phytosanitary Measures;
- Article 14.2; 14.3 of the Agreement on Technical Barriers to Trade.

ANNEX 2

ILLUSTRATIVE LIST OF INFORMATION TO BE DISCLOSED

This list contains examples of information of the type that a person called upon to serve in a dispute should disclose pursuant to the Rules of Conduct for the Understanding on Rules and Procedures Governing the Settlement of Disputes.

Each covered person, as defined in Section IV:1 of these Rules of Conduct has a continuing duty to disclose the information described in Section VI:2 of these Rules which may include the following:

(a) financial interests (e.g. investments, loans, shares, interests, other debts); business interests (e.g. directorship or other contractual interests); and property interests relevant to the dispute in question;

(b) professional interests (e.g. a past or present relationship with private clients, or any interests the person may have in domestic or international proceedings, and their implications, where these involve issues similar to those addressed in the dispute in question);

(c) other active interests (e.g. active participation in public interest groups or other organisations which may have a declared agenda relevant to the dispute in question);

(d) considered statements of personal opinion on issues relevant to the dispute in question (e.g. publications, public statements);

(e) employment or family interests (e.g. the possibility of any indirect advantage or any likelihood of pressure which could arise from their employer, business associates or immediate family members).

ANNEX 3

Dispute Number: _____

WORLD TRADE ORGANIZATION DISCLOSURE FORM

I have read the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU) and the Rules of Conduct for the DSU. I understand my continuing duty, while participating in the dispute settlement mechanism, and until such time as the Dispute Settlement Body (DSB) makes a decision on adoption of a report relating to the proceeding or notes its settlement, to disclose herewith and in future any information likely to affect my independence or impartiality, or which could give rise to justifiable doubts as to the integrity and impartiality of the dispute settlement mechanism; and to respect my obligations regarding the confidentiality of dispute settlement proceedings.

Signed: Dated:

TRADE POLICY REVIEW BODY

RULES OF PROCEDURE FOR MEETINGS OF THE TRADE POLICY REVIEW BODY

Adopted by the Trade Policy Review Body on 6 June 1995
(WT/TPR/6)

The following rules of procedure for the Trade Policy Review Body were approved by the Body at its meeting on 6 June 1995.

1. When the General Council convenes as the Trade Policy Review Body (TPRB), it shall follow the rules of procedure of the General Council, except as set out below.[1]

Chapter I - Meetings

2. The TPRB shall meet, as appropriate, to conduct Trade Policy Reviews of Members, including the European Communities considered as one trading entity, and the Annual Overview of Developments in the International Trading Environment.

3. The cycle of reviews provided for in Paragraph C (ii) of the Agreement on the Trade Policy Review Mechanism (TPRM)[2] shall be applied with a general flexibility of up to six months, if and as may be necessary. Schedules of subsequent reviews shall be established counting from the date of the previous review meeting. Members should adhere strictly to the timetables for the preparation of reviews, once agreed.

Chapter II - Agenda

4. The convening notice containing the proposed agenda for each review meeting of the TPRB shall be circulated to all Members not later than four weeks before the relevant meeting. Matters to be raised under "Other Business" shall be communicated to the Chairperson or the Secretariat not less than ten calendar days before the relevant meeting.

[1] These additional rules incorporate all relevant elements of the Communication from the Chairman of the GATT 1947 Council on Procedures for Review Meetings, dated 30 April 1993 (L/7208) and the GATT 1947 Council Decision on Arrangements for the Continued Operation of the TPRM, adopted on 10 May 1994 (L/7458).

[2] Annex 3 to the Marrakesh Agreement establishing the World Trade Organization.

Chapter V - Officers

5. The TPRB shall elect its own Chairperson from among the representatives of Members. The TPRB may also elect a Vice-Chairperson. The election shall take place at the first meeting of the year and shall take effect at the end of the meeting. The Chairperson and the Vice-Chairperson shall hold office until the end of the first meeting of the following year.

6. If the Chairperson is absent from any meeting or part thereof, the Vice-Chairperson shall perform the functions of the Chairperson. If a Vice-Chairperson was not elected, the Chairperson of the General Council or in the latter's absence, the Chairperson of the Dispute Settlement Body shall perform the functions of the Chairperson. If the Chairpersons of the General Council and of the Dispute Settlement Body are also absent, the TPRB shall elect an interim Chairperson for the meeting or that part of the meeting.

7. If the Chairperson and the Vice-Chairperson can no longer perform the functions of the office, the TPRB shall designate a Chairperson in accordance with paragraph 6 to perform those functions pending the election of a new Chairperson.

Chapter VI - Conduct of Business

8. The TPRB shall adopt a programme of reviews for each year, as referred to in Section C (iv) of the Agreement on the TPRM, by the middle of the previous calendar year.

9. There shall be no requirement of a quorum for the TPRB to conduct trade policy reviews.

10. Documentation relating to each review meeting shall be circulated in all working languages not less than four weeks in advance of the relevant meetings. Reports by Members under review shall be in the form of policy statements, whose form and length is essentially to be determined by the Member under review. Secretariat reports should focus principally on the trade policies and practices of the Member under review, seen, to the extent necessary, in the context of overall macro-economic and structural policies.

11. Where possible, Members shall submit written questions to the Member under review at least one week before the review meeting, to allow time to prepare replies.

12. Discussants chosen pursuant to Paragraph C (iv) of the Agreement on the TPRM shall circulate to Members outlines of the main points they intend to raise in a review meeting, at least one week before that meeting. Their full statements, which should be designed to provide specific themes for discussion, should be given to the Member under review shortly before the meeting.

13. Initial remarks by Members under review should be limited to 15 minutes and should provide an overview of policies, noting any new developments since the completion of the Secretariat and Government reports. Discussants' state-

ments should not exceed in length that by the member under review. Statements from the floor should not exceed seven minutes.

14. Replies by the Member under review, which should be comprehensive, should be structured according to the main themes identified in consultation with the Chairperson, discussants and Secretariat. Time will be given for discussion by discussants and TPRB members of each theme. Where possible, replies by the Member under review should be distributed in writing. Where replies cannot be delivered during the meeting, supplementary written answers should be circulated not later than one month thereafter.

Chapter IX - Records

15. Reports by the Member under review and by the Secretariat, and the annual report by the Director-General on the overview of developments in the international trading environment, shall be derestricted immediately on the expiry of the relevant press embargo.

16. Minutes of meetings held to conduct trade policy reviews and overviews of developments in the international trading environment shall be issued as unrestricted documents.

COUNCIL FOR TRADE IN GOODS

RULES OF PROCEDURE FOR MEETINGS OF THE COUNCIL FOR TRADE IN GOODS

Adopted by the General Council Trade in Goods on 3 April 1995 and approved by the General Council on 31 July 1995 (WT/L/79)

The Rules of Procedure for meetings of the General Council shall apply *mutatis mutandis* for meetings of the Council for Trade in Goods, except as provided below:

(i) *Rules 12, 13* and *14* of Chapter V (Officers) shall be modified to read as follows:

Rule 12

The Council for Trade in Goods shall elect a Chairperson[1] and may elect a Vice-Chairperson from among the representatives of Members. The election shall take place at the first meeting of the year and shall take effect at the end of the meeting. The Chairperson and Vice-Chairperson shall hold office until the end of the first meeting of the following year.

Rule 13

If the Chairperson is absent from any meeting or part thereof, the Vice-Chairperson shall perform the functions of the Chairperson. If no Vice-Chairperson was elected or if the Vice-Chairperson is not present the Council for Trade in Goods shall elect an interim Chairperson for that meeting or that part of the meeting.

Rule 14

If the Chairperson can no longer perform the functions of the office, the Council for Trade in Goods shall designate the Vice-Chairperson referred to in *Rule 12* or, if no Vice-Chairperson was elected it shall elect an interim Chairperson to perform those functions pending the election of a new Chairperson.

[1] The Council for Trade in Goods shall apply the relevant guidelines contained in the "Guidelines for Appointment of Officers to WTO Bodies" (WT/L/31).

(ii) *Rule 33* of Chapter VII (Decision-Making) shall be modified to read as follows:

Rule 33

Where a decision cannot be arrived at by consensus, the matter at issue shall be referred to the General Council for decision.[2]

(iii) *Rule 34* of Chapter VII (Decision-Making) is not applicable.

[2] When an Annex 1A Agreement specifically requires a decision to be taken by consensus and the matter is referred to the General Council under this Rule, the General Council shall take the decision only by consensus.

ESTABLISHMENT OF CONSOLIDATED LOOSE-LEAF SCHEDULES ON GOODS

Decision of the Council for Trade in Goods on 29 November 1996 (G/L/138)

Members,

Having regard to Articles XI, XII and XIV of the *Agreement Establishing the WTO*, Articles II and XXVIII of *GATT 1994*, and the *Decision on Measures in Favour of Least-Developed Countries*;

Recalling the proposal by the Director-General adopted by the CONTRACTING PARTIES of GATT 1947 on 26 March 1980[1] concerning the *Introduction of a Loose-Leaf System for the Schedules of Tariff Concessions* (BISD 27S/22);

Recalling further the modifications proposed by the Director-General adopted by the *CONTRACTING* PARTIES of GATT 1947 on 6 November 1986[2] (BISD 33S/135);

Considering the developments which took place in the context of the introduction of the *International Convention on the Harmonized Commodity Description and Coding System* by the World Customs Organization and its subsequent changes[3];

Noting that the Committee on Market Access, at its meeting of 22 November 1995, has *accepted* the revised proposals by the Chairman with regard to the preparation of *consolidated* schedules in loose-leaf format as included in document G/MA/TAR/W/4/Rev.2;

Agree as *follows*:

Objectives

1. The consolidated loose-leaf schedules on goods as described in the Annex to this Decision shall be binding instruments, replacing all previous schedules for all purposes relating to a Member's rights and obligations under the WTO, except with respect to historical Initial Negotiating Rights (INRs). The schedules therefore shall contain all necessary information in order to reflect the exact situation in respect of each tariff concession and commitment.

[1] C/107/Rev.1 and L/4821 + Add.1-2.
[2] C/107/Rev.1/Add.1 and C/M/204.
[3] L/6905 and L/5470/Rev.1.

Coverage of Unbound Items

2. It is understood that WTO schedules do not create obligations with respect to unbound items, and that Members are not required to include unbound items in their schedules.

3. Notwithstanding paragraph 2, with a view to ensuring the complete coverage of all tariff items, Members may include all items in their loose-leaf schedule, including any unbound items.

4. Where a Member decides to include unbound items, "U" (unbound) shall be indicated in column 3 "Rate of duty". No obligations shall thereby be created with respect to such unbound items.

Description of bound items

5. In the case of concessions that have been bound on the basis of "ex-out" items, a complete description of the concession shall be provided. Where necessary, in order to provide a complete description of a bound item, a Member shall include in the description any relevant unbound items. In the case where only a sub-item is bound, the description provided in column 2 shall ensure that as many elements of the description as necessary are provided as described in paragraphs 3 and 4 of Document G/MA/TAR/W/4/Rev.2.

Ad valorem, specific and mixed duties

6. Where both ad valorem and specific duties are shown in a Member's schedule, both shall be indicated in the loose-leaf schedule. In that case, specific rates may be shown in brackets. However, it is preferable to indicate both rates in an identical manner. Where necessary, Members shall indicate how ad valorem, specific and mixed rates are to be applied. Members may do so, *inter alia*, through a headnote.

Base and final tariff rates and staging

7. With a view to reflecting fully Members' Uruguay Round schedules, the loose-leaf schedule shall contain in column 3 both base and final Uruguay Round rates, along with any necessary information on staging. Supplementary information on staging may be provided in the schedules or in an annex to the schedules. The schedule shall also include unbound base rates for products that have been bound in a Member's Uruguay Round schedule, and that will be subject to staging. In the case of final bound rates that entered into effect on January 1, 1995, and that are not subject to staging, only the final bound rate shall be shown.

Other duties and charges (ODCs)

8. Members shall indicate ODCs in column 8 of their loose-leaf schedule. Where a Member's schedule does not contain any ODCs, it may so indicate at the beginning of its schedule and dispense with column 8. Members whose ODCs cover a limited number of products,[4] and Members that apply a common ODC to all products, may provide such information either through a headnote or appropriate footnotes to their schedule.

Treatment of agriculture

9. Any Member whose Uruguay Round schedule contains specific commitments in agriculture shall indicate such commitments in its loose-leaf schedule. Agricultural tariffs shall be indicated separately from those of non-agricultural products. Tariff and agricultural commitments (i.e. tariff quotas and the domestic support and export subsidy commitments) shall follow the same format as in the Uruguay Round schedules.

Initial negotiating rights (INRs)

10. Each Member shall include in its schedule all INRs at the current bound rate. Other Members may request the inclusion of any INR that had been granted to them. Historical INRs different from the current bound rate not specifically identified shall remain valid where a Member modifies its concession at a rate different from the rate at which the INR was granted.

Date of first instrument including a concession

11. Members shall include in column 6 of their loose-leaf schedule the date of the legal instrument by means of which the concession was first incorporated in a GATT schedule.

Verification

12. Until a methodology for the verification of consolidated loose-leaf schedules is agreed upon by the Market Access Committee, existing procedures will continue to apply.

Modification and Rectification

13. With respect to modifications and rectifications of loose-leaf schedules, the *Procedures for Modification and Rectification of Schedules of Tariff Conces-*

[4] It is understood that a "limited number of products" shall mean 10 to 20 tariff lines under the Harmonized System.

sions[5] shall apply. A request for the correction of minor clerical errors that have occurred in the transposition of existing schedules into loose-leaf schedules through these *Procedures* may be submitted at any time.

ANNEX

SCHEDULE (number - country)

Date of loose leaf

This schedule is authentic only in ...

Part I/II

Most-favoured-nation tariff/Preferential tariff

Tariff Item Number	Description of Product	Rate of duty		Present concession established	Initial negotiating right (INR) on the concession	Concession first incorporated in a GATT Schedule	INRs on earlier concession	Other duties and charges (ODCs)
		Base rate	Bound rate					
1	2	3		4	5	6	7	8

[5] Decision of 26 March 1980, GATT Document L/4962 (BISD 27S/25).

COMMITTEE ON AGRICULTURE

RULES OF PROCEDURE FOR MEETINGS OF THE COMMITTEE ON AGRICULTURE

Adopted by the Committee on Agriculture on 28-29 March 1996 and approved by the Council for Trade in Goods on 22 May 1996 (G/L/142)

The Rules of Procedure for meetings of the General Council (WT/L/161) shall apply *mutatis mutandis* for meetings of the Committee on Agriculture except as otherwise provided in the Working Procedures as established (G/AG/1) or as subsequently amended by the Committee on Agriculture and except as provided below:

(i) *Rule 5* of Chapter II (Agenda) is not applicable.

(ii) *Rule 6* of Chapter II (Agenda) shall be modified to read as follows:

The first item of business at each meeting shall be the consideration and approval of the agenda. Representatives or the Chairperson may suggest amendments to the proposed agenda, or additions to the agenda under "Other Business". Representatives shall provide the Chairperson or the Secretariat, and the other Members directly concerned, whenever possible, advance notice of items intended to be raised under "Other Business".

(iii) *Rules 12, 13 and 14* of Chapter V (Officers) shall be modified to read as follows:

Rule 12

The Committee on Agriculture shall elect a Chairperson[1] from among the representatives of Members. The election shall take place at the first meeting of the year and shall take effect at the end of the meeting. The Chairperson shall hold office until the end of the first meeting of the following year.

Rule 13

If the Chairperson is absent from any meeting or part thereof, the Committee on Agriculture shall appoint an interim Chairperson for that meeting or that part of the meeting.

[1] The Committee on Agriculture shall apply the relevant guidelines contained in the "Guidelines for Appointment of Officers to WTO Bodies" (WT/L/31 dated 7 February 1995).

Rule 14

If the Chairperson can no longer perform the functions of the office, the Committee on Agriculture shall appoint an interim Chairperson to perform those functions pending the election of a new Chairperson.

(iv) *Rule 16* of Chapter VI (Conduct of Business) is not applicable.

(v) *Rule 24* of Chapter VI (Conduct of Business) shall be modified to read as follows:

In order to expedite the conduct of business, the Chairperson may invite representatives that wish to express their support for a given proposal to show their hands; thus, only representatives with dissenting views or wishing to make explicit points or proposals would actually be invited to make a statement. This procedure shall only be applied in order to avoid undue repetition of points already made, and will not preclude any representative who so wishes from taking the floor.

(vi) *Rule 33* of Chapter VII (Decision-Making) shall be replaced by the following:

The Committee on Agriculture shall reach its decisions by consensus. Where a decision cannot be arrived at by consensus, the matter at issue shall be referred to the Council for Trade in Goods if any delegation so requests.

(vii) *Rule 34* of Chapter VII (Decision-Making) is not applicable.

(viii) *Rule 36* of Chapter IX (Records) shall be replaced by the following:

Records of the Committee on Agriculture's proceedings shall take the form of a summary to be prepared by the Secretariat, on the basis that any delegation may, at their request, verify those portions of the draft report containing their statements prior to the issuance of the Secretariat summary report in accordance with the customary GATT practice. Delegations that wish to avail themselves of this verification procedure, should so indicate to the Secretariat within 10 days of the close of the meeting concerned.

WTO LIST OF NET FOOD-IMPORTING DEVELOPING COUNTRIES FOR THE PURPOSES OF THE MARRAKESH MINISTERIAL DECISION ON MEASURES CONCERNING THE POSSIBLE NEGATIVE EFFECTS OF THE REFORM PROGRAMME ON LEAST-DEVELOPED AND NET FOOD-IMPORTING DEVELOPING COUNTRIES ("THE DECISION")

Adopted by the Committee on agriculture on 24-25 September 1996 (G/AG/5/Rev.1)

The following is the WTO list of developing countries eligible as beneficiaries in respect of the measures provided for within the framework of the Deci-

sion, revised to include Saint Lucia as decided at the Meeting of the Committee on Agriculture on 24-25 September 1996:

(a) least-developed countries as recognized by the Economic and Social Council of the United Nations; plus

(b) Barbados, Côte d'Ivoire, Dominican Republic, Egypt, Honduras, Jamaica, Kenya, Mauritius, Morocco, Peru, Saint Lucia, Senegal, Sri Lanka, Trinidad and Tobago, Tunisia and Venezuela.[1]

[1] The statistical data accompanying the notifications in line with paragraph 2 of G/AG/3 can be consulted at the Agriculture and Commodities Division of the WTO Secretariat.

REPORT BY THE COMMITTEE ON AGRICULTURE ON THE MARRAKESH MINISTERIAL DECISION ON MEASURES CONCERNING THE POSSIBLE NEGATIVE EFFECTS OF THE REFORM PROGRAMME ON LEAST- DEVELOPED AND NET FOOD-IMPORTING DEVELOPING COUNTRIES

Adopted by the Committee on Agriculture on 24 October 1996 (G/L/125)

I. Introduction

1. The Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries ("the Decision") was adopted by Ministers at Marrakesh as an integral part of the Uruguay Round outcome.[1] A copy of the Decision ... is annexed to this report.[2]

2. While recognizing that implementation of the results of the Uruguay Round as a whole would benefit all participants, the Decision also recognizes that during the reform programme leading to greater liberalization of trade in agriculture least-developed and net food-importing developing countries may experience negative effects in terms of the availability of adequate supplies of basic foodstuffs from external sources on reasonable terms and conditions, including short-term difficulties in financing normal levels of commercial imports of basic foodstuffs. The Decision accordingly establishes mechanisms which provide for: (i) review of the level of food aid and the initiation of negotiations in the appropriate forum to establish a level of food aid commitments sufficient to meet the legitimate needs of developing countries during the reform programme; (ii) the adoption of guidelines on concessionality; (iii) financial and technical assistance under aid programmes to improve agricultural productivity and infrastructure; and (iv) differential treatment in the context of an agreement to be negotiated on agricultural export credits. The Decision also takes into account the question of access to the resources of international financial institutions under existing facilities, or such facilities as may be established, in order to address short-term difficulties in financing normal levels of commercial imports.

3. Article 16:1 of the Agreement on Agriculture ("the Agreement") provides that developed country Members of the WTO shall take such action as is provided for within the framework of the Decision, with provision being made in Article 16:2 for the Committee on Agriculture to monitor, as appropriate, the follow-up to the Decision. In line with its terms of reference (WT/L/43) the Committee is charged more generally with overseeing implementation and af-

[1] See the Legal Texts - The results of the Uruguay Round of Multilateral Trade Negotiations - ISBN 0-521-78580-4.

[2] Not reproduced.

fording Members the opportunity for consulting on any matter relating to the implementation of the provisions of the Agreement, including Article 16.

4. In terms of paragraph 6 thereof, the Decision is subject to regular review by the WTO Ministerial Conference. The Committee's working procedures (G/AG/1, para. 18) require the Committee to prepare a report on the follow-up to the Decision for the purposes of this review. The present report is therefore submitted for consideration by the Ministerial Conference, in accordance with the reporting procedures for the Singapore Ministerial Conference (WT/L/145), as a basis for its review of the provisions of the Decision.

5. Section II of this report summarizes the procedures established for monitoring the follow-up to the Decision as well as the steps taken by the Committee to assist in making the Decision operational; Section III outlines the follow-up with respect to the action provided for within the framework of the Decision; and Section IV sets out recommendations for consideration by the Ministerial Conference in the context of their review of the provisions of Decision pursuant to paragraph 6 thereof.

II. Procedures for Monitoring the Follow-up to the Decision

6. In terms of the working procedures adopted by the Committee at its first meeting in March 1995, systematic monitoring of the follow-up to the Decision is conducted on an annual basis at the regular November meetings of the Committee. In addition, the working procedures provide that there shall be an opportunity at any regular meeting of the Committee to raise any matter relating to the Decision. In practice questions relating to the implementation of the Decision have been raised at each meeting of the Committee with many of the matters raised being pursued in informal consultations that have led to decisions being taken by the Committee. The main points raised in the course of the Committee's discussions on the Decision are set out in the relevant sections of the Secretariat summary reports on the Committee's meetings (G/AG/R/1 to 6 refer) and are referred to as appropriate in Section III of this report.

7. The monitoring process is structured on contributions by Members generally as well as on the basis of notification requirements relating to actions provided for within the framework of the Decision (G/AG/2, pages 33 and 34 refer). Thus donor Members are required at least annually to submit notifications with respect to the following matters: (i) the quantity of food aid provided to least-developed and net food-importing developing countries; (ii) the proportion of such food aid provided in fully grant form or appropriate concessional terms; and (iii) technical and financial assistance under aid programmes. In addition, any Member may notify other relevant information with respect to actions taken within the framework of the Decision.

8. Since important areas of the action provided for within the framework of the Decision are matters within the competence or operational responsibility of other international organizations, the Committee invited and made provision for the active participation in the monitoring process by observers from the follow-

ing international organizations: the FAO, the World Food Programme, the OECD, the UNCTAD and the International Grains Council (Food Aid Convention) in respect, inter alia, of food aid, agriculture development and related matters; and the IMF and the World Bank mainly in respect of matters relating to access to the financial resources of these organizations.

9. The first monitoring exercise, which was undertaken at the 20-21 November 1995 meeting of the Committee, was based essentially on contributions by Members and observer international organizations, since at that stage in the implementation process the notifications (which may be based on a calendar, marketing or other annual basis) had not become due. These notifications are now coming on stream and will be taken into account as appropriate in the November 1996 monitoring exercise.

10. The Decision as adopted at Marrakesh described but did not list the countries that were to be covered by the Decision. Following extensive informal consultations on this subject, the Committee at its November 1995 meeting adopted a decision on the establishment of a WTO list of net food-

importing developing countries (G/AG/3 refers). This decision was adopted on the understanding that being listed did not as such confer automatic benefits since, under the mechanisms covered by the Marrakesh Ministerial Decision, donors and international organizations concerned would have a role to play (G/AG/R/4, paragraph 17, refers).

11. The WTO list itself was initially established at the March 1996 meeting of the Committee. In addition to least-developed countries as recognized by the UN Economic and Social Council, the list currently comprises the following sixteen developing country WTO Members which notified their request to be listed and have submitted relevant statistical data regarding their status as net-importers of basic foodstuffs during a representative period: Barbados, Côte d'Ivoire, Dominican Republic, Egypt, Honduras, Jamaica, Kenya, Mauritius, Morocco, Peru, Saint Lucia, Senegal, Sri Lanka, Trinidad and Tobago, Tunisia and Venezuela (G/AG/5/Rev.1 refers). The list is to be reviewed by the Committee at its regular March meetings.

III. Follow-up with respect to the Measures provided for within the Framework of the Decision

Food Aid (subparagraphs 3 (i) and (ii) of the Decision)

12. Paragraph 3 of the Decision specifies certain mechanisms agreed to by Ministers in order to ensure that the implementation of the results of the Uruguay Round on trade in agriculture does not adversely affect the availability of food aid at a level which is sufficient to continue to provide assistance in meeting the food needs of developing countries, especially least-developed and net food-importing developing countries. These mechanisms include agreement by Ministers:

(i) to review the level of food aid established periodically by the Committee on Food Aid under the Food Aid Convention 1986 and to initiate negotiations in the appropriate forum to establish a level of food aid commitments sufficient to meet the legitimate needs of developing countries during the reform programme;

(ii) to adopt guidelines to ensure that an increasing proportion of basic foodstuffs is provided to least-developed and net food-importing developing countries in fully grant form and/or on appropriate concessional terms in line with Article IV of the Food Aid Convention 1986.

13. At its November 1995 meeting the Committee commissioned a preparatory work programme (G/AG/4 refers) covering subparagraphs 3 (i) and (ii) of the Decision, as well as procedures for the submission of detailed proposals. At its March 1996 meeting the Committee embarked on an examination of, and exchange of views on, issues relating to food aid levels and commitments, as well as on guidelines relating to the concessionality of food aid. For this purpose the Committee had before it a background note (G/AG/W/20), prepared by the Secretariat at the request of the Committee, which indicated that both international food aid commitments and the actual volume of food aid had declined in recent years. Representatives of the FAO, the UN World Food Programme and the International Grains Council/Food Aid Committee contributed to these discussions. As agreed by the Committee at its March 1996 meeting, informal consultations were undertaken on behalf of the Chairman on the implementation of the preparatory work programme.

Technical and Financial Assistance under Aid Programmes to Improve Agricultural Productivity and Infrastructure (Subparagraph 3 (iii) of the Decision)

14. Members of the Committee consider that the follow-up to the Decision in the area of technical and financial assistance under aid programmes would need to be assessed, *inter alia*, in the light of the notifications to be submitted to the Committee in advance of the monitoring exercise to be undertaken at the meeting of the Committee in November this year. In this general context Members recognized that improving agricultural productivity and infrastructure in least-developed and net food-importing developing countries is a fundamentally important objective and that technical and financial assistance provided under aid programmes has a key role to play in helping to realise this objective. While noting that, given budgetary restraints, account had to be taken of competing priorities and of the relative effectiveness of various forms of assistance, Members agreed that full consideration should continue to be given in the context of their aid programmes to requests for the provision of technical and financial assistance to least-developed and net food-importing developing countries to improve their agricultural productivity and infrastructure.

Differential Treatment in the Context of an Agreement on Agriculture Export Credits (Paragraph 4 of the Decision)

15. Under Article 10:2 of the Agreement, which relates to the prevention of circumvention of export subsidy commitments, Members undertake to "work towards the development of internationally agreed disciplines to govern the provision of export credits, export credit guarantees or insurance programmes and, after agreement on such disciplines, to provide export credits, export credit guarantees or insurance programmes only in conformity therewith". Further work on the elements of an outline understanding is required. At the appropriate stage the Committee on Agriculture will need to consider how an understanding in this area could be multilateralized within the framework of the Agreement on Agriculture and how the provisions of paragraph 4 of the Decision have been taken into account.

Access to the Resources of International Financial Institutions under Existing Facilities or such Facilities as may be Established (Paragraph 5 of the Decision)

16. Paragraph 5 of the Decision recognizes that as a result of the Uruguay Round certain developing countries may experience short-term difficulties in financing normal levels of commercial imports and that these countries may be eligible to draw on the resources of international financial institutions under existing facilities, or such facilities as may be established, in the context of adjustment programmes, in order to address such financing difficulties. In response to the request made in this regard at the September 1995 meeting of the Committee, the Director-General in his consultations with the Managing Director of the IMF and the President of the World Bank raised a number of questions concerning the respective contributions of the Fund and the Bank to the follow-up under paragraph 5 of the Decision.

17. The responses of the Fund and the Bank to questions concerning the scope for improved conditions of access or facilities for net food-importing developing countries (scope for providing some degree of priority in access to existing facilities and for softening conditionality, prospects for establishing new facilities to assist net food-importers and ways in which the WTO could assist the Fund and the Bank to be more forthcoming in these matters) were presented and discussed in the course of the Committee's November 1995 monitoring exercise. In general, given the range of facilities available, the IMF and the World Bank did not consider that it was necessary, at the present stage, to establish special Uruguay Round-related facilities. Net food-importing developing country Members expressed their disappointment regarding the accessibility of existing facilities and the scope for establishing new Uruguay Round-related facilities at the present stage, particularly in view of the explicit reference by Ministers to such facilities in paragraph 5 of the Decision. The Director-General's specific questions, the Fund's and the Bank's responses thereto and the summary of the Committee's discussions are contained in documents G/AG/W/12 & Add.1 and G/AG/R/4.)

IV. Recommendations for Consideration by the Ministerial Conference

18. In the light of the Committee's discussions on the follow-up to the Decision, the following recommendations are submitted for consideration by the Ministerial Conference in the context of its review of the provisions of the Marrakesh Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries:

(i) that, in anticipation of the expiry of the current Food Aid Convention in June 1998 and in preparation for the renegotiation of the Food Aid Convention, action be initiated in 1997 within the framework of the Food Aid Convention, under arrangements for participation by all interested countries and by relevant international organizations as appropriate, to develop recommendations with a view towards establishing a level of food aid commitments, covering as wide a range of donors and donable foodstuffs as possible, which is sufficient to meet the legitimate needs of developing countries during the reform programme. These recommendations should include guidelines to ensure that an increasing proportion of food aid is provided to least-developed and net food-importing developing countries in fully grant form and/or on appropriate concessional terms in line with Article IV of the current Food Aid Convention, as well as means to improve the effectiveness and positive impact of food aid;

(ii) that developed country WTO Members continue to give full consideration in the context of their aid programmes to requests for the provision of technical and financial assistance to least-developed and net food-importing developing countries to improve their agricultural productivity and infrastructure;

(iii) that the provisions of paragraph 4 of the Marrakesh Ministerial Decision, whereby Ministers agreed to ensure that any agreement relating to agricultural export credits makes appropriate provision for differential treatment in favour of least-developed and net food-importing developing countries, be taken fully into account in the agreement to be negotiated on agricultural export credits;

(iv) that WTO Members, in their individual capacity as members of relevant international financial institutions, take appropriate steps to encourage the institutions concerned, through their respective governing bodies, to further consider the scope for establishing new facilities or enhancing existing facilities for developing countries experiencing Uruguay Round-related difficulties in financing normal levels of commercial imports of basic foodstuffs.

REPORT 1996 OF THE COMMITTEE ON AGRICULTURE

Report adopted by the Committee on Agriculture on 6 November 1996 (G/L/131)

1. In accordance with its terms of reference as adopted by the WTO General Council on 31 January 1995 (WT/L/43) the Committee is required to oversee the

implementation of the Agreement on Agriculture ("the Agreement") and to afford Members the opportunity of consulting on any matter relating to the implementation of the provisions of the Agreement.

2. A key function of the Committee is to review progress in the implementation of commitments negotiated under the Uruguay Round reform programme in accordance with the relevant provisions of Article 18 of the Agreement. The Committee on Agriculture is also charged under Article 16:2 of the Agreement with monitoring, as appropriate, the follow-up to the Marrakesh Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries. The work of the Committee in this regard is summarised in the relevant section of the separate report submitted by the Committee for the purposes of the review by the Ministerial Conference of the provisions of this Decision.

3. The Committee on Agriculture has held seven regular meetings (four meetings in 1995 and three so far in the current year) plus one special meeting which was convened at intervals between 24 October and 6 November 1996 (summary reports on each of these meetings are contained in documents G/AG/R/1 to 8). These meetings have been supplemented as appropriate by informal consultations and meetings. A further regular meeting of the Committee is to be held on 28-29 November 1996. The work of the Committee is conducted in accordance with working procedures specifically tailored to the functions of the Committee (G/AG/1), and with general rules of procedure in line with those adopted by the WTO General Council (G/AG/W/22). Observers from the following international intergovernmental organizations attend regular meetings of the Committee on Agriculture on an ad hoc basis: the FAO, the IMF, the International Grains Council, the OECD, the UNCTAD, the UN World Food Programme and the World Bank.

4. In accordance with the relevant provisions of Article 18 of the Agreement, the Committee, at each of its meetings, has reviewed progress in the implementation of commitments negotiated under the Uruguay Round reform programme. This review process is undertaken on the basis of notifications submitted by Members in the areas of market access, domestic support, export subsidies and under the provisions of the Agreement relating to export prohibitions and restrictions. The Committee also addressed a range of general and specific matters relevant to the implementation of commitments under the provisions of the Agreement (Article 18:6) which enable Members, as an integral part of the review process, to raise any matter relevant to the implementation of commitments under the reform programme.

5. In general, the notification requirements established by the Committee for the purpose of reviewing implementation of commitments and obligations under the Uruguay Round reform programme are being satisfactorily complied with by most Members. However, there have been a number of instances where notifications have been incomplete or have not been submitted within the specified timeframes. In a limited number of cases notifications due remain outstanding. The overall position with respect to notification obligations under Article 18:2 and other relevant provisions of the Agreement ... is summarized in the attachment to

this report. Members of the Committee agree that it is essential to the work of the Committee in reviewing progress in the implementation of commitments under the reform programme, that there should be full and timely compliance with these notification requirements.

6. The principal focus of the Committee's review process has thus far been on the implementation of market access commitments, particularly with regard to the administration of tariff and other quota commitments and the operation of the special safeguard provisions. In the course of the current year the scope of the review process has broadened to include a wider range of notifications, as well as matters raised under Article 18:6 of the Agreement, with respect to export subsidy and domestic support commitments. Members of the Committee consider that good progress has been made in implementing the commitments negotiated under the Uruguay Round reform programme, even though some implementation issues remain to be resolved.

7. Many of the matters raised in the course of the Committee's systematic review of the implementation of commitments have been satisfactorily clarified in the Committee or have been subsequently resolved following discussion in the Committee. However, in a number of cases matters raised in the course of the review process involving apparent non-compliance with commitments or obligations under the Agreement nevertheless remain outstanding. Such matters include, for example, late or inadequate implementation, the introduction or maintenance of non-tariff border measures, and non-compliance with export subsidy commitments. Some of these matters have been pursued through recourse to the formal consultation and dispute settlement procedures. In this general context Members of the Committee stress the desirability of all such matters being settled in a positive manner and underline the importance which they attach to full and timely compliance with commitments and obligations under the Agreement by all Members.

8. The Committee's review process has also generated issues of a more general nature relating to the manner in which commitments are implemented. These issues include allocation of access under MFN tariff quotas to preferential suppliers or to non-Members, the allocation of import access to state-trading enterprises or to producer organizations, the auctioning of tariff quota licences, limitations on imports of particular products under broadly defined tariff quota commitments, making imports under tariff quotas conditional on absorption of domestic production of the product concerned, the relationship between the Agreement on Agriculture and the Agreements on Import Licensing Procedures and on Trade-Related Investment Measures, and export restrictions. Some of these issues have been subject to informal consultations undertaken by the Chairman at the request of the Committee with a view to clarifying the relevant disciplines in the areas concerned. The Committee considers that work in these and other relevant areas should be pursued with a view to exploring the scope for further improving the quality of implementation generally and to developing guidelines or other solutions as appropriate.

9. Special and differential treatment in favour of developing country Members, as incorporated in scheduled commitments and in the provisions of the

Agreement, are integral elements of the Uruguay Round reform programme. Implementation of these commitments and the use made of these provisions have been fully within the scope of the Committee's review process, including Article 18:6. In establishing the notification requirements (G/AG/2) account was taken of the concerns of developing and least-developed country Members by alleviating the burden of certain notification obligations and by establishing notification requirements to facilitate the implementation and monitoring of the Decision on Least-Developed and Net Food-Importing Developing Countries. In addition, extensive technical assistance and advice has been provided by the Secretariat on request to developing country Members on implementation issues.

10. Overall, Members of the Committee agree that the review process has been conducted in an efficient and effective manner and that the highest priority should continue to be accorded to this key area of the Committee's work.

11. Under Article 10:2 of the Agreement, which relates to the prevention of circumvention of export subsidy commitments, Members undertake to "work towards the development of internationally agreed disciplines to govern the provision of export credits, export credit guarantees or insurance programmes and, after agreement on such disciplines, to provide export credits, export credit guarantees or insurance programmes only in conformity therewith". Further work on the elements of an outline understanding is required. At the appropriate stage the Committee on Agriculture will need to consider how an understanding in this area could be multilateralized within the framework of the Agreement on Agriculture and how the provisions of paragraph 4 of the Decision on Least-Developed and Net Food-Importing Developing Countries have been taken into account.

12. The negotiations to continue the reform process referred to in Article 20 of the Agreement on Agriculture, will be conducted in conformity with the timetable and all other provisions contained in that Article. Useful experience will be gained by the Committee on Agriculture in reviewing the implementation of existing commitments which will enable the Committee on Agriculture to further pursue in 1997 and thereafter:

(a) the assessment of the compliance with these commitments, taking into account the need for full and timely compliance; and

(b) a process of analysis and information exchange, in accordance with all relevant provisions of the Agreement on Agriculture.

This will allow WTO Members to better understand the issues involved and to identify their interests in respect of them before undertaking the mandated negotiations laid down in Article 20.[1]

[1] Article 20 - Continuation of the Reform Process:

"Recognizing that the long-term objective of substantial progressive reductions in support and protection resulting in fundamental reform is an ongoing process, Members agree that negotiations for continuing the process will be initiated one year before the end of the implementation period, taking into account:

(a) the experience to that date from implementing the reduction commitments;

(b) the effects of the reduction commitments on world trade in agriculture;

(c) non-trade concerns, special and differential treatment to developing country Members, and the objective to establish a fair and market-oriented agricultural trading system, and the other objectives and concerns mentioned in the preamble to this Agreement; and

(d) what further commitments are necessary to achieve the above mentioned long-term objectives."

COMMITTEE ON ANTI-DUMPING PRACTICES

RULES OF PROCEDURE FOR MEETINGS OF THE COMMITTEE ON ANTI-DUMPING PRACTICES[1]

Adopted by the Committee on Anti-Dumping Practices on 29 April 1996 and approved by the Council for Trade in Goods on 22 May 1996 (G/L/143)

Chapter I - Meetings

Rule 1

The Committee on Anti-Dumping Practices shall meet not less than twice a year in regular session, and otherwise as appropriate.

Rule 2

Meetings of the Committee on Anti-Dumping Practices shall be convened by the Director-General by a notice issued preferably three weeks, but in any case, not less than ten calendar days prior to the date set for the meeting. In the event that the tenth day falls on a weekend or a holiday, the notice shall be issued no later than the preceding WTO working day. Meetings may be convened with shorter notice for matters of significant importance or urgency at the request of a Member concurred in by the majority of the Members.

Chapter II - Agenda

Rule 3

A list of the items proposed for the agenda of the meeting shall be communicated to Members together with the convening notice for the meeting. It

[1] These rules follow the rules adopted by the General Council, incorporating changes made by the Council for Trade in Goods in its rules, with relevant changes to make the rules applicable to the Committee. Where a particular provision is indicated as being "not applicable", it means that the correspondingly numbered provision of the General Council's rules is not applicable to the Committee's proceedings.

shall be open to any Member to suggest items for inclusion in the proposed agenda up to, and not including, the day on which the notice of the meeting is to be issued.

Rule 4

Requests for items to be placed on the agenda of a forthcoming meeting shall be communicated to the Secretariat in writing, together with the accompanying documentation to be issued in connection with that item. Documentation for consideration at a meeting shall be circulated preferably three weeks, but in any case not later than ten calendar days prior to the date set for the meeting.

Rule 5

Not applicable.

Rule 6

The first item of business at each meeting shall be the consideration and approval of the agenda. Representatives may suggest amendments to the proposed agenda, or additions to the agenda under "Other Business". Representatives shall provide the Chairperson or the Secretariat, and the other Members directly concerned, whenever possible, advance notice of items intended to be raised under "Other Business".

Rule 7

The Committee on Anti-Dumping Practices may amend the agenda or give priority to certain items at any time in the course of the meeting.

Chapter III - Representation

Rule 8

Each Member shall be represented by an accredited representative.

Rule 9

Each representative may be accompanied by such alternates and advisers as the representative may require.

Chapter IV - Observers

Rule 10

Representatives of States or separate customs territories may attend the meetings as observers on the invitation of the Committee on Anti-Dumping Practices in accordance with paragraphs 9 to 11 of the guidelines in Annex 2 to the Rules of Procedure of the General Council.

Rule 11

Representatives of international intergovernmental organizations may attend the meetings as observers on the invitation of the Committee on Anti-Dumping Practices in accordance with the guidelines in Annex 3 to the Rules of Procedure of the General Council.

Chapter V - Officers

Rule 12

The Committee on Anti-Dumping Practices shall elect a Chairperson[2] and may elect a Vice-Chairperson from among the representatives of Members. The election shall take place at the first regular meeting of the year and shall take effect at the end of the meeting. The Chairperson and Vice-Chairperson shall hold office until the end of the first regular meeting of the following year.

Rule 13

If the Chairperson is absent from any meeting or part thereof, the Vice-Chairperson shall perform the functions of the Chairperson. If no Vice-Chairperson was elected or if the Vice-Chairperson is not present, the Committee on Anti-Dumping Practices shall elect an interim Chairperson for that meeting or that part of the meeting.

[2] The Committee on Anti-Dumping Practices shall apply the relevant guidelines contained in the "Guidelines for Appointment of Officers to WTO Bodies" (WT/L/31 dated 7 February 1995).

Rule 14

If the Chairperson can no longer perform the functions of the office, the Committee on Anti-Dumping Practices shall designate the Vice-Chairperson referred to in Rule 12 or, if no Vice-Chairperson was elected, shall elect an interim Chairperson, to perform those functions pending the election of a new Chairperson.

Rule 15

The Chairperson shall normally participate in the proceedings as such and not as the representative of a Member. The Chairperson may, however, at any time request permission to act in the latter capacity.

Chapter VI - Conduct of business

Rule 16

Not applicable.

Rule 17

In addition to exercising the powers conferred elsewhere by these rules, the Chairperson shall declare the opening and closing of each meeting, shall direct the discussion, accord the right to speak, submit questions for decision, announce decisions, rule on points of order and, subject to these rules, have complete control of the proceedings. The Chairperson may also call a speaker to order if the remarks of the speaker are not relevant.

Rule 18

During the discussion of any matter, a representative may raise a point of order. In this case the Chairperson shall immediately state the ruling. If the ruling is challenged, the Chairperson shall immediately submit it for decision and it shall stand unless overruled.

Rule 19

During the discussion of any matter, a representative may move the adjournment of the debate. Any such motion shall have priority. In addition to the proponent of the motion, one representative may be allowed to speak in favour of, and two representatives against, the motion, after which the motion shall be submitted for decision immediately.

Rule 20

A representative may at any time move the closure of the debate. In addition to the proponent of the motion, not more than one representative may be granted permission to speak in favour of the motion and not more than two representatives may be granted permission to speak against the motion, after which the motion shall be submitted for decision immediately.

Rule 21

During the course of the debate, the Chairperson may announce the list of speakers and, with the consent of the meeting, declare the list closed. The Chairperson may, however, accord the right of reply to any representative if a speech delivered after the list has been declared closed makes this desirable.

Rule 22

The Chairperson, with the consent of the meeting, may limit the time allowed to each speaker.

Rule 23

Representatives shall endeavour, to the extent that a situation permits, to keep their oral statements brief. Representatives wishing to develop their position on a particular matter in fuller detail may circulate a written statement for distribution to Members, the summary of which, at the representative's request, may be reflected in the records of the Committee on Anti-Dumping Practices.

Rule 24

In order to expedite the conduct of business, the Chairperson may invite representatives that wish to express their support for a given proposal to show their hands, in order to be duly recorded in the records of the Committee on Anti-Dumping Practices as supporting statements; thus, only representatives with dissenting views or wishing to make explicit points or proposals would actually be invited to make a statement. This procedure shall only be applied in order to avoid undue repetition of points already made, and will not preclude any representative who so wishes from taking the floor.

Rule 25

Representatives should avoid unduly long debates under "Other Business". Discussions on substantive issues under "Other Business" shall be avoided, and the Committee on Anti-Dumping Practices shall limit itself to tak-

ing note of the announcement by the sponsoring delegation, as well as any reactions to such an announcement by other delegations directly concerned.

Rule 26

While the Committee on Anti-Dumping Practices is not expected to take action in respect of an item introduced as "Other Business", nothing shall prevent the Committee on Anti-Dumping Practices, if it so decides, to take action in respect of any such item at a particular meeting, or in respect of any item for which documentation was not circulated at least ten calendar days in advance.

Rule 27

Representatives should make every effort to avoid the repetition of a full debate at each meeting on any issue that has already been fully debated in the past and on which there appears to have been no change in Members' positions already on record.

Rule 28

Proposals and amendments to proposals shall normally be introduced in writing and circulated to all representatives not later than twelve hours before the commencement of the meeting at which they are to be discussed.

Rule 29

If two or more proposals are moved relating to the same question, the meeting shall first decide on the most far-reaching proposal and then on the next most far-reaching proposal and so on.

Rule 30

When an amendment is moved to a proposal, the amendment shall be submitted for decision first and, if it is adopted, the amended proposal shall then be submitted for decision.

Rule 31

When two or more amendments are moved to a proposal, the meeting shall decide first on the amendment farthest removed in substance from the original proposal, then, if necessary, on the amendment next farthest removed, and so on until all the amendments have been submitted for decision.

Rule 32

Parts of a proposal may be decided on separately if a representative requests that the proposal be divided.

Chapter VII - Decision-Making

Rule 33

Where a decision can not be arrived at by consensus, the matter at issue shall be referred to the Council for Trade in Goods.

Rule 34

Not applicable.

Chapter VIII - Languages

Rule 35

English, French and Spanish shall be the working languages.

Chapter IX - Records

Rule 36

Records of the discussions of the Committee on Anti-Dumping Practices shall be in the form of minutes.[3]

[3] The customary practice under the GATT 1947, whereby representatives may, upon their request, verify those portions of the draft records containing their statements, prior to the issuance of such records, shall be continued.

Chapter X - Publicity of meetings

Rule 37

The meetings of the Committee on Anti-Dumping Practices shall ordinarily be held in private. It may be decided that a particular meeting or meetings should be held in public.

Rule 38

After a private meeting has been held, the Chairperson may issue a communiqué to the Press.

Chapter XI - Revision

Rule 39

The Committee on Anti-Dumping Practices may decide at any time to revise these rules or any part of them.

COMMITTEE ON CUSTOMS VALUATION

RULES OF PROCEDURE FOR MEETINGS OF THE COMMITTEE ON CUSTOMS VALUATION

Adopted by the Committee on Customs Valuation on 24 October 1995 and Approved by the Council for Trade in Goods on 1 December 1995 (G/L/146)

The Rules of Procedure for meetings of the General Council shall apply *mutatis mutandis* for meetings of the Committee on Customs Valuation, except as provided below:

(i) *Rule 1* of Chapter I (Meetings) shall be modified to read as follows:

The Committee on Customs Valuation shall normally meet once a year, or as is otherwise envisaged by the relevant provisions of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994.

(ii) The following footnote shall be added to *Rules 2, 3 and 4*:

It is understood that it is desirable that a notice convening a meeting, the list of items proposed for the agenda of that meeting and the documentation for consideration at that meeting be issued at least three weeks in advance of the meeting.

(iii) *Rule 4* of Chapter II (Agenda) shall be modified to read as follows:

Requests for items to be placed on the agenda of a forthcoming meeting shall be communicated to the Secretariat in writing, together with the accompanying documentation to be issued in connection with that item. Documentation for consideration at a meeting shall be circulated not later than ten calendar days prior to the date set for the meeting.

(iv) *Rule 5* of Chapter II (Agenda) is not applicable.

(v) *Rules 12, 13 and 14* of Chapter V (Officers) shall be modified to read as follows:

Rule 12

The Committee on Customs Valuation shall elect a Chairperson[1] and may elect a Vice-Chairperson from among the representatives of Members. The election shall take place at the first meeting of the year and shall take effect at the end of the meeting. The Chairperson and Vice-Chairperson shall hold office until the end of the first meeting of the following year.

Rule 13

If the Chairperson is absent from any meeting or part thereof, the Vice-Chairperson shall perform the functions of the Chairperson. If no Vice-Chairperson was elected or if the Vice-Chairperson is not present, the Committee on Customs Valuation shall elect an interim Chairperson for that meeting or that part of the meeting.

Rule 14

If the Chairperson can no longer perform the function of the office, the Committee on Customs Valuation shall designate the Vice-Chairperson referred to in Rule 12 or, if no Vice-Chairperson was elected, it shall elect an interim Chairperson to perform those functions pending the election of a new Chairperson.

(vi) *Rule 16* of Chapter VI (Conduct of Business) is not applicable.

(vii) *Rule 33* of Chapter VII (Decision-Making) shall be modified to read as follows:

Where a decision cannot be arrived at by consensus, the matter at issue shall be referred to the Council for Trade in Goods.

(viii) *Rule 34* of Chapter VII (Decision-Making) is not applicable.

[1] The Committee on Customs Valuation shall apply the relevant guidelines contained in the "Guidelines for Appointment of Officers to WTO Bodies" (WT/L/31 dated 7 February 1995).

COMMITTEE ON IMPORT LICENSING

RULES OF PROCEDURE FOR MEETINGS OF THE COMMITTEE ON IMPORT LICENSING

Adopted by the Committee on Import Licencing on 12 October 1995 and Approved by the Council for Trade in Goods on 1 December 1995 (G/L/147)

The Rules of Procedure for meetings of the General Council shall apply mutatis mutandis to meetings of the Committee on Import Licensing, except as provided below:

(i) *Rule 1* of Chapter I (Meetings) shall be modified to read as follows:

The Committee on Import Licensing shall meet as necessary, but not less than once a year.

(ii) The following footnote shall be added to *Rules 2, 3* and *4*:

It is understood that it is desirable that a notice convening a meeting, the list of items proposed for the agenda of that meeting and the documentation for consideration at that meeting be issued at least three weeks in advance of the meeting.

(iii) *Rule 4* of Chapter II (Agenda) shall be modified to read as follows:

Requests for items to be placed on the agenda of a forthcoming meeting shall be communicated to the Secretariat in writing, together with the accompanying documentation to be issued in connection with that item. Documentation for consideration at a meeting shall be circulated not later than ten calendar days prior to the date set for the meeting.

(iv) *Rule 5* of Chapter II (Agenda) is not applicable.

(v) *Rule 12* of Chapter V (Officers) shall be modified to read as follows:

The Committee on Import Licensing shall elect a Chairperson[1] and a Vice-Chairperson[1] from among the representatives of Members. The election shall take place at the first meeting of the year and shall take effect at the end of the meeting. The Chairperson and Vice-Chairperson shall hold office until the end of the first meeting of the following year.

[1] The Committee on Import Licensing shall apply the relevant guidelines contained in the "Guidelines for Appointment of Officers to WTO Bodies" (WT/L/31 dated 7 February 1995).

(vi) *Rule 16* of Chapter VI (Conduct of Business) is not applicable.

(vii) *Rule 33* of Chapter VII (Decision-Making) shall be modified to read as follows:

Where a decision cannot be arrived at by consensus, the matter at issue shall be referred to the Council for Trade in Goods.

(viii) *Rule 34* of Chapter VII (Decision-Making) is not applicable.

COMMITTEE ON MARKET ACCESS

RULES OF PROCEDURE FOR MEETINGS OF THE COMMITTEE ON MARKET ACCESS

Adopted by the Committee on Market Access on 31 October 1995 and Approved by the Council for Trade in Goods on 1 December 1995 (G/L/148)

The Rules of Procedure for meetings of the General Council shall apply *mutatis mutandis* for meetings of the Committee on Market Access, except as provided below:

(i) Rule 1 of Chapter I (Meetings) shall be modified to read as follows:

The Committee on Market Access shall meet as necessary, but not less than once a year.

(ii) The following footnote shall be added to Rules 2, 3 and *4:*

It is understood that it is desirable that a notice convening a meeting, the list of items proposed for the agenda of that meeting and the documentation for consideration at that meeting be issued at least three weeks in advance of the meeting.

(iii) Rule 4 of Chapter II (Agenda) shall be modified to read as follows:

Requests for items to be placed on the agenda of a forthcoming meeting shall be communicated to the Secretariat in writing, together with the accompanying documentation to be issued in connection with that item. Documentation for consideration at a meeting shall be circulated not later than ten calendar days prior to the date set for the meeting.

(iv) Rule 5 of Chapter II (Agenda) is not applicable.

(v) Rules 12, 13 and 14 of Chapter V (Officers) shall be modified to read as follows:

Rule 12

The Committee on Market Access shall elect a Chairperson[1] and may elect a Vice-Chairperson from among the representatives of Members. The election shall take place at the first meeting of the year and shall take effect at the end of the meeting. The Chairperson and Vice-Chairperson shall hold office until the end of the first meeting of the following year.

Rule 13

If the Chairperson is absent from any meeting or part thereof, the Vice-Chairperson shall perform the functions of the Chairperson. If no Vice-Chairperson was elected or if the Vice-Chairperson is not present, the Committee on Market Access shall elect an interim Chairperson for that meeting or that part of the meeting.

Rule 14

If the Chairperson can no longer perform the functions of the office, the Committee on Market Access shall designate the Vice-Chairperson referred to in *Rule 12* or, if no Vice-Chairperson was elected, it shall elect an interim Chairperson to perform those functions pending the election of a new Chairperson.

(vi) *Rule 16* of Chapter VI (Conduct of Business) is not applicable.

(vii) *Rule 33* of Chapter VII (Decision-Making) shall be modified to read as follows:

Where a decision cannot be arrived at by consensus, the matter at issue shall be referred to the Council for Trade in Goods.

(viii) *Rule 34* of Chpter VII (Decision-Making) is not applicable.

[1] The Committee on Market Access shall apply the relevant guidelines contained in the "Guidelines for Appointment of Officers to WTO Bodies" (WT/L/31 dated 7 February 1995).

COMMITTEE ON RULES OF ORIGIN

RULES OF PROCEDURE FOR MEETINGS OF THE COMMITTEE ON RULES OF ORIGIN

Adopted by the Committee on Rule of Origin on 16 November 1995 and Approved by the Council for Trade in Goods on 1 December 1995 (G/L/149)

The Rules of Procedure for meetings of the General Council shall apply mutatis mutandis for meetings of the Committee on Rules of Origin, except as provided below:

(i) *Rule 1* of Chapter I (Meetings) shall be modified to read as follows:

The Committee on Rules of Origin shall meet as necessary, but not less than once a year.

(ii) The following footnote shall be added to *Rules 2, 3* and *4*:

It is understood that it is desirable that a notice convening a meeting, the list of items proposed for the agenda of that meeting and the documentation for consideration at that meeting be issued at least three weeks in advance of the meeting.

(iii) *Rule 4* of Chapter II (Agenda) shall be modified to read as follows:

Requests for items to be placed on the agenda of a forthcoming meeting shall be communicated to the Secretariat in writing, together with the accompanying documentation to be issued in connection with that item. Documentation for consideration at a meeting shall be circulated not later than ten calendar days prior to the date set for the meeting.

(iv) *Rule 5* of Chapter II (Agenda) is not applicable.

(v) *Rules 12, 13* and *14* of Chapter V (Officers) shall be modified to read as follows:

Rule 12

The Committee on Rules of Origin shall elect a Chairperson[1] and may elect a Vice-Chairperson from among the representatives of Members. The election shall take place at the first meeting of the year and shall take effect at the end of the meeting. The Chairperson and Vice-Chairperson shall hold office until the end of the first meeting of the following year.

[1] The Committee on Rules of Origin shall apply the relevant guidelines contained in the "Guidelines for Appointment of Officers to WTO Bodies" (WT/L/31 dated 7 February 1995).

Rule 13

If the Chairperson is absent from any meeting or part thereof, the Vice-Chairperson shall perform the functions of the Chairperson. If no Vice-Chairperson was elected or if the Vice-Chairperson is not present, the Committee on Rules of Origin shall elect an interim Chairperson for that meeting or that part of the meeting.

Rule 14

If the Chairperson can no longer perform the function of the office, the Committee on Rules of Origin shall designate the Vice-Chairperson referred to in *Rule 12* or, if no Vice-Chairperson was elected, it shall elect an interim Chairperson to perform those functions pending the election of a new Chairperson.

(vi) *Rule 16* of Chapter VI (Conduct of Business) is not applicable.

(vii) *Rule 33* of Chapter VII (Decision-Making) shall be modified to read as follows:

Where a decision cannot be arrived at by consensus, the matter at issue shall be referred to the Council for Trade in Goods.

(viii) *Rule 34* of Chapter VII (Decision-Making) is not applicable.

COMMITTEE ON SAFEGUARDS

RULES OF PROCEDURE FOR MEETINGS OF THE COMMITTEE ON SAFEGUARDS[1]

Adopted by the Committee on Safeguards on 6 May 1996
and Approved by the Council for Trade in Goods on 22 May 1996
(G/L/145)

Chapter I - Meetings

Rule 1

The Committee on Safeguards shall meet not less than twice a year in regular session, and otherwise as appropriate.

Rule 2

Meetings of the Committee on Safeguards shall be convened by the Director-General by a notice issued preferably three weeks, but in any case, not less than ten calendar days prior to the date set for the meeting. In the event that the tenth day falls on a weekend or a holiday, the notice shall be issued no later than the preceding WTO working day. Meetings may be convened with shorter notice for matters of significant importance or urgency at the request of a Member concurred in by the majority of the Members.

Chapter II - Agenda

Rule 3

A list of the items proposed for the agenda of the meeting shall be communicated to Members together with the convening notice for the meeting. It shall be open to any Member to suggest items for inclusion in the proposed agenda up to, and not including, the day on which the notice of the meeting is to be issued.

[1] These rules follow the rules adopted by the General Council, incorporating changes made by the Council for Trade in Goods in its rules, with relevant changes to make the rules applicable to the Committee. Where a particular provision is indicated as being "not applicable", it means that the correspondingly numbered provision of the General Council's rules is not applicable to the Committee's proceedings.

Rule 4

Requests for items to be placed on the agenda of a forthcoming meeting shall be communicated to the Secretariat in writing, together with the accompanying documentation to be issued in connection with that item. Documentation for consideration at a meeting shall be circulated preferably three weeks, but in any case not later than ten calendar days prior to the date set for the meeting.

Rule 5

Not applicable.

Rule 6

The first item of business at each meeting shall be the consideration and approval of the agenda. Representatives may suggest amendments to the proposed agenda, or additions to the agenda under "Other Business". Representatives shall provide the Chairperson or the Secretariat, and the other Members directly concerned, whenever possible, advance notice of items intended to be raised under "Other Business".

Rule 7

The Committee on Safeguards may amend the agenda or give priority to certain items at any time in the course of the meeting.

Chapter III - Representation

Rule 8

Each Member shall be represented by an accredited representative.

Rule 9

Each representative may be accompanied by such alternates and advisers as the representative may require.

Chapter IV - Observers

Rule 10

Representatives of States or separate customs territories may attend the meetings as observers on the invitation of the Committee on Safeguards in accordance with paragraphs 9 to 11 of the guidelines in Annex 2 to the Rules of Procedure of the General Council.

Rule 11

Representatives of international intergovernmental organizations may attend the meetings as observers on the invitation of the Committee on Safeguards in accordance with the guidelines in Annex 3 to the Rules of Procedure of the General Council.

Chapter V - Officers

Rule 12

The Committee on Safeguards shall elect a Chairperson[2] and may elect a Vice-Chairperson from among the representatives of Members. The election shall take place at the first regular meeting of the year and shall take effect at the end of the meeting. The Chairperson and Vice-Chairperson shall hold office until the end of the first regular meeting of the following year.

Rule 13

If the Chairperson is absent from any meeting or part thereof, the Vice-Chairperson shall perform the functions of the Chairperson. If no Vice-Chairperson was elected or if the Vice-Chairperson is not present, the Committee on Safeguards shall elect an interim Chairperson for that meeting or that part of the meeting.

[2] The Committee on Safeguards shall apply the relevant guidelines contained in the "Guidelines for Appointment of Officers to WTO Bodies" (WT/L/31 dated 7 February 1995).

Rule 14

If the Chairperson can no longer perform the functions of the office, the Committee on Safeguards shall designate the Vice-Chairperson referred to in Rule 12 or, if no Vice-Chairperson was elected, shall elect an interim Chairperson, to perform those functions pending the election of a new Chairperson.

Rule 15

The Chairperson shall normally participate in the proceedings as such and not as the representative of a Member. The Chairperson may, however, at any time request permission to act in the latter capacity.

Chapter VI - Conduct of business

Rule 16

Not applicable.

Rule 17

In addition to exercising the powers conferred elsewhere by these rules, the Chairperson shall declare the opening and closing of each meeting, shall direct the discussion, accord the right to speak, submit questions for decision, announce decisions, rule on points of order and, subject to these rules, have complete control of the proceedings. The Chairperson may also call a speaker to order if the remarks of the speaker are not relevant.

Rule 18

During the discussion of any matter, a representative may raise a point of order. In this case the Chairperson shall immediately state the ruling. If the ruling is challenged, the Chairperson shall immediately submit it for decision and it shall stand unless overruled.

Rule 19

During the discussion of any matter, a representative may move the adjournment of the debate. Any such motion shall have priority. In addition to the proponent of the motion, one representative may be allowed to speak in favour of, and two representatives against, the motion, after which the motion shall be submitted for decision immediately.

Rule 20

A representative may at any time move the closure of the debate. In addition to the proponent of the motion, not more than one representative may be granted permission to speak in favour of the motion and not more than two representatives may be granted permission to speak against the motion, after which the motion shall be submitted for decision immediately.

Rule 21

During the course of the debate, the Chairperson may announce the list of speakers and, with the consent of the meeting, declare the list closed. The Chairperson may, however, accord the right of reply to any representative if a speech delivered after the list has been declared closed makes this desirable.

Rule 22

The Chairperson, with the consent of the meeting, may limit the time allowed to each speaker.

Rule 23

Representatives shall endeavour, to the extent that a situation permits, to keep their oral statements brief. Representatives wishing to develop their position on a particular matter in fuller detail may circulate a written statement for distribution to Members, the summary of which, at the representative's request, may be reflected in the records of the Committee on Safeguards.

Rule 24

In order to expedite the conduct of business, the Chairperson may invite representatives that wish to express their support for a given proposal to show their hands, in order to be duly recorded in the records of the Committee on Safeguards as supporting statements; thus, only representatives with dissenting views or wishing to make explicit points or proposals would actually be invited to make a statement. This procedure shall only be applied in order to avoid undue repetition of points already made, and will not preclude any representative who so wishes from taking the floor.

Rule 25

Representatives should avoid unduly long debates under "Other Business". Discussions on substantive issues under "Other Business" shall be avoided, and the Committee on Safeguards shall limit itself to taking note of the

announcement by the sponsoring delegation, as well as any reactions to such an announcement by other delegations directly concerned.

Rule 26

While the Committee on Safeguards is not expected to take action in respect of an item introduced as "Other Business", nothing shall prevent the Committee on Safeguards, if it so decides, to take action in respect of any such item at a particular meeting, or in respect of any item for which documentation was not circulated at least ten calendar days in advance.

Rule 27

Representatives should make every effort to avoid the repetition of a full debate at each meeting on any issue that has already been fully debated in the past and on which there appears to have been no change in Members' positions already on record.

Rule 28

Proposals and amendments to proposals shall normally be introduced in writing and circulated to all representatives not later than twelve hours before the commencement of the meeting at which they are to be discussed.

Rule 29

If two or more proposals are moved relating to the same question, the meeting shall first decide on the most far-reaching proposal and then on the next most far-reaching proposal and so on.

Rule 30

When an amendment is moved to a proposal, the amendment shall be submitted for decision first and, if it is adopted, the amended proposal shall then be submitted for decision.

Rule 31

When two or more amendments are moved to a proposal, the meeting shall decide first on the amendment farthest removed in substance from the original proposal, then, if necessary, on the amendment next farthest removed, and so on until all the amendments have been submitted for decision.

Rule 32

Parts of a proposal may be decided on separately if a representative requests that the proposal be divided.

Chapter VII - Decision-Making

Rule 33

Where a decision can not be arrived at by consensus, the matter at issue shall be referred to the Council for Trade in Goods.

Rule 34

Not applicable.

Chapter VIII - Languages

Rule 35

English, French and Spanish shall be the working languages.

Chapter IX - Records

Rule 36

Records of the discussions of the Committee on Safeguards shall be in the form of minutes.[3]

[3] The customary practice under the GATT 1947, whereby representatives may, upon their request, verify those portions of the draft records containing their statements, prior to the issuance of such records, shall be continued.

Chapter X - Publicity of meetings

Rule 37

The meetings of the Committee on Safeguards shall ordinarily be held in private. It may be decided that a particular meeting or meetings should be held in public.

Rule 38

After a private meeting has been held, the Chairperson may issue a communiqué to the Press.

Chapter XI - Revision

Rule 39

The Committee on Safeguards may decide at any time to revise these rules or any part of them.

FORMATS FOR CERTAIN NOTIFICATIONS UNDER THE AGREEMENT ON SAFEGUARDS

Approved by the Committee on Safeguards on 24 February 1995 (G/SG/1)

The attached document, which was part of previously circulated document G/SG/W/1, contains formats for certain ad hoc notifications required under the Agreement on Safeguards. These formats were approved by the Committee at its meeting of 24 February 1995 (see G/SG/M/1, paras. 35 and 36). Certain parts of G/SG/W/1 already have been circulated as documents G/SG/N/1 to N/6. Thus, only those formats contained in G/SG/W/1 that have not already been circulated as documents of the Safeguards Committee are attached. The introductory note to the document was part of the previously circulated /W document.

Note: These formats are without prejudice to the interpretation of the relevant provisions in the Agreement on Safeguards by the competent bodies. Members are also reminded of the provision in Article 12.11 of the Agreement on Safeguards, which reads as follows: "The provisions on notification in this Agreement shall not require any Member to disclose confidential information the disclosure of which would impede law enforcement or otherwise be contrary to the public interest or would prejudice the legitimate commercial interests of particular enterprises, public or private."

I. Notifications under Article 9, Footnote 2

Notification to the Committee on Safeguards of non-application of safeguard measure to developing countries under Article 9.1 of the Agreement on Safeguards

Note: In addition to the information received from the WTO Members regarding the action under Article 9.1 of the Agreement on Safeguards, the document circulated to the Members will also include references to the WTO documents through which the corresponding notifications under Article 12.1(b) and (c) are circulated to the WTO Members. The references to the corresponding notifications under Article 12.1(b) and (c) will be provided by the Secretariat, because these notifications may be released simultaneously with the notification under Article 9, footnote 2, and the notifying Member may not have information on references to the corresponding WTO documents.

1. Specify the measure.

2. Specify the product subject to the measure.

3. Specify the developing countries to which the measure is not applied under Article 9.1 of the Agreement on Safeguards, and the import shares of these countries individually and collectively.

4. *Subsequently, if there is a change* in the list of developing countries exempted from the safeguard measure pursuant to Article 9.1, please notify:

(i) the reference to the WTO document that notified the Members about the initial action under footnote 2 to Article 9.1;

(ii) if applicable, names of the countries which are dropped from the list of developing countries to which the safeguard measure does not apply pursuant to Article 9.1, the list of the countries remaining on the list, the individual and collective import shares of the developing countries remaining on the list, and the date on which the safeguard measure applies to the countries dropped from the list;

(iii) if applicable, names of the countries which are added to the list of developing countries to which the safeguard measure does not apply pursuant to Article 9.1, the list of all the countries on the list, the individual and collective import shares of the developing countries on the list, and the date from which the safeguard measure does not apply to the countries which are added to the list.

II. Notifications under Article 12.1(b) and (c)

Notification to the Committee on Safeguards upon making a finding of serious injury or threat thereof caused by increased imports; notification upon taking a decision to apply or extend a safeguard measure

Notes: (1) The notifications under Article 12.1(b) and (c) have to made "immediately" upon "making a finding" or "taking a decision". It is possible that the timing of "making a finding" and "taking a decision" differs to an extent that notifications under Article 12.1(b) might be made separately from notifications

under Article 12.1(c). In that situation, it is possible that certain information requested in the format may not be available when a notification under Article 12.1(b) is made. If information on any item is not available when a notification under Article 12.1(b) is made, please indicate this by stating "not available" for the relevant items in the format suggested below.

(2) If the notifications on Article 12.1(b) and (c) are made separately, please provide the reference to the notification under Article 12.1(b) in the notification under Article 12.1(c).

1. Provide evidence of serious injury or threat thereof caused by increased imports.

2. Provide information on whether there is an absolute increase in imports or an increase in imports relative to domestic production (please see also Article 2.1 for the context).

3. Provide precise description of the product involved.

4. Provide precise description of the proposed measure.

5. Provide proposed date of introduction of the measure.

6. Provide expected duration of the measure.

7. For a measure with a duration of more than three years, provide the proposed date for the review (under Article 7.4) to be held not later than the mid-term of the measure, if such a date for the review has already been scheduled.

8. If the expected duration is over one year, provide expected timetable for progressive liberalization of the measure.

9. If the measure is being extended, also provide:

(i) evidence that the industry concerned is adjusting and that the safeguard measure continues to be necessary to prevent or remedy serious injury;

(ii) reference to the WTO document that notified the initial application of the measure;

(iii) duration of the measure from initial application till the date at which it will be extended; and,

(iv) precise description of the measure in place prior to the date of extension (in this context, please note that the last sentence of Article 7.4 states that: "A measure extended under paragraph 2 shall not be more restrictive than it was at the end of the initial period, and should continue to be liberalized.")

III. Notifications under Article 12.4

Notification to the Committee on Safeguards before taking a provisional safeguard measure referred to in Article 6

1. Specify the product subject to the proposed provisional safeguard measure.

2. Specify the proposed provisional safeguard measure.

3. Specify the proposed date of introduction of the provisional safeguard measure.

4. Specify the expected duration of the provisional safeguard measure, if any decision on the duration of the measure has been made.

5. Provide the basis for:

(i) making a preliminary determination, as provided for in Article 6, that increased imports have caused or are threatening to cause serious injury ; and,

(ii) determining that there are critical circumstances where delay would cause damage which it would be difficult to repair.

IV. Notifications under Article 12.5

(a) *Immediate notification to the Council for Trade in Goods of the results of the consultations referred to in Article 12, namely, prior consultations under Article 12.3 or consultations under Article 12.4 initiated immediately after the provisional safeguard measure is taken*

Note: The notification of the results of the consultations referred to in Article 12 should, if possible, be provided jointly by the Member that takes the safeguard action and the Member that seeks consultations under Articles 12.3 or 12.4.

1. Specify the provision under which consultations were held (i.e. Article 12.3 or Article 12.4).

2. Provide reference to the WTO document that notified the safeguard action regarding which consultations were held under Article 12.3 or 12.4.

3. Specify the Members involved in the consultations, and provide the time period during which consultations were held.

4. Describe the results of the consultations.

(b) *Immediate notification to the Council for Trade in Goods of the results of the mid-term reviews referred to in paragraph 4 of Article 7*

1. Specify the measure and the product subject to the measure for which the mid-term review was conducted, and provide reference to the WTO document that notified the safeguard measure subject to the review.

2. Provide the dates of initiation and conclusion of the review.

3. Describe the results of the review, providing some detail on the basis for reaching those results.

4. Indicate whether:

(i) the measure has been, or will be, withdrawn as a result of the review. If yes, then indicate the date of withdrawal; and,

(ii) the pace of liberalization has been, or will be, increased as a result of the review. If yes, then indicate the revised time-table for progressive liberalization.

(c) *Immediate notification to the Council for Trade in Goods of any form of compensation referred to in paragraph 1 of Article 8*

Note: This notification should, if possible, be submitted jointly by the Member taking the safeguard measure and the Member(s) agreeing to accept trade compensation under Article 8.1.

1. Specify the measure and the product subject to the measure regarding which there was an agreement on an adequate means of trade compensation under Article 8.1, and provide reference to the WTO document that notified the safeguard measure.

2. Specify which Member(s) agreed to the trade compensation under Article 8.1.

3. Describe the trade compensation that was agreed by each of the Members involved.

4. Provide the date from which the compensation will apply for the Members involved.

(d) *Immediate notification to the Council for Trade in Goods of proposed suspension of concessions and other obligations referred to in paragraph 2 of Article 8*

Note: This notification is to be provided by the Member proposing suspension of concessions and other obligations referred to in Article 8.2.

1. Which Member is proposing suspension of concessions and other obligations referred to in Article 8.2.

2. Specify the measure, the product subject to the measure, the WTO document that notified the safeguard measure, and the Member imposing the measure in relation to which the Member is proposing suspension of concessions and other obligations referred to in Article 8.2.

3. Describe the proposed suspension of concessions and other obligations referred to in Article 8.2, and the proposed date from which it will come into effect.

INFORMATION TO BE NOTIFIED TO THE COMMITTEE WHERE A SAFEGUARD INVESTIGATION IS TERMINATED WITH NO SAFEGUARD MEASURE IMPOSED

Approved by the Committee on Safeguards on 6 May 1996 (G/SG/2)

1. Specify the product subject to investigation.

2. Identify the WTO document containing the notification of initiation.

3. Specify the date on which the investigation was terminated.

4. Identify the reason(s) for termination (e.g. petition withdrawn; negative determination of injury; negative determination of causation, etc.).

5. Provide the reference for the published notice of termination (name of notifying Member's official journal, date and page number at which notice appeared in the journal).

6. Provide any other information that the notifying Member may consider relevant.

COMMITTEE ON SUBSIDIES AND COUNTERVAILING MEASURES

RULES OF PROCEDURE FOR MEETINGS OF THE COMMITTEE ON SUBSIDIES AND COUNTERVAILING MEASURES[1]

Approved by the Council for Trade in Goods on 22 May 1996 (G/L/144)

Chapter I - Meetings

Rule 1

The Committee on Subsidies and Countervailing Measures shall meet not less than twice a year in regular session, and otherwise as appropriate.

Rule 2

Meetings of the Committee on Subsidies and Countervailing Measures shall be convened by the Director-General by a notice issued preferably three weeks, but in any case, not less than ten calendar days prior to the date set for the meeting. In the event that the tenth day falls on a weekend or a holiday, the notice shall be issued no later than the preceding WTO working day. Meetings may be convened with shorter notice for matters of significant importance or urgency at the request of a Member concurred in by the majority of the Members.

Chapter II - Agenda

Rule 3

A list of the items proposed for the agenda of the meeting shall be communicated to Members together with the convening notice for the meeting. It shall be open to any Member to suggest items for inclusion in the proposed

[1] These rules follow the rules adopted by the General Council, incorporating changes made by the Council for Trade in Goods in its rules, with relevant changes to make the rules applicable to the Committee. Where a particular provision is indicated as being "not applicable", it means that the correspondingly numbered provision of the General Council's rules is not applicable to the Committee's proceedings.

agenda up to, and not including, the day on which the notice of the meeting is to be issued.

Rule 4

Requests for items to be placed on the agenda of a forthcoming meeting shall be communicated to the Secretariat in writing, together with the accompanying documentation to be issued in connection with that item. Documentation for consideration at a meeting shall be circulated preferably three weeks, but in any case not later than ten calendar days prior to the date set for the meeting.

Rule 5

Not applicable.

Rule 6

The first item of business at each meeting shall be the consideration and approval of the agenda. Representatives may suggest amendments to the proposed agenda, or additions to the agenda under "Other Business". Representatives shall provide the Chairperson or the Secretariat, and the other Members directly concerned, whenever possible, advance notice of items intended to be raised under "Other Business".

Rule 7

The Committee on Subsidies and Countervailing Measures may amend the agenda or give priority to certain items at any time in the course of the meeting.

Chapter III - Representation

Rule 8

Each Member shall be represented by an accredited representative.

Rule 9

Each representative may be accompanied by such alternates and advisers as the representative may require.

Chapter IV - Observers

Rule 10

Representatives of States or separate customs territories may attend the meetings as observers on the invitation of the Committee on Subsidies and Countervailing Measures in accordance with paragraphs 9 to 11 of the guidelines in Annex 2 to the Rules of Procedure of the General Council.

Rule 11

Representatives of international intergovernmental organizations may attend the meetings as observers on the invitation of the Committee on Subsidies and Countervailing Measures in accordance with the guidelines in Annex 3 to the Rules of Procedure of the General Council.

Chapter V - Officers

Rule 12

The Committee on Subsidies and Countervailing Measures shall elect a Chairperson[2] and may elect a Vice-Chairperson from among the representatives of Members. The election shall take place at the first regular meeting of the year and shall take effect at the end of the meeting. The Chairperson and Vice-Chairperson shall hold office until the end of the first regular meeting of the following year.

Rule 13

If the Chairperson is absent from any meeting or part thereof, the Vice-Chairperson shall perform the functions of the Chairperson. If no Vice-Chairperson was elected or if the Vice-Chairperson is not present, the Committee on Subsidies and Countervailing Measures shall elect an interim Chairperson for that meeting or that part of the meeting.

[2] The Committee on Subsidies and Countervailing Measures shall apply the relevant guidelines contained in the "Guidelines for Appointment of Officers to WTO Bodies" (WT/L/31 dated 7 February 1995).

Rule 14

If the Chairperson can no longer perform the functions of the office, the Committee on Subsidies and Countervailing Measures shall designate the Vice-Chairperson referred to in Rule 12 or, if no Vice-Chairperson was elected, shall elect an interim Chairperson, to perform those functions pending the election of a new Chairperson.

Rule 15

The Chairperson shall normally participate in the proceedings as such and not as the representative of a Member. The Chairperson may, however, at any time request permission to act in the latter capacity.

Chapter VI - Conduct of business

Rule 16

Not applicable.

Rule 17

In addition to exercising the powers conferred elsewhere by these rules, the Chairperson shall declare the opening and closing of each meeting, shall direct the discussion, accord the right to speak, submit questions for decision, announce decisions, rule on points of order and, subject to these rules, have complete control of the proceedings. The Chairperson may also call a speaker to order if the remarks of the speaker are not relevant.

Rule 18

During the discussion of any matter, a representative may raise a point of order. In this case the Chairperson shall immediately state the ruling. If the ruling is challenged, the Chairperson shall immediately submit it for decision and it shall stand unless overruled.

Rule 19

During the discussion of any matter, a representative may move the adjournment of the debate. Any such motion shall have priority. In addition to the proponent of the motion, one representative may be allowed to speak in favour of, and two representatives against, the motion, after which the motion shall be submitted for decision immediately.

Rule 20

A representative may at any time move the closure of the debate. In addition to the proponent of the motion, not more than one representative may be granted permission to speak in favour of the motion and not more than two representatives may be granted permission to speak against the motion, after which the motion shall be submitted for decision immediately.

Rule 21

During the course of the debate, the Chairperson may announce the list of speakers and, with the consent of the meeting, declare the list closed. The Chairperson may, however, accord the right of reply to any representative if a speech delivered after the list has been declared closed makes this desirable.

Rule 22

The Chairperson, with the consent of the meeting, may limit the time allowed to each speaker.

Rule 23

Representatives shall endeavour, to the extent that a situation permits, to keep their oral statements brief. Representatives wishing to develop their position on a particular matter in fuller detail may circulate a written statement for distribution to Members, the summary of which, at the representative's request, may be reflected in the records of the Committee on Subsidies and Countervailing Measures.

Rule 24

In order to expedite the conduct of business, the Chairperson may invite representatives that wish to express their support for a given proposal to show their hands, in order to be duly recorded in the records of the Committee on Subsidies and Countervailing Measures as supporting statements; thus, only representatives with dissenting views or wishing to make explicit points or proposals would actually be invited to make a statement. This procedure shall only be applied in order to avoid undue repetition of points already made, and will not preclude any representative who so wishes from taking the floor.

Rule 25

Representatives should avoid unduly long debates under "Other Business". Discussions on substantive issues under "Other Business" shall be

avoided, and the Committee on Subsidies and Countervailing Measures shall limit itself to taking note of the announcement by the sponsoring delegation, as well as any reactions to such an announcement by other delegations directly concerned.

Rule 26

While the Committee on Subsidies and Countervailing Measures is not expected to take action in respect of an item introduced as "Other Business", nothing shall prevent the Committee on Subsidies and Countervailing Measures, if it so decides, to take action in respect of any such item at a particular meeting, or in respect of any item for which documentation was not circulated at least ten calendar days in advance.

Rule 27

Representatives should make every effort to avoid the repetition of a full debate at each meeting on any issue that has already been fully debated in the past and on which there appears to have been no change in Members' positions already on record.

Rule 28

Proposals and amendments to proposals shall normally be introduced in writing and circulated to all representatives not later than twelve hours before the commencement of the meeting at which they are to be discussed.

Rule 29

If two or more proposals are moved relating to the same question, the meeting shall first decide on the most far-reaching proposal and then on the next most far-reaching proposal and so on.

Rule 30

When an amendment is moved to a proposal, the amendment shall be submitted for decision first and, if it is adopted, the amended proposal shall then be submitted for decision.

Rule 31

When two or more amendments are moved to a proposal, the meeting shall decide first on the amendment farthest removed in substance from the

original proposal, then, if necessary, on the amendment next farthest removed, and so on until all the amendments have been submitted for decision.

Rule 32

Parts of a proposal may be decided on separately if a representative requests that the proposal be divided.

Chapter VII - Decision-Making

Rule 33

Where a decision can not be arrived at by consensus, the matter at issue shall be referred to the Council for Trade in Goods.

Rule 34

Not applicable.

Chapter VIII - Languages

Rule 35

English, French and Spanish shall be the working languages.

Chapter IX - Records

Rule 36

Records of the discussions of the Committee on Subsidies and Countervailing Measures shall be in the form of minutes.[3]

[3] The customary practice under the GATT 1947, whereby representatives may, upon their request, verify those portions of the draft records containing their statements, prior to the issuance of such records, shall be continued.

Chapter X - Publicity of meetings

Rule 37

The meetings of the Committee on Subsidies and Countervailing Measures shall ordinarily be held in private. It may be decided that a particular meeting or meetings should be held in public.

Rule 38

After a private meeting has been held, the Chairperson may issue a communiqué to the Press.

Chapter XI - Revision

Rule 39

The Committee on Subsidies and Countervailing Measures may decide at any time to revise these rules or any part of them.

ELECTION OF THE PERMANENT GROUP OF EXPERTS

Elected by the Committee on Subsidies and Countervailing Measures on 6 March 1996 (G/SCM/9)

At its special meeting of 6 March 1996, the Committee elected the following persons as members of the Permanent Group of Experts pursuant to Article 24.3 of the Agreement: Mr. Seung-Wha Chang of Korea, Mr. Gary Horlick of the United States, Mr. Friederich Klein of the EC, Mr. Akira Kotera of Japan and Mr. Robert Martin of Canada.

COMMITTEE ON TECHNICAL BARRIERS TO TRADE

RULES OF PROCEDURE FOR MEETINGS OF THE COMMITTEE ON TECHNICAL BARRIERS TO TRADE[1]

Approved by the Council for Trade in Goods on 1 December 1995 (G/L/150)

Chapter I - Meetings

Rule 1

The Committee on Technical Barriers to Trade (hereinafter the Committee) shall meet as necessary, but not less than once a year.

Rule 2

Meetings of the Committee shall be convened by the Director-General by a notice issued, preferably three weeks, and in any event not less than ten calendar days, prior to the date set for the meeting. In the event that the tenth day falls on a weekend or a holiday, the notice shall be issued no later than the preceding WTO working day. Meetings may be convened with shorter notice for matters of significant importance or urgency at the request of a Member concurred in by the majority of the Members.

Chapter II - Agenda

Rule 3

A list of the items proposed for the agenda of the meeting shall be communicated to Members together with the convening notice for the meeting. It shall be open to any Member to suggest items for inclusion in the proposed

[1] These rules follow the rules adopted by the General Council, incorporating changes made by the Council for Trade in Goods in its rules, with relevant changes to make the rules applicable to the Committee. Where a particular provision is indicated as being "not applicable", it means that the correspondingly numbered provision of the General Council's rules is not applicable to the Committee's proceedings.

agenda up to, and not including, the day on which the notice of the meeting is to be issued.

Rule 4

Requests for items to be placed on the agenda of a forthcoming meeting shall be communicated to the Secretariat in writing, together with the accompanying documentation to be issued in connection with that item. Documentation for consideration at a meeting shall be circulated not later than the day on which the notice of the meeting is to be issued.

Rule 5

Not applicable

Rule 6

The first item of business at each meeting shall be the consideration and approval of the agenda. Representatives may suggest amendments to the proposed agenda, or additions to the agenda under "Other Business". Representatives shall provide the Chairperson or the Secretariat, and the other Members directly concerned, whenever possible, advance notice of items intended to be raised under "Other Business".

Rule 7

The Committee may amend the agenda or give priority to certain items at any time in the course of the meeting.

Chapter III - Representation

Rule 8

Each Member shall be represented by an accredited representative.

Rule 9

Each representative may be accompanied by such alternates and advisers as the representative may require.

Chapter IV - Observers

Rule 10

Representatives of States or separate customs territories may attend the meetings as observers on the invitation of the Committee in accordance with the guidelines in Annex 1 to these Rules.

Rule 11

Representatives of international intergovernmental organizations may attend the meetings as observers on the invitation of the Committee in accordance with the guidelines in Annex 2 to these Rules.

Chapter V - Officers

Rule 12

The Committee shall elect a Chairperson[2] and may elect a Vice-Chairperson from among the representatives of Members. The election shall take place at the first meeting of the year and shall take effect at the end of the meeting. The Chairperson and Vice-Chairperson shall hold office until the end of the first meeting of the following year.

Rule 13

If the Chairperson is absent from any meeting or part thereof, the Vice-Chairperson shall perform the functions of the Chairperson. If no Vice-Chairperson was elected or if the Vice-Chairperson is not present, the Committee shall elect an interim Chairperson for that meeting or that part of the meeting.

Rule 14

If the Chairperson can no longer perform the functions of the office, the Committee shall designate the Vice-Chairperson referred to in Rule 12 or, if no Vice-Chairperson was elected it shall elect an interim Chairperson to perform those functions pending the election of a new Chairperson.

[2] The Committee shall apply the relevant guidelines contained in the "Guidelines for Appointment of Officers to WTO Bodies" (WT/L/31 dated 7 February 1995).

Rule 15

The Chairperson shall normally participate in the proceedings as such and not as the representative of a Member. The Chairperson may, however, at any time request permission to act in either capacity.

Chapter VI - Conduct of business

Rule 16

The Chairperson may consider postponing a meeting in the event that he or she feels that doing so may result in a more representative level of participation by WTO Members.

Rule 17

In addition to exercising the powers conferred elsewhere by these rules, the Chairperson shall declare the opening and closing of each meeting, shall direct the discussion, accord the right to speak, submit questions for decision, announce decisions, rule on points of order and, subject to these rules, have complete control of the proceedings. The Chairperson may also call a speaker to order if the remarks of the speaker are not relevant.

Rule 18

During the discussion of any matter, a representative may raise a point of order. In this case the Chairperson shall immediately state the ruling. If the ruling is challenged, the Chairperson shall immediately submit it for decision and it shall stand unless overruled.

Rule 19

During the discussion of any matter, a representative may move the adjournment of the debate. Any such motion shall have priority. In addition to the proponent of the motion, one representative may be allowed to speak in favour of, and two representatives against, the motion, after which the motion shall be submitted for decision immediately.

Rule 20

A representative may at any time move the closure of the debate. In addition to the proponent of the motion, not more than one representative may be granted permission to speak in favour of the motion and not more than two rep-

resentatives may be granted permission to speak against the motion, after which the motion shall be submitted for decision immediately.

Rule 21

During the course of the debate, the Chairperson may announce the list of speakers and, with the consent of the meeting, declare the list closed. The Chairperson may, however, accord the right of reply to any representative if a speech delivered after the list has been declared closed makes this desirable.

Rule 22

The Chairperson, with the consent of the meeting, may limit the time allowed to each speaker.

Rule 23

Representatives shall endeavour, to the extent that a situation permits, to keep their oral statements brief. Representatives wishing to develop their position on a particular matter in fuller detail may circulate a written statement for distribution to Members, the summary of which, at the representative's request, may be reflected in the records of the Committee.

Rule 24

In order to expedite the conduct of business, the Chairperson may invite representatives that wish to express their support for a given proposal to show their hands, in order to be duly recorded in the records of the Committee as supporting statements; thus, only representatives with dissenting views or wishing to make explicit points or proposals would actually be invited to make a statement. This procedure shall only be applied in order to avoid undue repetition of points already made, and will not preclude any representative who so wishes from taking the floor.

Rule 25

Representatives should avoid unduly long debates under "Other Business". Discussions on substantive issues under "Other Business" shall be avoided, and the Committee shall limit itself to taking note of the announcement by the sponsoring delegation, as well as any reactions to such an announcement by other delegations directly concerned.

Rule 26

While the Committee is not expected to take action in respect of an item introduced as "Other Business", nothing shall prevent the Committee, if it so decides, to take action in respect of any such item at a particular meeting, or in respect of any item for which documentation was not circulated at least ten calendar days in advance.

Rule 27

Representatives should make every effort to avoid the repetition of a full debate at each meeting on any issue that has already been fully debated in the past and on which there appears to have been no change in Members' positions already on record.

Rule 28

Proposals and amendments to proposals shall normally be introduced in writing and circulated to all representatives not later than twelve hours before the commencement of the meeting at which they are to be discussed.

Rule 29

If two or more proposals are moved relating to the same question, the meeting shall first decide on the most far-reaching proposal and then on the next most far-reaching proposal and so on.

Rule 30

When an amendment is moved to a proposal, the amendment shall be submitted for decision first and, if it is adopted, the amended proposal shall then be submitted for decision.

Rule 31

When two or more amendments are moved to a proposal, the meeting shall decide first on the amendment farthest removed in substance from the original proposal, then, if necessary, on the amendment next farthest removed, and so on until all the amendments have been submitted for decision.

Rule 32

Parts of a proposal may be decided on separately if a representative requests that the proposal be divided.

Chapter VII - Decision-Making

Rule 33

Where a decision cannot be arrived at by consensus, the matter at issue shall be referred to the Council for Trade in Goods.

Rule 34

Not applicable.

Chapter VIII - Languages

Rule 35

English, French and Spanish shall be the working languages.

Chapter IX - Records

Rule 36

Records of the discussions of the Committee shall be in the form of minutes.[3]

[3] The customary practice under the GATT 1947, whereby representatives may, upon their request, verify those portions of the draft records containing their statements, prior to the issuance of such records, shall be continued.

Chapter X - Publicity of meetings

Rule 37

The meetings of the Committee shall ordinarily be held in private. It may be decided that a particular meeting or meetings should be held in public.

Rule 38

After a private meeting has been held, the Chairperson may issue a communiqué to the Press.

Chapter XI - Revision

Rule 39

The Committee may decide at any time to revise these rules or any part of them.

ANNEX 1

GUIDELINES FOR OBSERVER STATUS FOR GOVERNMENTS IN THE WTO

1. The purpose of observer status in the General Council and its subsidiary bodies is to allow a government to better acquaint itself with the WTO and its activities, and to prepare and initiate negotiations for accession to the WTO Agreement.

2. Observer governments shall have access to the main WTO document series. They may also request technical assistance from the Secretariat in relation to the operation of the WTO system in general, as well as to negotiations on accession to the WTO Agreement.

3. Representatives of governments accorded observer status may be invited to speak at meetings of the bodies to which they are observers normally after Members of that body have spoken. The right to speak does not include the right to make proposals, unless a government is specifically invited to do so, nor to participate in decision-making.

ANNEX 2

OBSERVER STATUS FOR INTERNATIONAL INTERGOVERNMENTAL ORGANIZATIONS IN THE WTO[4]

1. The purpose of observer status for international intergovernmental organizations (hereinafter referred to as "organizations") in the WTO is to enable these organizations to follow discussions therein on matters of direct interest to them.

2. Requests for observer status shall accordingly be considered from organizations which have competence and a direct interest in trade policy matters, or which, pursuant to paragraph V:1 of the WTO Agreement, have responsibilities related to those of the WTO.

3. Requests for observer status shall be made in writing to the WTO body in which such status is sought, and shall indicate the nature of the work of the organization and the reasons for its interest in being accorded such status. Requests for observer status from organizations shall not, however, be considered for meetings of the Committee on Budget, Finance and Administration or of the Dispute Settlement Body.[5]

4. Requests for observer status shall be considered on a case-by-case basis by each WTO body to which such a request is addressed, taking into account such factors as the nature of work of the organization concerned, the nature of its membership, the number of WTO Members in the organization, reciprocity with respect to access to proceedings, documents and other aspects of observership, and whether the organization has been associated in the past with the work of the CONTRACTING PARTIES to GATT 1947.

5. In addition to organizations that request, and are granted, observer status, other organizations may attend meetings of the Ministerial Conference, the General Council or subsidiary bodies on the specific invitation of the Ministerial Conference, the General Council or the subsidiary body concerned, as the case may be. Invitations may also be extended, as appropriate and on a case-by-case basis, to specific organizations to follow particular issues within a body in an observer capacity.

6. Organizations with which the WTO has entered into a formal arrangement for cooperation and consultation shall be accorded observer status in such bodies as may be determined by that arrangement.

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[4] These guidelines shall apply also to other organizations referred to by name in the WTO Agreement.

[5] In the case of the IMF and the World Bank, their requests for attendance as observers to the DSB will be acted upon in accordance with the arrangements to be concluded between the WTO and these two organizations.

7. Organizations accorded observer status in a particular WTO body shall not automatically be accorded such status in other WTO bodies.

8. Representatives of organizations accorded observer status may be invited to speak at meetings of the bodies to which they are observers normally after Members of that body have spoken. The right to speak does not include the right to circulate papers or to make proposals, unless an organization is specifically invited to do so, nor to participate in decision-making.

9. Observer organizations shall receive copies of the main WTO documents series and of other documents series relating to the work of the subsidiary bodies which they attend as observers. They may receive such additional documents as may be specified by the terms of any formal arrangements for cooperation between them and the WTO.

10. If for any one-year period after the date of the grant of observer status, there has been no attendance by the observer organization, such status shall cease. In the case of sessions of the Ministerial Conference, this period shall be two years.

COMMITTEE ON TRADE-RELATED INVESTMENT MEASURES

RULES OF PROCEDURE FOR MEETINGS OF THE COMMITTEE ON TRADE-RELATED INVESTMENT MEASURES

Adopted by the Committee on Trade-Related Investment Measures on 19 October 1995 and Approved by the Council for Trade in Goods on 1 December 1995
(G/L/151)

The Rules of Procedure for meetings of the General Council shall apply mutatis mutandis to meetings of the Committee on Trade-Related Investment Measures, except as provided below:

(i) *Rule 1* of Chapter I (Meetings) shall be modified to read as follows:

The Committee on Trade-Related Investment Measures shall meet not less than once a year and otherwise at the request of any Member.

(ii) The following footnote shall be added to *Rules 2, 3* and *4*:

It is understood that it is desirable that a notice convening a meeting, the list of items proposed for the agenda of that meeting and the documentation for consideration at that meeting be issued at least three weeks in advance of the meeting.

(iii) *Rule 4* of Chapter II (Agenda) shall be modified to read as follows:

Requests for items to be placed on the agenda of a forthcoming meeting shall be communicated to the Secretariat in writing, together with the accompanying documentation to be issued in connection with that item. Documentation for consideration at a meeting shall be circulated not later than ten calendar days prior to the date set for the meeting.

(iv) *Rule 5* of Chapter II (Agenda) is not applicable.

(v) *Rule 12* of Chapter V (Officers) shall be modified to read as follows:

The Committee on Trade-Related Investment Measures shall elect a Chairperson[1] and a Vice-Chairperson[1] from among the representatives of Members. The election shall take place at the first meeting of the year and shall take effect at the end of the meeting. The Chairperson and Vice-Chairperson shall hold office until the end of the first meeting of the following year.

(vi) *Rule 16* of Chapter VI (Conduct of Business) is not applicable.

[1] The Committee shall apply the relevant guidelines contained in the "Guidelines for Appointment of Officers to WTO Bodies" (WT/L/31, dated 7 February 1995).

(vii) *Rule 33* of Chapter VII (Decision-Making) shall be modified to read as follows:

Where a decision cannot be arrived at by consensus, the matter at issue shall be referred to the Council for Trade in Goods.

(viii) *Rule 34* of Chapter VII (Decision-Making) is not applicable.

NOTIFICATIONS UNDER ARTICLE 6.2 OF THE TRIMS AGREEMENT

Decision of the Committee on Trade-Related Investment Measures on 30 September 1996 (G/TRIMS/5)

1. Article 6.2 of the TRIMs Agreement provides:

Each Member shall notify the Secretariat of the publications in which TRIMs may be found, including those applied by regional and local governments and authorities within their territories.

2. This provision does not envisage notifications of particular laws, regulations or measures but of publications. It applies to all WTO Members, covers all levels of government and refers to any TRIM, whether or not in conformity with Articles III and XI of the GATT 1994.

3. The Committee decides that each Member implement Article 6.2 by providing the Secretariat with the name(s) of publication(s) in which TRIMs may be found, where such publications exist, including those applied by regional and local governments and authorities within their territories, and the addresses from which copies can be obtained. Members are not expected to submit copies of such publications. The notification would be without prejudice to the legal consistency of any TRIMs which may be found in these publications notified.

4. The "publications", notification of which is envisaged under Article 6.2, are official sources which would contain relevant laws, regulations or measures of more specific character. Such sources may include official gazettes, but it might be more helpful if Members included references to specific publications of relevant agencies (e.g. bulletins or periodicals of a relevant ministry or foreign investment board).

5. Members are invited to submit lists of such publications by *1 February 1997* and to update these lists as appropriate. The Secretariat will consolidate notifications under Article 6.2 in a single document which will be updated as the need arises.

REPORT (1996) OF THE COMMITTEE ON TRADE-RELATED INVESTMENT MEASURES

Adopted by the Committee on Trade-Related Investment Measures on 1 November 1996 (G/L/133)

I. General

1. This Report is submitted pursuant to Article 7.3 of the Agreement on Trade-Related Investment Measures, which requires the Committee on Trade-Related Investment Measures to report annually to the Council for Trade in Goods. The Report covers the period November 1995-October 1996 but in view of the Singapore Ministerial Conference it also contains references to work of the Committee in 1995.

2. Since the period covered by its previous annual report[1], the Committee held formal meetings on 18 March, 30 September and 1 November 1996 under the Chairmanship of Mr. Vassili Notis (Greece). The minutes of these meetings have been circulated in documents G/TRIMS/M/4 and 5. Meetings of the Committee were open to all WTO Members. In addition, governments with observer status in the WTO have been invited to attend the meetings of the Committee. Pursuant to interim procedures agreed upon by the General Council in April 1995 regarding the participation of international intergovernmental organizations in meetings of WTO bodies, representatives of IMF, OECD, UN, UNCTAD and the World Bank have also attended the meetings of the Committee as observers.

II. Implementation

3. The work of the Committee in 1995 and 1996 has centred on the implementation of the notification and transition arrangements provided for in Article 5 of the Agreement on Trade-Related Investment Measures with regard to existing trade-related investment measures ("TRIMs") that are inconsistent with the Agreement. Article 5.1 requires Members to notify any TRIM inconsistent with the Agreement within 90 days after the entry into force of the WTO Agreement. Article 5.2 gives the benefit of a transition period for the elimination of measures notified under Article 5.1.

4. In March 1995, the Committee endorsed a standard format for notifications under Article 5.1[2] and submitted to the General Council through the Council for Trade in Goods a recommendation in regard to the operation of the dead-

[1] G/L/37.
[2] G/TRIMS/1.

line for notifications under Article 5.1 in case of countries eligible to become original WTO Members that accepted the WTO Agreement after 1 January 1995. This recommendation, adopted by the General Council at its meeting on 3 April 1995, provides that such governments shall have a period of 90 days after the date of their acceptance of the WTO Agreement to make the notifications foreseen in Article 5.1 but that the period for the elimination of TRIMs notified under Article 5.1 continues to be governed by reference to the date of entry into force of the WTO Agreement itself.[3]

5. The Committee has received notifications of measures under Article 5.1 from Argentina, Barbados, Chile, Colombia, Costa Rica, Cuba, Cyprus, the Dominican Republic, Ecuador, Egypt, Indonesia, India, Mexico, Malaysia, Nigeria, Pakistan, Peru, Philippines, Poland, Romania, Thailand, Uruguay, Venezuela and South Africa. In the case of some Members, notifications were submitted later than the 90-day period foreseen for them. While there is no obligation to do so, some Members notified the Committee that they did not apply any TRIM inconsistent with the Agreement.

6. With respect to certain notifications, some delegations have sought clarification or additional information of a factual nature, including with respect to plans for the phase-out and elimination of notified measures. In addition, a number of issues have been raised at meetings of the Committee in respect of notified measures as well as certain other measures; in many cases divergent views were expressed, including in relation to concerns about certain measures in the automotive and agricultural sectors. The issues raised included:

(1) the timing of notifications in relation to the provisions of Article 5.1;

(2) the adequacy of information provided in notifications;

(3) the recent introduction or modification of certain measures in relation to the provisions of Articles 2 and 5.4; and

(4) the relationship of the provisions of the Agreement to those of other WTO Agreements, including the Agreement on Subsidies and Countervailing Measures and the Agreement on Agriculture.

Some delegations have expressed the view that these issues reflect problems of implementation of the Agreement, while others have indicated that they did not share this assessment. The Committee has been informed that proceedings have been initiated under the Dispute Settlement Understanding in 1996 in relation to measures of three Members referring, *inter alia,* to the TRIMs Agreement as reflected in G/TRIMS/4 and G/TRIMS/D/1-5. Details regarding these proceedings can be found in items 27, 51, 52, 54, 55 and 59 of Section I of the Annex to the report of the Dispute Settlement Body (WT/DSB/8).

7. Notifications under Article 5.1 circulated in 1995 have been derestricted as of 28 May 1996. Following the decision taken by the General Council on 18

[3] WT/L/64.

July 1996 on derestriction and circulation of WTO documents, documents containing notifications submitted under Articles 5.1, 5.5. and 6.2 will be issued unrestricted, provided that pursuant to paragraph (g) of the Appendix to that decision Members may at the time of the submission of a document indicate to the Secretariat that the document should be issued as restricted.

8. The Committee adopted a standard format for notifications under Article 5.5, which deals with the conditions under which during the transition periods stipulated in Article 5.2 Members may apply TRIMs notified under Article 5.1 to new investments.[4] The Committee also adopted a proposal for implementation of Article 6.2, which provides for notification to the Secretariat of publications in which information on TRIMs can be found.[5]

III. Built-In Agenda

9. Article 9 of the TRIMs Agreement provides that not later than five years after the entry into force of the WTO Agreement, the Council for Trade in Goods shall review the operation of the TRIMs Agreement and, as appropriate, propose amendments to its text. In the course of this review, the Council shall consider whether the Agreement needs to be complemented with provisions on investment policy and competition policy. Some Members have drawn attention to the importance of work pursuant to this mandate.

[4] G/TRIMS/3.
[5] G/TRIMS/5.

ANNEX 1

NOTIFICATIONS RECEIVED UNDER ARTICLE 5.1 OF THE AGREEMENT ON TRADE-RELATED INVESTMENT MEASURES

Member	*Document Symbol*	*Date of Communication*
Argentina	G/TRIMS/N/1/ARG/1	30 March 1995
Barbados	G/TRIMS/N/1/BRB/1	31 March 1995
Chile	G/TRIMS/N/1/CHL/1	14 December 1995
Colombia	G/TRIMS/N/1/COL/1	31 March 1995
Colombia	G/TRIMS/N/1/COL/Add.1	4 June 1995
Colombia	G/TRIMS/N/1/COL/2	31 July 1995
Costa Rica	G/TRIMS/N/1/CRI/1	30 March 1995
Cuba	G/TRIMS/N/1/CUB/1	18 July 1995
Cyprus	G/TRIMS/N/1/CYP/1	29 June 1995
Cyprus	G/TRIMS/N/1/CYP/2	30 October 1995
Dominican Republic	G/TRIMS/N/1/DOM/1	26 April 1995
Egypt	G/TRIMS/N/1/EGY/1	29 September 1995
Ecuador	G/TRIMS/N/1/ECU/1	20 March 1996
Indonesia	G/TRIMS/N/1/IDN/1[6]	23 May 1995
India	G/TRIMS/N/1/IND/1	31 March 1995
India	G/TRIMS/N/1/IND/1/Add.1	22 December 1995
India	G/TRIMS/N/1/IND/1/Add.1 /Corr.1	18 March 1996
India	G/TRIMS/N/1/IND/1/Add.2	11 April 1996
Mexico	G/TRIMS/N/1/MEX/1	31 March 1995
Mexico	G/TRIMS/N/1/MEX/1/Rev.1[7]	31 March 1995
Malaysia	G/TRIMS/N/1/MYS/1	31 March 1995
Malaysia	G/TRIMS/N/1/MYS/1/Rev.1	14 March 1996
Nigeria	G/TRIMS/N/1/NGA/1	17 July 1996

[6] In a communication dated 28 October 1996 the Permanent Mission of Indonesia advised the Committee that Indonesia was withdrawing the portion of the notification made on 23 May 1995 which concerned motor vehicles.

[7] English only.

Member	*Document Symbol*	*Date of Communication*
Pakistan	G/TRIMS/N/1/PAK/1	30 March 1995
Peru	G/TRIMS/N/1/PER/1	30 March 1995
Philippines	G/TRIMS/N/1/PHL/1	31 March 1995
Poland	G/TRIMS/N/1/POL/1	28 September 1995
Romania	G/TRIMS/N/1/ROM/1	31 March 1995
Thailand	G/TRIMS/N/1/THA/1	30 March 1995
Uruguay	G/TRIMS/N/1/URY/1	31 March 1995
Uruguay	G/TRIMS/N/1/URY/1/Add.1	30 August 1995
Venezuela	G/TRIMS/N/1/VEN/1	31 March 1995
South Africa	G/TRIMS/N/1/ZAF/1	19 April 1995

ANNEX 2

NOTIFICATIONS INDICATING THAT NO TRIMS INCONSISTENT WITH THE AGREEMENT ON TRADE-RELATED INVESTMENT MEASURES ARE MAINTAINED

Member	***Document Symbol***	***Date of Communication***
Switzerland	G/TRIMS/N/1/CHE/1	8 August 1995
Israel	G/TRIMS/N/1/ISR/1	24 October 1996
Honduras	G/TRIMS/N/1/HND/1	7 July 1995
Saint Lucia	G/TRIMS/N/1/LCA/1	14 February 1996
Mauritius	G/TRIMS/N/1/MUS/1	27 March 1995
Nicaragua	G/TRIMS/N/1/NIC/1	18 July 1996
Singapore	G/TRIMS/N/1/SGP/1	9 October 1996
Slovenia	G/TRIMS/N/1/SVN/1	27 March 1995
Trinidad & Tobago	G/TRIMS/N/1/TTO/1	1 April 1996
Zambia	G/TRIMS/N/1/ZMB/1	13 April 1995

TEXTILES MONITORING BODY

WORKING PROCEDURES FOR THE TEXTILES MONITORING BODY

Adopted by the Textiles Monitoring Body at its First Meeting
(Abstract from G/TMB/R/1)

1. Participation

1.1 Under the Agreement on Textiles and Clothing (hereinafter referred to as "the Agreement"), the Textiles Monitoring Body (hereinafter referred to as "the TMB"), composed of a Chairman and ten members, has been established to supervise the implementation of the Agreement, to examine all measures taken under the Agreement and their conformity therewith, and to take actions specifically required of it under the Agreement.

1.2 TMB members may appoint their respective alternates.[1]

1.3 TMB members and alternates shall discharge their functions in the TMB on an *ad personam* basis.

1.4 In discharging their functions in accordance with paragraph 1.1 above, TMB members and alternates undertake not to solicit, accept or act upon instructions from governments, nor to be influenced by any other organisations or undue extraneous factors. They shall disclose to the Chairman any information that they may consider likely to impede their capacity to discharge their functions on an *ad personam* basis. Should serious doubts arise during the deliberations of the TMB regarding the ability of a TMB member to act on an *ad personam* basis, they shall be communicated to the Chairman. The Chairman shall deal with the particular matter as necessary.

1.5 TMB members are expected to attend all meetings.

1.6 Alternates may attend all TMB meetings. In the absence of a TMB member, the first alternate, or, whenever applicable, the second alternate if both the member and the first alternate are absent, may participate fully in the work of the TMB. Moreover, alternates may take part in the discussion of issues of general interest or principle.[2] They may also be called upon by the Chairman to provide technical clarifications or explanations.

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[1] See WT/L/26, paragraph 2.

[2] The TMB shall decide if an issue is of general interest or principle based on a proposal by the Chairman.

1.7 Non-participating observers may attend all TMB meetings, and do so on an *ad personam* basis. They may be called upon by the Chairman to provide technical clarifications or explanations.

1.8 Except as provided for in paragraphs 1.9, 6.1 and 6.2, attendance at meetings is strictly limited to TMB members, alternates, non-participating observers, the Chairman and the TMB Secretariat.

1.9 To assist in its work, the TMB may invite technical experts to provide additional information. The presence of experts in the meetings will be confined to what is necessary to provide such additional information.

2. Meetings

2.1 The TMB shall meet as necessary to carry out the functions required of it under the Agreement.

2.2 At each meeting, a provisional date for the next meeting shall be agreed upon.

2.3 Meetings of the TMB shall be convened by the Chairman by a notice issued not less than ten calendar days prior to the date set for the meeting. In the event that the tenth day falls on a weekend or a holiday, the notice shall be issued no later than the preceding WTO working day.

2.4 Meetings may be convened at shorter notice by the Chairman in agreement with the TMB members.

3. Agenda and Documentation

3.1 A proposed agenda of the meeting shall be communicated to TMB members, alternates and non-participating observers, together with the convening notice. It shall be open to any WTO Member and to any member of the TMB to suggest items for inclusion in the proposed agenda up to, and not including, the day on which the convening notice is to be issued. Requests for items to be placed on the agenda shall be communicated to the Chairman in writing, together with accompanying documentation, if any, to be issued in connection with that item.

3.2 Documentation for consideration at a meeting shall be circulated to TMB members, alternates and non-participating observers, normally, not later than the day on which the convening notice is to be issued.

3.3 The first item of business at each meeting shall be the consideration and approval of the agenda. TMB members may suggest amendments to the proposed agenda, or additions to the agenda under "Other Business". They shall provide the Chairman, whenever possible, advance notice of items intended to be raised under "Other Business".

4. Status of Meetings and Documentation[3]

4.1 The deliberations of the TMB shall remain confidential.

4.2 (a) Notifications received by the TMB pursuant to Articles 2.1, 2.2, 2.7 (a) and (b), 2.8 (a) and (b), 2.10, 2.11, 2.15, 3.1, 3.4, 6.1 and 7.2 of the Agreement shall be circulated to WTO Members without delay, it being understood that the TMB may examine or review these notifications at a later stage.

(b) Notifications addressed to the TMB for review other than those listed in paragraph 4.2 (a) shall, after such review, be transmitted to WTO Members.

4.3 Unless otherwise decided by the TMB, support material, working documents or information prepared by the TMB Secretariat shall be confidential to the TMB and have no official standing.

4.4 Information provided to the TMB by WTO Members shall remain confidential to the TMB, if supplied on a confidential basis.

4.5 Reports of the TMB, after adoption, shall be circulated to WTO Members.

5. Conduct of Business

5.1 For the TMB to be in session, the presence of seven TMB members shall be required. However, the presence of eight TMB members shall be required when the TMB discusses dispute cases if one or two TMB members have been appointed by WTO Members involved in such dispute cases. For the purpose of this paragraph the term "TMB members" covers the respective alternates in case a TMB member is absent.

5.2 Notwithstanding paragraph 5.1, the Chairman shall require a meeting to proceed:

(a) when that meeting has already been postponed on two consecutive occasions, and

(b) when the TMB would have to meet reasonably in advance of any deadline prescribed under the Agreement.

5.3 In addition to exercising the powers conferred elsewhere by these working procedures, the Chairman shall declare the opening and closing of each meeting, direct the discussion, accord the right to speak, submit questions for decision, announce decisions, rule on points of order and, subject to these working procedures, have control of the proceedings. The Chairman may propose at any time during the course of the meeting that priority should be given to certain items on the agenda.

[3] The TMB will decide on the implementation of the decision of the General Council on derestriction of documents when the General Council has adopted its decision on this matter.

6. Dispute Cases

6.1 The TMB shall invite representatives of the WTO Members that are parties to a dispute to present their views fully and answer questions put by TMB members. TMB members appointed by parties to a dispute should not present the case, but another representative from such parties should advocate it.

6.2 Parties to a dispute shall each be invited to designate a representative who, after the conclusion of the procedure established in paragraph 6.1, may be present in the remaining phase of the discussion up to, but not including, the drafting of the recommendations, findings or observations. Interventions by such representatives should be limited to key aspects relevant to the discussion. The representative of a party to a dispute of which no member of the TMB is a national may be present, but should not take part, during the drafting of the recommendations, findings or observations. It is understood that these representatives shall respect the confidentiality of TMB proceedings.

6.3 The parties to the dispute shall notify to the Chairman in writing, in advance of the date of the examination, the composition of their respective delegations.

7. Decision Making

7.1 The TMB will take all its decisions by consensus.[4]

7.2 Consensus within the TMB does not require the assent or concurrence of TMB members appointed by WTO Members involved in an unresolved issue under review by the TMB.[5] However, at least seven TMB members shall be present when deciding on such unresolved issues, except in cases where one or two TMB members have been appointed by WTO Members involved in an unresolved issue, where eight TMB members shall be present. For the purpose of this paragraph the term "TMB members" covers the respective alternates in case a TMB member is absent.

7.3 TMB members who have a particular concern with respect to a given issue should be present when decision on such an issue is required.

7.4 Any TMB member may propose that the TMB postpone the decision on a given matter. If such proposal is accepted by the TMB, the respective decision will be taken at the following meeting.

8. Reports

8.1 TMB reports shall be composed of the following elements:

[4] See WT/L/26, paragraph 6.
[5] See paragraph 2, Article 8 of the ATC.

(a) a factual presentation of the issues examined;

(b) in the case of a dispute referred to it, a summary of the main arguments;

(c) the full text of any recommendations, observations or findings made by the TMB;

(d) the common rationale for such recommendations, observations or findings.

9. Languages

The working language of the TMB shall normally be English, it being understood that, in specific cases, at the request of a TMB member, interpretation in the other WTO working languages will be provided. In dispute cases, parties to the dispute may use other WTO working languages upon prior request.

10. Revision

The TMB may decide, at any time, to revise these working procedures or any part of them. This requires not only the consensus of TMB members present in the session, but also the endorsement of absent TMB members.

WORKING GROUP ON NOTIFICATION OBLIGATIONS AND PROCEDURES

REPORT OF THE WORKING GROUP ON NOTIFICATION OBLIGATIONS AND PROCEDURES[1]

Adopted by the Working Group on Notification Obligations and Procedures on 3 October 1996 and Considered by the Council for Trade in Goods on 15 October 1996 (G/L/112)

I. The Mandate and the Establishment of the Working Group

1. The Marrakesh Decision on Notification Procedures[2] provides in its Part III for the review of notification obligations and procedures as follows:

"The Council for Trade in Goods will undertake a review of notification obligations and procedures under the Agreements in Annex 1A of the WTO Agreement. The review will be carried out by a working group, membership in which will be open to all Members. The group will be established immediately after the date of entry into force of the WTO Agreement.

The terms of reference of the working group will be:

- to undertake a thorough review of all existing notification obligations of Members established under the Agreements in Annex 1A of the WTO Agreement, with a view to simplifying, standardizing and consolidating these obligations to the greatest extent practicable, as well as to improving compliance with these obligations, bearing in mind the overall objective of improving the transparency of the trade policies of Members and the effectiveness of surveillance arrangements established to this end, and also bearing in mind the possible need of some developing country Members for assistance in meeting their notification obligations;

- to make recommendations to the Council for Trade in Goods not later than two years after the entry into force of the WTO Agreement."

2. This Ministerial Decision was adopted by the General Council on 31 January 1995.[3] On 20 February 1995, the Council for Trade in Goods established a Working Group on Notification Obligations and Procedures to carry out the

[1] The **observations** and conclusions of the Working Group on the specific subjects examined are shown in **bold print** while the ***recommendations*** for action by the Council for Trade in Goods are shown in ***bold print and are underlined***.

[2] See BISD 1S.

[3] Document WT/GC/M/1, paragraph 9.

tasks set by the Decision.[4] At the same meeting, Mr. A. Shoyer (United States) was appointed Chairman. This appointment was renewed by the Council for Trade in Goods at its meeting on 14 February 1996.[5]

II. The Task and Organization of the Working Group

3. The Working Group held 11 meetings, on 7 July, 19 October and 28 November 1995, plus 7 February, 11 March, 16 April, 7 May, 6 June, 3 July, 13 September and 3 October 1996.

4. At its first meeting the Working Group noted that it was being called upon to thoroughly review all existing notification obligations in the 12 Agreements listed in Annex 1A of the WTO Agreement, as well as the GATT 1994, including the six Understandings interpreting certain articles thereof. The mandate did not include the Agreements on Services, TRIPs, DSU, TPRM or the Plurilateral Trade Agreements. The question arose at the outset as to whether the recommendations of the Group should focus exclusively on procedural aspects or if they should or could extend to matters entailing possible changes in notification obligations. As noted in the Group's 1995 report to the Council for Trade in Goods (G/L/30, paragraph 2), it was considered that the Group could undertake its work with wide scope to make whatever recommendations it felt appropriate within the terms of reference of the Ministerial Decision. As is borne out in the following sections, however, the recommendations of the Group do not extend to the substantive aspects of the notifications, which the Group considered best served by the respective committees.

5. In launching its work, Members were requested to provide written inputs identifying problems and suggestions, both of a general nature and with respect to particular agreements. The Chairman undertook to contact the chairpersons of various committees with an interest in the Group's work, to encourage them to inform the Group of areas which it could usefully examine. Following replies received, the Chairman observed at the meeting in October 1995 that the committees were well aware of the importance and difficulties in the notification requirements and were actively working towards an efficient system in each of their respective areas of responsibility. For the purposes of this Group, however, he suggested that a horizontal approach across all Annex 1A agreements, would be the most productive. For this, as had been suggested, identification of areas for examination would have to originate with Members directly. The individual Members were exposed to notification demands across the whole spectrum, while the committees were focusing, quite rightly, only on their specific areas of responsibility.

6. To assist the Group in its work, the Secretariat prepared three papers in the early stages: (i) a background note on notification procedures in the

[4] Document G/C/M/1, paragraphs 6.1-6.3.
[5] Document G/C/M/8, paragraphs 6.1-6.3.

GATT since 1979; (ii) a comprehensive list of notifications required from WTO Members under agreements in Annex 1A of the WTO Agreement; and (iii) information on formats for notifications under the covered agreements.

7. The Group's work consisted basically of three phases: the first entailed the development of an inventory of those notification obligations or procedures where Members considered that problems might exist. This was addressed at the three meetings in 1995. The second phase, for the first half of 1996, was dedicated to a detailed examination of these possible problem areas. This was followed by the third phase, in September-October 1996, when the present report was prepared and the Group's recommendations formulated.

8. At its first meeting the Group heard a presentation, for information purposes, on the implementation and operation of the Central Registry of Notifications, created under Part II of the Ministerial Decision. Updates were provided at the Group's meetings in October and November 1995.

III. Overall Observations

9. While the details of the specific work conducted by the Group, along with its observations and recommendations, are set out in Sections A to F below, the Group considered that the following overall observations should be brought to the attention of the Council for Trade in Goods.

10. At the outset of the Group's work, delegations emphasized that a credible notification process was essential for the effective operation of the WTO. Difficulties experienced in the past with respect to notification requirements could be compounded in the future by the increased obligations on Members resulting from the Uruguay Round. Therefore, it was important that the Working Group address aspects of the notification and counter-notification process with a view to improving compliance with obligations, while also seeking to rationalize requirements and avoid duplication. Some stressed, however, that in its efforts towards such goals, the Group should not lose sight of the obligations and objectives in the various agreements and the specific information required for the proper functioning of individual committees. Furthermore, the overall contribution of the notification process to improved transparency and effective surveillance of trade policies and practices should not be compromised.

11. A number of delegations were concerned that it would be difficult to conduct a comprehensive examination of the notification situation at a point in time when Members had only limited experience in the operation of the notification system under the WTO. It was noted that since the entry into force of the WTO on 1 January 1995, little practical experience had been gained in both the preparation of notifications and their examination in the relevant Committees. In some respects, therefore, the work of the Group was seen as being premature, lacking a broad overview of the real difficulties Members would experience in carrying out their notification obligations. This situation would require that the Group examine the notification obligations and arrive at conclusions and recommendations for improvements more on the basis of theory than from practical experi-

ence. In these circumstances, it would be difficult to achieve the compromises needed to harmonize procedures in certain areas.

12. With respect to the relationship with other committees, it was also pointed out that this Group might have certain limitations in expertise when it came to examining the specific or technical details of the notification obligations in each of the agreements in question. On the other hand, the Group could provide input from its more detached and global perspective which individual committees might lack. The Group might, therefore, identify problems and make recommendations as to the approach or processes under which specific problems might be dealt with, leaving the actual work of redressing the specific problems, taking note of the recommended approach, to the relevant committees themselves. The view was generally shared that there was no overlap of jurisdiction between the Group and the committees, whose respective responsibilities and perspectives differed in nature.

13. The Group observed that there were three types of notification obligations and procedures in Annex 1A: (i) ad hoc notifications which are specifically required when certain actions are taken by a concerned Member; (ii) "one-time only" notifications, most of which are required to provide information on the situations existing at the entry into force of the WTO Agreement for a Member, or within a specified period calculated from that date; and (iii) the regular or periodic notification obligations (semi-annual, annual, biennial, triennial). Of the 175 notification obligations or procedure found in Annex 1A, twenty-six were deemed to be of the regular or periodic type. In light of the ongoing nature of these obligations and procedures, the Group focused particular attention in its work on these provisions.

14. In the Group's examination of the specific notification obligations and of the questionnaires and formats used to present the required information, the key topics were the potential for overlapping or duplication in the notification obligations and the possibilities for simplifying or standardizing the various questionnaires and formats. After much examination and discussion, the Group found that duplication in the reporting requirements was not a widespread phenomenon. Indeed, only in the case of the Agreement on Agriculture and the Agreement on Subsidies and Countervailing Duties was there sufficient scope for elaborating a recommendation for change. In all other cases the duplication was either minor in its extent or related to one-time notifications which did not warrant change.

15. The Group also found that there was little scope, at this point in time, to improve the questionnaires and formats which had been developed, in many cases, very recently through negotiations in the Uruguay Round. Furthermore, the highly technical nature of the requirements in the agreements convinced many participants that changes should be initiated and developed within the respective committees where the greatest technical expertise and sensitivity resided. In this regard, the Group noted that such work was proceeding in many committees as they developed new or amended questionnaires and guidelines, and elaborated their individual reporting processes. It became clear that the

committees were very active in this area rendering less critical the need for the Group to make recommendations.

16. As the Group expanded the scope of its discussions, particularly in the latter stages of its work, it became increasingly aware of the importance of two other topics - improvement in the rate of compliance with notification obligations and the need for assistance in this regard to some developing country Members. Increasingly it was recognized that much work needed to be done to improve compliance rates in all agreements, to ensure the efficient operation of the agreements, to ensure maximum transparency and to bring all Members fully into the functioning of the WTO system.

17. It was further recognized that the key to improved rates of compliance, at least with respect to certain developing country Members, was extensive and carefully focused technical assistance in a number of forms. A concerted effort from three sides was considered to provide the best means of providing this assistance: (i) intensive training to inform Members of their obligations; (ii) guidance in setting up systems in the domestic administration to channel the obligations and the responses; and (iii) a practical handbook to provide detailed information on the preparation of notifications.

IV. The Individual Areas of Examination

18. In the first year, four broad areas were identified by the Group where problems might exist, namely: (a) duplication or overlapping in certain notification obligations; (b) the scope for simplification of data requirements and the standardization of formats; (c) the possibility to coordinate the timing aspects of the reporting processes (uniform periodicity); and (d) the need of some developing country Members for assistance in meeting their notification obligations;

19. As mentioned in the Chairman's informal updating report to the Council for Trade in Goods on 19 March 1996[6], discussion of a further issue, i.e. the question of improving Member's compliance with the notification obligations, was at that point in time in its early stages. Yet a further issue, i.e. the status of notification obligations established pursuant to Decisions of the GATT 1947 CONTRACTING PARTIES, was taken up as of April 1996.

20. The points raised in the Group's examination of these six areas, along with its conclusions, observations and, where considered appropriate, recommendations are set out in the following six sections.

Section A: Duplication or Overlapping in Certain Notification Obligations

21. Participants identified four sets of agreements where some elements of duplication or overlapping might exist. These were: (i) Agreement on

[6] The text of this report is re-printed as an Annex to document G/NOP/6.

Trade-Related Investment Measures (TRIMs) and Agreement on Subsidies and Countervailing Measures; (ii) Agreement on Agriculture and Agreement on Import Licensing Procedures; (iii) Agreement on the Application of Sanitary and Phytosanitary Measures (SPS) and Agreement on Technical Barriers to Trade (TBT); and (iv) Agreement on Agriculture, Agreement on Subsidies and Countervailing Measures and Article XVI of GATT 1994.

(i) Agreement on Trade-Related Investment Measures (TRIMs) and Agreement on Subsidies and Countervailing Measures (Subsidies Agreement)

22. As regards the possible duplication or overlapping in the TRIMs and Subsidies Agreements, it was noted that the Subsidies Agreement prohibited specific subsidies of a type which might have a parallel in the TRIMs Agreement, namely those subsidies which were contingent upon the use of domestic over imported goods (Article 3.1). These could not be granted or maintained under the Subsidies Agreement although special provisions in its Article 27.3 indicated that this prohibition need not be applied for five and eight years to LDCs and LLDCs respectively. In the TRIMs Agreement, the Annex pointed to certain measures that were inconsistent with the national treatment obligations in GATT Article III:4 and which might be of a similar nature to those covered by the Subsidies Agreement.

23. The Group noted, however, that the TRIMs notification in this regard was a one-time obligation and was due within 90 days of the entry into force of the WTO followed by the elimination of any measures not in conformity with the Agreement within two years (five for LDCs and seven for LLDCs). At the time of the examination of this matter, the 90-day period had elapsed for such notification while for new Members the obligation would remain, but as a one-time only requirement.

24. The Group concluded that while these TRIMs measures could be maintained by some Members for certain periods of time, they would have to be notified only on one occasion under this Agreement and although some element of duplication with the Subsidies Agreement was present, there would be little purpose in the Group taking steps to address non-recurring duplication. No further action by the Group was considered necessary.

(ii) Agreement on Agriculture and Agreement on Import Licensing Procedures

25. With respect to the potential for duplication between the Agreement on Agriculture and the Agreement on Import Licensing Procedures, it was noted that, pursuant to Article 7.3 of the latter Agreement, Members were required to complete the annual questionnaire and submit it to the Committee on Import Licensing by 30 September each year. This questionnaire required Members to provide a description of their import licensing system, its purposes, coverage and procedures and all related conditions and documentation. Changes to a Member's

system made in the interim were to be reported on an ad hoc basis. Under the Agreement on Agriculture it was possible for a Member to establish a licensing system as part of a tariff or other quota allocation programme. Full notification of any such quota administration system was required on a "one-off" basis in 1995 with any substantial changes in the system being notified ad hoc. The specific informational requirements for notifications under the Agreement on Agriculture were summarized in document G/AG/2.

26. This examination generated discussion of the broader question whether agriculture tariff rate quota systems with import licensing procedures needed to be included in general notification obligations of the Agreement on Import Licensing Procedures. One view was that since the import licensing questionnaire was all-inclusive, all licensing schemes, no matter what their source, needed to be included in the notifications to that Committee. There were no provisions in either Agreement for an exclusion. Another view was that under tariff rate quotas, where the importer was free to make out-of-quota imports, the quota allocation was not a prior condition for imports and was not covered by the Agreement on Import Licensing Procedures. On this latter basis, there would be no overlapping between the two Agreements.

27. While bearing this in mind, some participants were of the view that the actual extent of overlap in the areas of Agriculture and Import Licensing was minimal. The view was also expressed that the overlap between the Agriculture and Import Licensing Agreements reflected a legal difference which could entail an interpretation of the notification obligations themselves. It was questioned if such matters were appropriate to this Group or rather should be left to the respective committees.

28. In considering all of these points, the Group concluded that, in these particular circumstances, efforts to remove the possible duplication were not warranted. No further action by the Group was considered necessary.

(iii) Agreement on the Application of Sanitary and Phytosanitary Measures (SPS) and Agreement on Technical Barriers to Trade (TBT)

29. The Group noted that the TBT Agreement required notification of proposed new or changed technical standards or regulations, while the SPS Agreement required that Members notify proposed new or changed sanitary or phytosanitary regulations which could significantly affect trade. Provisions also exist in both for emergency actions to be subsequently notified. The Group also observed that the notification formats and the procedures agreed by both the TBT and the SPS Committees were very closely aligned in recognition of the fact that often the same officials were responsible for notifications under both agreements and the type of information requested was also similar. It was clear that there was the possibility of some overlap in that a single regulation might contain elements which were relevant to the SPS Agreement and other elements which were relevant under the TBT Agreement. However, both Committees had

committed to coordinate closely in this respect and to work with the governments concerned to limit any duplications.

30. In fact, the potential for overlap between TBT and SPS notifications has long been recognized and in November 1995 a joint meeting of the two committees was held to examine notification problems (G/TBT/W/16 and G/SPS/W/33). To deal with instances where a notification contained elements relevant to both TBT and SPS, two suggestions were advanced: a Member could submit a single notification to the Secretariat to be circulated as both an SPS and TBT Committee document but clearly indicating the respective SPS and TBT elements of the proposed regulation, or Members could separate the subject matter into individual notifications for the SPS and TBT Committees each containing only the relevant information.

31. After examination of the possible duplication, the Group was of the view that the subject matters and operation of these two agreements were clearly intended to be kept separate. Article 1.5 of the TBT Agreement states that the provisions of that agreement do not apply to sanitary and phytosanitary measures as defined in Annex A of the SPS Agreement. Some participants also felt the problem was being resolved over time as Members became more familiar with the operation of the two Agreements, and the two Committees were aware of the problem and had been jointly working to resolve it.

32. Accordingly, the Group concluded that the problems encountered in respect of these two Agreements were more in the nature of a possible confusion as to which Agreement should be invoked in making the notification, that is, was the matter being notified a subject appropriate to the SPS or TBT Agreements? It was not considered to be a question of duplication, but a "mechanical" problem, with the distinction between the reporting processes of these two agreements being generally understood by Members. No further action by the Group was considered necessary.

(iv) Agreement on Agriculture and Agreement on Subsidies and Countervailing Measures (Subsidies Agreement)/Article XVI of GATT 1994

33. From the outset, it was recognized that there were differences in the objectives of the notification procedures of these agreements. In the Agriculture Agreement, the objective of subsidy notification was to ensure compliance with the reform programme which was largely based on quantitative measurements while in the Subsidies Agreement and Article XVI of GATT 1994[7], the notifications procedures had the objective of setting out legal, economic and other qualitative information related to the commitments themselves. It was considered that it might be possible to work towards a degree of unification in the notification formats, and perhaps a common format. It was stressed that care must be taken to

[7] Notifications required by Article XVI:1 of GATT 1994 are currently subject to the questionnaire format developed by the Committee on Subsidies and Countervailing Measures (G/SCM/6).

ensure that efforts to arrive at a common format in this area would not have the effect of exempting certain products or subsidies from notification. One benefit of eliminating duplication would be to encourage broader fulfilment of these notification requirements by all Members.

34. After lengthy discussion of possible approaches to this question, New Zealand provided a paper (G/NOP/W/7) which set out three options on how to approach the question of duplication/overlapping in the notification of agricultural subsidies. The first option was that no change should be made to the present arrangements; rather, the Group could decide to review the arrangements at a specified date in the future when Members would have had the experience of a full cycle of notifications in their present format. The second option foresaw the development of a revised notification format for agricultural subsidies which would merge the two current sets of obligations, resulting in one single notification format meeting the requirements of all three Agreements. The third option would start with the Agriculture Agreement notification format and add to it the additional qualitative information required by the Subsidies Agreement notification format to respond to the needs of all three Agreements through one format.

35. In the ensuing discussions, some participants indicated a preference for the first option of making no change to the present formats at this time. They considered that it was too early to undertake a review of the notification process without the experience of a full cycle of Subsidies and Agriculture notifications; some Members had not yet submitted their Subsidies Agreement or Article XVI notifications and many Agriculture Agreement notifications were due only later in 1996. Some considered that the Group did not have enough basic information to make reliable judgements or recommendations in this matter. Others were of the view that the present notification requirements had not presented serious problems; that the agreements did not have extensive specific overlapping; and therefore, they did not warrant substantive changes.

36. Other participants, however, considered that options two and three presented a good basis for a substantive discussion in the Group. It was stressed that a single notification format for agricultural subsidies would simplify the administrative process by removing the double collection of information on the same programmes. There were a number of descriptive or information requirements in the Subsidies format which could be accommodated in the format adopted for the Agriculture Agreement, such as the titles of the programmes and information on their operation. It was considered worthwhile to examine the possibility of adding these to the Agriculture format to arrive at a single notification while not changing the transparency of substantive obligations of the Agreements concerned. In addition, the United States suggested in a paper (G/NOP/W/8) that the Group consider the elimination of requirements to provide information on subsidy per unit and trade effects of agricultural subsidies, except where information is reasonably available for commodity-specific programmes.

37. To illustrate its suggestions, the United States provided a paper (G/NOP/W/10) which started with the existing notification requirements relating to domestic support and export subsidies under the Agreement on Agriculture and added a number of questions under the columns which required descriptions

of policies. These questions were taken from the notification requirements under the Subsidies Agreement and Article XVI of GATT 1994. The objective was to combine the statistical features of the Agriculture Agreement notifications with the descriptive elements of the Subsidies requirements. This would provide a fuller explanation of subsidy policies in both a quantitative and contextual basis. The proposal would apply only to subsidies covered by the current agricultural subsidy notifications; other types of subsidies would remain subject to the notification procedures of the Subsidies Agreement and Article XVI of GATT 1994.

38. The European Community also introduced a paper (G/NOP/W/11) which went in the same direction as that of the United States starting with the Agriculture format and supplementing it with details from the Subsidies format. They considered that the duplication in these requirements could be avoided by creating a single format which would be applicable only to agricultural subsidies.

39. A number of participants, including Argentina (G/NOP/W/12), commented on these proposals. In particular, they stressed that the goal of any recommended modifications to the notification formats should be to meet all of the informational requirements of the Agreements concerned while removing the reporting duplication. However, simplification must not entail changes in the notification obligations themselves, nor impair the achievement of the objectives of the Agreements. They observed that the proposal of the United States, as supported by the European Community, would involve modifications to elements found in the Subsidies Agreement.

40. The question of timing under a unified format was also examined. It was stressed that the proposed revisions to the notification formats would not alter existing deadlines. Members would continue to be subject to the various deadlines for notifications in both the Agreement on Agriculture and the Subsidies Agreement, and those established by the Committees. Members could use the formats to notify measures to the Committee on Agriculture according to the intervals determined by that Committee in G/AG/2 (according to crop year, marketing year, etc.), and could submit the same notifications to the SCM Committee no later than 30 June of each year to satisfy the notification obligations and procedures of the Subsidies Agreement.

41. After extensive discussion, the Chairman undertook to prepare a text for the Group's consideration, drawing on these proposals and the points raised in the Group's discussions. His draft text (G/NOP/W/15) contained notification formats for measures that were subject to the notification obligations and procedures of both the Agreement on Agriculture, on the one hand, and the Agreement on Subsidies and Article XVI of the GATT 1994, on the other. Certain supporting tables adopted by the Committee on Agriculture (G/AG/2) were modified so that a Member could use the formats adopted by the Committee on Agriculture to satisfy the existing requirements in that Agreement (G/AG/2) as well as the elements set forth in Article 25.3 of the Subsidies Agreement, Article XVI of the GATT 1994 and the relevant portions of the formats adopted by the Committee on Subsidies and Countervailing Measures (G/SCM/6). No other revisions to these documents were proposed and nothing was deleted from the documents. The Chairman noted that the adoption of these revised documents would not

suggest that the scope of review of the relevant Committees had been modified. Some of the information in the new formats would not be relevant under the provisions of all of the relevant agreements and it was clear that each Committee would be required to examine only the information falling within its mandate.

42. The Chairman's Text was presented at the July 1996 meeting and was examined in detail at the September meeting.

43. *The Working Group recommends that the Council for Trade in Goods request the Committee on Agriculture to consider the modified notification formats contained in the draft revision to document G/AG/2, as set out in document G/NOP/W/15 and that the Council for Trade in Goods request the Committee on Subsidies and Countervailing Measures to consider the modified notification formats contained in draft revision to document G/SCM/6, as set out in document G/NOP/W/15. Both Committees should consider the modified notification formats with a view to achieving greater coherence and efficiency in the notification system.*

Section B: The Scope for Simplification of Data Requirements and the Standardization of Formats

44. The Group noted that questionnaires and formats had been developed both through the Uruguay Round negotiating process and through the work of some committees to facilitate the presentation of the information required to be notified. In this regard the questions raised in the initial consideration of this topic were: (i) if any of these formats went beyond the obligations of the agreements concerned; (ii) if there were any further areas which would lend themselves to standardized formats; and (iii) could formats be developed such that one submission could respond to the requirements of more than one agreement. To assist these discussions, the Secretariat prepared a list of all agreements for which notification formats had been developed (G/NOP/W/3).

45. There was concern in examining this topic that changes to formats would require both technical expertise on the nature and goal of the agreement itself as well as a sensitivity to the negotiation background of the existing formats. Hence the suggestion was made that possible improvements under this topic should be the responsibility of the respective committees which possess the specific technical expertise. It was stressed that, at a minimum, this Group should not propose to modify formats without the consideration and input of the concerned committees.

46. It became clear through several months of examination and reflection that it would not prove fruitful for this Group to conduct a detailed examination of all the individual formats and questionnaires currently being used in the various committees. Accordingly, it was decided that the Chairman should send a note to the chairpersons of the committees in the "goods" area indicating that these issues had been discussed in the Working Group and would continue to be considered, but that it might be useful to have these questions examined in the relevant committees as well. Subsequently, a number of responses were received indicat-

ing that the committees were considering, as an ongoing responsibility, the various aspects of the questionnaires and formats, adapting existing ones as circumstances warranted and, in some cases, developing new ones.

47. To assist the Group in its efforts to maintain an awareness of the work which was being done in the various committees on this topic, the Secretariat assembled an overview of such discussions drawing upon committee meeting reports or minutes (G/NOP/W/13).

48. In the absence of any firm proposals under this topic and recognizing that several committees were actively working to improve their own systems, the Group decided that no further action was necessary.

Section C: Coordination of Timing Aspects of the Reporting Processes

49. It was suggested that the Group could usefully examine the scope for improvements in the timing aspects of the notification process as the overall burden of preparing, submitting and reviewing notifications might be eased if these obligations were not grouped at certain times but were staggered over the full year.

50. To assist the Group in this discussion, the Secretariat prepared a document (G/NOP/W/5) setting out the timing aspects of the notification requirements in the agreements in the "goods" area. It was found that there were 175 such notifications comprising 106 ad hoc requirements whereby a Member was obliged to submit a notification only if a specific action was taken and 43 one-time only obligations, most of which related to the implementation of the agreements in 1995 or upon accession. There were also a further 26 regular or periodic requirements (3 semi-annual, 17 annual, 3 biennial and 3 triennial).

51. The Group examined the regular notifications with specific reporting dates, and noted in particular that the dates set out in the agreements had particular relevance to the obligations of each particular agreement and to the needs of the respective committees. It was considered that this was not a question for separate examination but might be more appropriately included in the Group's examination of two other topics, duplication/overlapping and simplification/standardization. It was suggested that in making proposals on these two topics, consideration of the timing aspects should be built in to such proposals rather than their being dealt with as a stand-alone item.

52. On this basis, the Group decided not to pursue the topic of timing as a separate matter.

Section D: The Need of Some Developing Country Members for Assistance in Meeting their Notification Obligations

53. Opening the consideration of this item, some developing country participants pointed out that in view of the ever-increasing workload, combined with limited resources in the small delegations, they had great difficulty in advising their governments on all aspects of the notifications required. Many developing

countries had difficulty understanding the frequently complex and highly technical information demanded, and therefore faced a prohibitive task in providing complete responses to the notification requirements and formats. While they recognized that these notifications were part of their Membership obligations and they were prepared to respond to the maximum of their abilities, there were serious constraints to what they could achieve due to their limited resources. In this regard it was recognized that the WTO Technical Co-operation and Training Division was aware of the problem, had developed two workshops for delegations on this specific topic in 1995 and 1996 and would continue to provide assistance on notification obligations through their seminars and other programmes. More generally, the Group noted that the Committee on Trade and Development was in the process of drawing up guidelines for the technical cooperation activities of the WTO as they relate to developing country Members.

54. As participants considered the specific needs of the developing, and particularly of the least-developed country Members, a number of questions were raised including: whether some additional forms of special and differential treatment in respect of the obligations themselves should be considered or if greater technical assistance to meet the existing obligations would be the most appropriate. With respect to the former, it was suggested that simplified formats might be developed for the developing countries with more detailed information being provided to the committees only when requested. In some situations, prolonged time-frames might be considered.

55. Some participants did not favour such approaches, considering that the information in the agreed formats reflected the obligations which all Members had undertaken and were vital to the efficient operation of the agreements and to maintain full transparency. It was also noted that several agreements already included special considerations for developing or least-developed country Members, particularly as regards time-frames for the application of substantive obligations.

56. Another idea was that explanatory commentaries should be prepared for each agreement on how to complete the questionnaires/formats. In this connection, the Group agreed that the technical cooperation programmes of the WTO were a sound vehicle for assisting developing countries in meeting their notification obligations. Particular reference was made to the two notification workshops mentioned above, and to seminars which were being held on this topic in the regions. It was suggested that, to maximize the effectiveness of these programmes, they should not be "one-off" seminars but followed up and broadened.

57. A formal proposal made by Chile and Norway was that a practical handbook or manual should be developed setting out the notification obligations, questionnaires or formats, guiding the Members through the information required to complete the submissions. On the basis of this proposal, the Group expanded the concept further leading to the development of a five-part draft document which would contain (i) a description of the notification obligations in the agreement based on the presentations made by the Secretariat staff at the February 1996 workshop; (ii) a list of the specific notification obligations in the respective agreements drawn from document G/NOP/W/2/Rev.1; (iii) all docu-

ments issued by the committees containing questionnaires, formats and guidelines for each agreement; (iv) mock examples of fully completed notifications; and (v) the text of the relevant agreement. A separate, loose-leaf handbook would be prepared for each agreement on this basis. To assist the Group, a model of the handbook for two agreements was prepared by the Secretariat. It was further agreed that the handbook would include a disclaimer to make it very clear that it was not a legal interpretation of any agreement but was a practical tool of the WTO technical assistance programme. The handbook would be provided to the Chairmen of various committees for their information and input.

58. As the discussions proceeded and the handbook took shape, many delegations commented that such a handbook could prove so helpful that it should not be delayed several months until the formal conclusions of the Group's work programme, in particular since the WTO Secretariat could undertake such work anyway within its resources. Indeed, many delegations desiring to meet their notification obligations had already been seeking technical assistance in this area. The Group noted that no Member appeared to have difficulty with the concept of a practical handbook, and that there was in fact broad agreement on its structure and contents. The Group was also informed of work underway along similar lines in the Technical Co-operation and Training Division in response to requests from Members.

59. The Group recognized (a) the considerable information made available through the notification seminars which had been arranged by the Secretariat and encouraged their continuation on a regular basis; and (b) the benefit a practical handbook would provide to many Members and supported the initiatives to prepare and circulate it as soon as possible. It was noted that these activities were being carried out by the Technical Cooperation and Training Division as part of that Division's regular work programme. The handbook would be updated, as necessary, by that Division.

60. The Group was subsequently informed that the first portion of the handbook containing information on four agreements (Rules of Origin, Textiles, SPS and TBT) had been circulated to all Members; the second portion containing information on six further agreements was being translated and would be circulated as soon as possible; and information on the remaining agreements was under preparation.

61. One suggestion advanced was that industrialized countries could provide direct assistance to developing countries by exchange of visits of technical experts to discuss with and assist developing country Members in the preparation of responses to notification obligations. After discussion on the possible modalities of such an exchange programme, it found little favour and was not pursued.

Section E: The Status of Notification Obligations Established Pursuant to Decisions of the GATT 1947 CONTRACTING PARTIES

62. The Group examined the list of notification obligations in document G/NOP/W/2/Rev.1, section II(b), which were created by Decisions of the

GATT 1947 CONTRACTING PARTIES. It was suggested that some of these CONTRACTING PARTIES Decisions might be redundant or obsolete in the current situation. Those cited were: (a) Items 2, 3 and 4 on pages 48 and 49 of G/NOP/W/2/Rev.1 on CPs Decisions relating to Quantitative Restrictions and Non-tariff Measures which appear to be superseded by the Council for Trade in Goods Decisions of 1 December 1995 (G/L/59 and G/L/60); (b) Item 6, also on page 49, on Import Licensing Procedures which appears to be superseded by the WTO Agreement on Import Licensing Procedures plus the new Questionnaire (G/LIC/3); (c) Item 8 on page 50 on Marks of Origin (GATT Article IX) for which, according to the notes in the 1995 edition of the GATT Analytical Index, there have been no submissions since 1961; and (d) Item 12 on Liquidation of Strategic Stocks which dates back to a CPs Decision in 1955.

63. The questions posed under this topic were (i) are these obligations now redundant or obsolete; (ii) are there any others; (iii) if they are redundant or obsolete how should they be addressed; and (iv) what legal process should be followed.

64. The Group was of the view that the CP Decisions in point (a) above may have been superseded by the procedures adopted after the entry into force of the WTO Agreement and considered that they should be examined in greater detail. The Group decided that the CPs Decision in point (b) above was clearly superseded by the procedures adopted after the entry into force of the WTO Agreement and the earlier Decision could now be proposed for deletion. The CPs Decisions in points (c) and (d) above were possibly obsolete but the need to continue to maintain these notification obligations would have to be examined in greater detail.

65. *Accordingly, the Working Group recommends that the Council for Trade in Goods request the General Council to take the necessary steps to eliminate the notification obligations in the Decisions of the GATT 1947 CONTRACTING PARTIES relating to import licensing procedures (L/3756 and SR/28/6). The Group further recommends that the Council for Trade in Goods refer the Decisions of the GATT 1947 CONTRACTING PARTIES relating to quantitative restrictions and non-tariff measures (BISD 32S/92-93 and BISD 31S/227-228), Marks of Origin (BISD 7S/30-33) and Liquidation of Strategic Stocks (BISD 3S/51) to the appropriate bodies for further consideration.*

Section F: Improving Members' Compliance with Notification Obligations

66. The goal of improving the compliance with the notification obligations and procedures under Annex 117 was recognized as a key responsibility of all Members to maximize transparency of trade policies and measures. Accordingly, the Group considered that the question of compliance deserved very careful examination as it touched upon the very functioning of the WTO system. To consolidate the gains of the Round, each and every agreement must be fully and faithfully implemented. That requires very detailed monitoring by the responsible committees and councils which, in turn, could only be achieved if there is

sufficient transparency - which means compliance with the notification obligations.

67. To assist the Group in examining this item, the Secretariat prepared two papers - G/NOP/W/9 which set out general information on the volume of notifications received up to mid-February 1996 with some analysis of the degree of compliance, and G/NOP/W/14 which listed the periodic and one-time obligations and the notification situation in this regard of each individual WTO Member.

68. The examination of the situation in compliance as reported in document G/NOP/W/9 involved the examination of over 1500 notifications received in the first fourteen months of the WTO. It revealed that over 40 per cent of all notifications were of technical regulations under the TBT and SPS Agreements. The next largest quantities of notifications were in the areas of subsidies (10 per cent), textiles (9 per cent), anti-dumping (8 per cent), safeguards and rules of origin (6 per cent each). What was also important, over 80 per cent of the notifications received were either ad hoc (required only when a specific action was taken) or one-time only (usually in relation to entry into force of the agreements). Therefore, only about 18 per cent of all notifications received were regular or periodic. The exact rates of compliance with the one-time and periodic notification obligations were sometimes difficult to calculate as not all Members were obligated to provide all notifications at that time; nevertheless, it was clear that compliance rates varied greatly and few exceeded 50 per cent.

69. Among the questions raised in the discussions of this topic: (i) was there a link between the volume of notifications to be made by Members and the degree of compliance; (ii) did the complexity of the questionnaires/formats reflect on compliance rates; (iii) could the timing of notifications affect compliance; and (iv) could specific obligations that attract a low or for that matter a high compliance rate be identified? Although there were no clear replies to these questions, the discussion brought out several points.

70. A number of opinions were advanced as to why compliance rates were low. One was that the WTO Agreements had been in place for just over one year and the demands at the outset were considerable. Notifications of measures in place upon entry into force of the WTO Agreements and of laws and regulations, etc. added to the initial burden. New systems had to be developed in capitals to handle the greater demands and these would require some time to get "up to speed". It was also noted that many administrations had limited resources to coordinate the substantial demands both in the WTO and in the capitals. A number of Members had no mission in Geneva, which further complicated their task. The Group considered that compliance frequently suffered because of a lack of awareness in some capitals, particularly in the ministries more removed from the offices which usually dealt with WTO matters. This would hinder comprehension of the requirements and delay or even prevent the submission of information.

71. The Group considered that the information contained in G/NOP/W/14 on all periodic and one-time notifications requirements and the responses to these

obligations by all WTO Members provided a comprehensive overview of Members' participation and thereby improved the transparency of the system and assisted Members in seeing their own individual situation at a glance. A number of participants commented that this full listing had been found helpful in the capitals and would provide a positive impetus to the task of improving compliance. This document has been updated to the end of August 1996 and is included in this report as Annex III.

72. *The Group recommends that a comprehensive listing of notification obligations and the compliance therewith by all WTO Members be maintained on an ongoing basis and be circulated semi-annually to all Members. In addition, the Council for Trade in Goods might consider an updating of the listing of notifications received, as set out in Annex III to this report, prior to the Singapore Ministerial Meeting.*

73. A number of suggestions were made on how compliance rates could be improved. One was that there could be a central entity or office in each Member responsible for coordinating that Member's notification submissions in all areas. The Group fully accepted that some form of coordination in the capitals to improve the flow of information both to and from Geneva and among the various ministries would be an important assistance to the notification process. It was recognized that different Members would require different domestic structures and, indeed, some had already established such coordination offices.

74. The Group recognized that benefits were possible both to the individual Members and to the WTO System from a central national coordination of notification submissions, and recommended this for consideration by individual Members.

75. Another suggestion was that the Council for Trade in Goods could develop guidelines to assist the committees in administering the notification system. These guidelines could include regular review of their notification questionnaires or formats, regular reminders to be made prior to each meeting on the notification situation in each Member, and the regular publication of the situation as regards compliance with the notification obligations. In this regard, the Group observed that the more active committees were in this area and the more persistent in requesting notifications, the higher were their rates of compliance.

76. *The Group, therefore, recommends that the Council for Trade in Goods consider the preparation of general guidelines for the bodies under its purview, providing for the regular review of questionnaires and formats and of the situation as regards compliance with notification obligations.*

77. The Group also touched on the possibilities for using electronic means for transmitting information. Although this concept was not elaborated, it was clear that many Members could see merit in having the possibility to submit notifications electronically and to have access to the notification of others through such means.

78. The Group examined a proposal that a special programme of assistance to developing country Members, and particularly the least-developed, should be considered. This would provide for more intensive assistance, possibly with the

participation of other organizations, focusing on the development of the systems and structures required to respond to the notification obligations. Such a programme might involve, for example, missions of an appropriate duration which would require a pool of knowledgeable people prepared to spend sufficient time in the recipient Member countries to achieve the goals. It was also noted that this proposal envisaged a new programme, beyond those already operating under the WTO's technical cooperation programme, and would, therefore, require consideration not only of the content and coverage of such assistance, but also the financial and human resources aspects. In view of the time constraints, the Group was not able to elaborate this proposal further, but considered it to be of importance and that it should form part of the recommendations to the Council for Trade in Goods.

79. *Accordingly, the Group recommends that active consideration be given in the appropriate WTO bodies to the development of a special programme of assistance to developing country Members and particularly to the least-developed country Members providing more intensive technical assistance, possibly with the participation of other organizations, focusing on the development of systems and structures required to respond to notification obligations.*

80. The Group also considered a suggestion concerning the semi-annual reminders issued by the Central Registry of Notifications pursuant to Part II of the Marrakesh Decision on Notification Procedures. While this topic was outside the purview of the Working Group, in view of the proximity of the subject matter to the topics under discussion - improving Members' compliance - the Group offered the observation that the reminders issued by the CRN would be of greater assistance to Members if they provided basic descriptions of the information being sought. This could take the form of brief descriptions of the notification obligations being referred to, reference to the related provisions in the notification handbook, an indication if a "nil" report was required in cases where the Member did not maintain the measure in question, and similar information of a pedagogic nature.

Future Work in this Area

81. The Group, bearing in mind the observations made in paragraphs 11 and 12 of this report, was of the opinion that the detailed, technical review of notification obligations and procedures in each individual agreement should be an ongoing responsibility of the committees overseeing the functioning of the respective agreements. However, the Group also saw benefit in conducting periodic reviews of the operation of the entire notification process from a more detached and global perspective under a mandate along the lines of the present Working Group. It was considered that this could be achieved: (a) through the extension of the mandate of the current Working Group; (b) through the establishment by the Council for Trade in Goods of a new working group, at an appropriate time, to address Annex 1A agreements; or (c) through the establishment, at an appropriate time, of a new working group under the General Council to address notification obligations in Annexes 1A, B and C. Such work could be

undertaken with a view to developing recommendations for a future Ministerial Conference.

82. *Accordingly, the Group recommends to the Council for Trade in Goods that it request the Ministerial Conference or the General Council to consider the establishment, at an appropriate time, of a body with a mandate to review the notification obligations and procedures throughout the WTO Agreement. Alternatively, consideration might be given to the establishment of a body, or the extension/modification of the mandate of the current Working Group, to conduct, at an appropriate time, a further comprehensive review of the notification obligations and procedures in the agreements in Annex 1A of the WTO Agreement. It was suggested that future work also encompass matters relating to the Central Registry of Notifications, electronic transmission of notifications and further work on the notifications handbook.*

ANNEX I

DECISION ON NOTIFICATION PROCEDURES

Ministers,

Decide to recommend adoption by the Ministerial Conference of the decision on improvement and review of notification procedures set out below.

Members,

Desiring to improve the operation of notification procedures under the Agreement Establishing the World Trade Organization (hereinafter referred to as the "WTO Agreement"), and thereby to contribute to the transparency of Members' trade policies and to the effectiveness of surveillance arrangements established to that end;

Recalling obligations under the WTO Agreement to publish and notify, including obligations assumed under the terms of specific protocols of accession, waivers, and other agreements entered into by Members;

Agree as follows:

I. General obligation to notify

Members affirm their commitment to obligations under the Multilateral Trade Agreements and, where applicable, the Plurilateral Trade Agreements, regarding publication and notification.

Members recall their undertakings set out in the Understanding Regarding Notification, Consultation, Dispute Settlement and Surveillance adopted on 28 November 1979 (BISD 26S/210). With regard to their undertaking therein to notify, to the maximum extent possible, their adoption of trade measures affecting the operation of GATT 1994, such notification itself being without prejudice to views on the consistency of measures with or their relevance to rights and obligations under the Multilateral Trade Agreements and, where applicable, the

Plurilateral Trade Agreements, Members agree to be guided, as appropriate, by the annexed list of measures. Members therefore agree that the introduction or modification of such measures is subject to the notification requirements of the 1979 Understanding.

II. Central registry of notifications

A central registry of notifications shall be established under the responsibility of the Secretariat. While Members will continue to follow existing notification procedures, the Secretariat shall ensure that the central registry records such elements of the information provided on the measure by the Member concerned as its purpose, its trade coverage, and the requirement under which it has been notified. The central registry shall cross-reference its records of notifications by Member and obligation.

The central registry shall inform each Member annually of the regular notification obligations to which that Member will be expected to respond in the course of the following year.

The central registry shall draw the attention of individual Members to regular notification requirements which remain unfulfilled.

Information in the central registry regarding individual notifications shall be made available on request to any Member entitled to receive the notification concerned.

III. Review of notification obligations and procedures

The Council for Trade in Goods will undertake a review of notification obligations and procedures under the Agreements in Annex 1A of the WTO Agreement. The review will be carried out by a working group, membership in which will be open to all Members. The group will be established immediately after the date of entry into force of the WTO Agreement.

The terms of reference of the working group will be:

- to undertake a thorough review of all existing notification obligations of Members established under the Agreements in Annex 1A of the WTO Agreement, with a view to simplifying, standardizing and consolidating these obligations to the greatest extent practicable, as well as to improving compliance with these obligations, bearing in mind the overall objective of improving the transparency of the trade policies of Members and the effectiveness of surveillance arrangements established to this end, and also bearing in mind the possible need of some developing country Members for assistance in meeting their notification obligations;
- to make recommendations to the Council for Trade in Goods not later than two years after the entry into force of the WTO Agreement.

ANNEX II

LIST OF WORKING DOCUMENTS ISSUED BY THE GROUP

Document	Date	Title
G/NOP/W/1	30/06/95	Background Note by the Secretariat on Notification Procedures in the GATT since 1979
G/NOP/W/2 & Rev.1	30/06/95 & 25/09/95	Notifications Required from WTO Members Under Agreements in Annex 1A of the WTO Agreement
G/NOP/W/3	22/09/95	Information on Formats for Notifications Under the Agreements in Annex 1A of the WTO Agreement
G/NOP/W/4	03/11/95	Communication from the United States
G/NOP/W/5	21/11/95	Timing Aspects for the Notification Requirements in the Agreements in Annex 1A of the WTO Agreement
G/NOP/W/6	21/11/95	Notification Requirements in the Agreements in Annex 1A of the WTO Agreements Which Appear to have some Elements of Duplication
G/NOP/W/7	14/02/96	Communication from New Zealand
G/NOP/W/8	21/02/96	Communication from the United States
G/NOP/W/9	08/03/96	Information on Compliance with the Notification Obligations Under the Agreements in Annex 1A of the WTO Agreement
G/NOP/W/10	11/04/96	Communication from the United States
G/NOP/W/11	16/04/96	Communication from the European Community
G/NOP/W/12	30/04/96	Communication from Argentina
G/NOP/W/13	10/05/96	Information on Discussions Being Held in Various WTO Committees Related to Topics Under Examination in the Working Group

Document	Date	Title
G/NOP/W/14	20/05/96	Information on Notifications Made Under the Agreements in Annex 1A of the WTO Agreement
G/NOP/W/15	02/07/96	Chairman's Text
G/NOP/W/16	21/08/96	Draft Report of the Working Group to the Council for Trade in Goods
G/NOP/W/16/Rev.1	27/09/96	Draft Report of the Working Group to the Council for Trade in Goods: Revision

ANNEX III

INFORMATION ON NOTIFICATIONS MADE UNDER THE AGREEMENTS IN ANNEX 1A OF THE WTO AGREEMENT

1. At the request of the Working Group on Notification Obligations and Procedures, at its meeting held on 16 April 1996 (G/NOP/6, paragraphs 25-28), the Secretariat compiled a listing of regular/periodic and "one-time" notification obligations under the Agreements in Annex 1A of the WTO Agreement and of notifications submitted pursuant to these obligations up to 1 May 1996. This listing was circulated in document G/NOP/W/14.

2. This Annex modifies and updates the previous listing to cover the period up to 31 August 1996. Explanatory notes are set out on pages 19 to 23.

3. This information is drawn from the notifications which have been entered into the Central Registry of Notifications, as well as some additional notifications received but not yet entered into the CRN. The cut-off date of 31 August 1996 has no particular significance, but was chosen in order to present as recent a picture of the situation as possible.

4. This Annex does not address the qualitative aspects of these notifications, that is, the extent to which the content of the submissions satisfies the informational requirements of the various obligations.

EXPLANATORY NOTES

1. This table sets out notification obligations of a regular/periodic nature (i.e. semi-annual, annual, biennial or triennial) and notifications required on a "one-time only" basis. It does not include ad hoc notifications, that is, those which must be provided only if a certain action is taken. It also does not include those regular/periodic or "one-time" notification obligations listed in document G/NOP/W/2/Rev.1, relating to Marks of Origin (page 50, item 8), Regional Arrangements (page 52, item 13 and page 55, item 7), Balance of Payments (page 54, item 5) and the Integrated Database (page 52, item 15).

2. The symbols used are as follows:

(a) "X" denotes that a notification has been received in the WTO. Subsequent addenda or corrections to notifications are not counted as additional notifications.

(b) A blank indicates that this is a requirement applicable to the Member concerned, but that no notification has been received up to the cut-off date.

(c) "NA" indicates that the requirement was not applicable for this WTO Member during the period covered by the Note.

(d) "0" indicates that no notification was received from the Member and that this is a requirement which is:

(i) applicable only to those Members maintaining the type of measure or taking the action in question but for which it was not possible to determine whether the Member maintained that type of measure or took the action in question;

or

(ii) permitting certain Members to take advantage of special treatment.

3. The abbreviations for the Agreements and Understandings shown in the column headings and their full titles are as follows:

Column Heading	*Agreement/Understanding Title*
Agriculture	Agreement on Agriculture
Textiles and Clothing	Agreement on Textiles and Clothing
Technical Barriers to Trade	Agreement on Technical Barriers to Trade
TRIMs	Agreement on Trade-Related Investment Measures
Anti-dumping	Agreement on Implementation of Article VI of the GATT 1994
Customs Valuation	Agreement on Implementation of Article VII of GATT 1994
PSI	Agreement on Preshipment Inspection
Rules of Origin	Agreement on Rules of Origin
Import Licensing	Agreement on Import Licensing Procedures
Subsidies and Countervailing Measures	Agreement on Subsidies and Countervailing Measures
Safeguards	Agreement on Safeguards
State Trading	Understanding on the Interpretation of Article XVII of the GATT 1994
Quantitative Restrictions (QRs)	Decision on Notification Procedures for Quantitative Restrictions (G/L/59)

4. On 31 August 1996, there were 123 WTO Members. The list of WTO Members in the first column, however, comprises 108 names as the European Community and its 15 member States provide one notification for each of the respective requirements. In the case of Agriculture, Switzerland's notifications are taken to cover Liechtenstein as these two Members have a joint Schedule.

5. The following notes apply to specific agreements:

Agreement on Agriculture

(a) Notifications may be submitted according to various bases (calendar, crop, fiscal years, etc.); the absence of a notification does not necessarily indicate an outstanding obligation as they may be due only later in 1996. However, the time limit for submission of MA:1 notifications has now passed for all Members.

(b) For Tables MA:1 and MA:2 (Tariff and other quotas - Article 18.2), notifications are required only by Members with tariff and other quota commitments recorded in Section I-B (or Section I-A) of Part I of their Schedules for the products concerned.

(c) For Table MA:5 (Special Safeguard - Articles 5.7 and 18.2) notifications are required only by Members having reserved the right to use the Special Safeguard provisions as indicated in Section I-A of Part I of Schedules.

(d) For Table DS:1 (Domestic Support - Article 18.2), while all Members are required to notify, the least-developed country Members may notify every second year (indicated by the symbol (NA)), all others annually.

(e) For Table ES:1 (Export Subsidies - Article 18.2), a notification is required by all Members whether or not a base or annual commitment level is shown in Section II of part IV of their Schedule, i.e., a "nil" return is required.

(f) For Table ES:2 (Total exports in the context of Export Subsidies - Articles 10 and 18.2), a notification is required only by Members with export subsidy reduction commitments shown in Section II of Part IV of Schedules and "significant exporters" as set out in G/AG/2/Add.1.

(g) For Table ES:3 (Food Aid in the context of Export Subsidies - Articles 10 and 18.2) notification is required of all food aid donor Members unless this information is provided for under (e) above. No "nil return" is required from Members which do not provide food or other aid.

(h) For Table NF:1 (Food and other aid in the context of the Decision - Article 16.2), notification is required by all donor Members in respect of actions taken within the framework of the Decision on Measures concerning the Possible Negative Effects of the Reform Programme on the Least Developed and Net Food Importing Developing Countries. No "nil return" is required from Members which do not provide food aid, or other assistance to the countries concerned.

Agreement on Textiles and Clothing

(a) Notifications under Article 2.1 were required only by Canada, the EC, Norway and the United States.

(b) Notifications under Articles 2.6/2.7 were required only by Members which retained their right to use the transitional safeguard mechanism under Article 6.1 plus the four Members in (a) above.

(c) Notifications under Article 3.1 were required only by Members which maintained restrictions on textile and clothing products other than those under the MFA.

(d) Notifications under Article 6.1 indicating whether or not the Member wished to retain the right to use the transitional safeguard mechanism were required of all WTO Members except the four mentioned in (a) above.

Agreement on Trade-Related Investment Measures

(a) Article 5.1 requires the notification of investment measures Members were applying that were not in conformity with the Agreement on a "one-time" basis within 90 days of the date of entry into force of the Agreement.

(b) Article 6.2, also a "one-time" notification, is not yet operational, approval of an agreed standard format is pending.

Agreement on Implementation of Article VI of the GATT 1994 (Anti-dumping)

(a) Notifications of anti-dumping actions taken must be supplied semi-annually, pursuant to Article 16.4. The report for the January-June 1995 period was due on 31 August 1995 and for the July-December 1995 period was due on 26 February 1996.

(b) Full and integrated texts of laws and regulations were required on a "one-time" basis (Article 18.5).

Agreement on the Implementation of Article VII of the GATT 1994 (Customs Valuation)

(a) Members that have made notifications are shown with an "X". "NA" indicates that the requirement is not applicable to this WTO Member.

(b) As special and differential treatment, Article 20.1 permits some developing country Members to delay the application of this Agreement for up to five years. In addition, Article 20.2 permits some developing country Members to delay application of certain provisions for a further three years. Annex III in its paragraphs 2, 3 and 4 provides developing countries with the possibility of notifying certain reservations.

(c) The notification of laws and regulations under Article 22.1 (or a communication indicating that the legislation notified under the Tokyo Round Agreement on Customs Valuation remains valid under the WTO Agreement on Customs Valuation) and response to the checklist of issues are "one-time" requirements of all Members.

(d) The Decisions on the treatment of interest charges in the customs value of imported goods and on the valuation of carrier media bearing software for data processing equipment are "one-time" notification obligations for those Members choosing to apply these Decisions.

Agreement on Import Licensing

(a) Those Members which have notified are shown with an "X". "NA" indicates that the requirement is not applicable to this WTO Member.

(b) Certain developing country Members can defer the application of some provisions for not more than two years from the date of WTO Membership (Footnote 5 to Article 2.2).

(c) Replies to the questionnaire on import licensing procedures are required of all Members by 30 September each year (Article 7.3).

(d) All Members are required to notify the names of publications in which rules and information concerning import licensing procedures are published and to submit copies of such publications. All Members are required to notify the full text of their relevant laws and regulations (Articles 1.4(a)/8.2(b)).

Agreement on Rules of Origin

(a) There are two "one-time" notification obligations in this Agreement, on existing non-preferential rules of origin (Article 5.1) and on existing preferential rules of origin (Annex II, paragraph 4). "X" denotes that a notification has been received.

Agreement on Subsidies and Countervailing Measures

(a) The annual reports of subsidies are required not later than 30 June each year (Article 25.1) and where a Member considers that there are no measures requiring such notification, a "nil" return is necessary (Article 25.6). A new and full report on subsidies was due on 30 June 1995, and an updating report was due on 30 June 1996.

(b) Notifications of countervailing duty actions taken must be supplied semi-annually pursuant to Article 25.11. Those for the January-June period of 1995 were due on 31 August 1995 and for the July-December 1995 period were due on 26 February 1996.

(c) Two "one-time" notification requirements have not been included in the tables due to their limited applications: (i) subsidy programmes which are inconsistent with the Agreement (Article 28.1). These have been notified by Chile, Malaysia, Mauritius and South Africa; and (ii) subsidy programmes falling within the scope of Article 3 of the Agreement maintained by Members in the process of transformation into a market economy (Article 29.3). These have been notified by the Czech Republic, Hungary and Poland.

(d) All Members are required to notify their laws and regulations pursuant to Article 32.6.

Agreement on Safeguards

(a) Programmes to phase-out certain actions must be reported on a "one-time" basis by Members concerned (Article 11.2). Those Members that have notified such programmes are shown with an "X", all others with an "0".

(b) All Members must notify their laws, regulations and administrative procedures (Article 12.6).

(c) Members maintaining certain measures (Articles 10 and 11.1) must notify these on a "one-time" basis (Article 12.7). Members that have made such notifications are shown with an "X", all others with an "0".

GATT 1994 Article XVII:4(a) and the Understanding on the Interpretation of this Article

(a) Members are required to notify state trading enterprises - the 1995 notification obligation was to submit new and full responses to the questionnaire on state trading (BISD 9S/184-185) not later than 30 June 1995. Where a Member considers that there are no activities requiring such notification, a "nil" return is necessary. The 1996 notification obligation is to submit updating notifications covering any changes since the new and full notification, and was due on 30 June 1996.

Agreement on Technical Barriers to Trade

(a) All Members are required to notify on a "one-time" basis "measures in existence or taken to ensure the implementation and administration of this Agreement" (Article 15.2).

(b) The notifications by standardizing bodies in the Member countries that have accepted the Code of Good Practice are indicated with "X"; others with an "0".

Agreement on Preshipment Inspection

(a) Pursuant to Article 5, Members are required to notify the laws and regulations by which they put the Agreement into force, as well as other laws and regulations on this topic.

Decision on Notification Procedures for Quantitative Restrictions

(a) On 1 December 1995, the Council for Trade in Goods agreed that "Members shall make complete notification of the quantitative restrictions which they maintain by 31 January 1996 and at two-yearly intervals thereafter ..." (G/L/59).

NOTIFICATIONS MADE UNDER THE PROVISIONS OF THE AGREEMENTS IN ANNEX 1A OF THE WTO AGREEMENT

	Agriculture								Textiles and Clothing			
	18.2	**18.2**	**5.7/18.2**	**18.2**	**18.2**	**10/18.2**	**10/18.2**	**16.2**	**2.1**	**2.6/2.7**	**3.1**	**6.1**
	Table MA:1	**Table MA:2**	**Table MA:5**	**Table DS:1+**	**Table ES:1+**	**Table ES:2**	**Table ES:3**	**Table NF:1**	**QRs (MFA)**	**First Inte-gration**	**QRs (other)**	**Safe-guard Decision**
Antigua and Barbuda	NA	NA	NA			NA	0	0	NA	NA	0	
Argentina	NA	NA	NA	X	X	X	0	0	NA	X	0	X
Australia	X	X	X		X	X	0	0	NA	NA	0	X
Bahrain	NA	NA	NA			NA	0	0	NA	NA	0	
Bangladesh	NA	NA	NA	(NA)		NA	0	0	NA	X	X	X
Barbados						NA	0	0	NA	NA	0	
Belize	NA	NA	NA			NA	0	0	NA	NA	0	
Benin	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0	
Bolivia	NA	NA	NA			NA	0	0	NA	X	0	X
Botswana	NA	NA	X			NA	0	0	NA	NA	0	
Brazil	X	X	NA	X	X	X	X	X	NA	X	0	X
Brunei Darussalam	NA	NA	NA			NA	0	0	NA	NA	0	
Burkina Faso	NA	NA	NA	(NA)		NA	0	0	NA	NA	0	
Burundi	NA	NA	NA	(NA)		NA	0	0	NA	NA	0	

	Agriculture							Textiles and Clothing					
	18.2 Table MA:1	18.2 Table MA:2	5.7/18.2 Table MA:5	18.2 Table DS:1+	18.2 Table ES:1+	10/18.2 Table ES:2	10/18.2 Table ES:3	16.2 Table NF:1	2.1 QRs (MFA)	2.6/2.7 First Inte-gration	3.1 QRs (other)	6.1 Safe-guard Decision
Cameroon	NA	NA	NA			NA	0	0	NA	NA	0	
Canada	X	X	X				0	0	X	X	X	NA
Central African Rep.	NA	NA	NA	(NA)		NA	0	0	NA	NA	0	
Chile	NA	NA	NA	X	X	X	0	0	NA	NA	X	X
Colombia	X	X					0	0	NA	X	0	X
Costa Rica	X						0	0	NA	X	0	X
Côte d'Ivoire	NA	NA	NA			NA	0	0	NA		0	X
Cuba	NA	NA	NA			X	0	0	NA	NA	0	X
Cyprus	NA	NA	NA	X			0	0	NA	X	X	X
Czech Republic	X	X	X		X	X	X	0	NA	X	0	X
Djibouti	NA	NA	NA	(NA)		NA	0	0	NA	NA	0	
Dominica	NA	NA	NA			NA	0	0	NA	NA	0	
Dominican Republic	NA	NA	NA		X	NA	0	0	NA	X	0	X
EC	X						0	0	X	X	X	NA
Ecuador		NA	NA	NA	NA	NA	NA	NA	NA		0	X
Egypt	NA	NA	NA			NA	0	0	NA		X	X
El Salvador						NA	0	0	NA	X	0	X

	Agriculture								Textiles and Clothing		
	18.2	18.2	5.7/18.2	18.2	18.2	10/18.2	10/18.2	16.2	2.1	2.6/2.7	3.1	6.1
	Table MA:1	Table MA:2	Table MA:5	Table DS:1+	Table ES:1+	Table ES:2	Table ES:3	Table NF:1	QRs (MFA)	First Inte-gration	QRs (other)	Safe-guard Decision
Fiji	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0	
Gabon	NA	NA	NA			NA	0	0	NA	NA	0	
Ghana	NA	NA	NA			NA	0	0	NA	NA	0	
Grenada	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0	
Guatemala	X					NA	0	0	NA	X	0	X
Guinea Bissau	NA	NA	NA	(NA)		NA	0	0	NA	NA	0	
Guinea, Republic of	NA	NA	NA	(NA)		NA	0	0	NA	NA	0	
Guyana	NA	NA	NA			NA	0	0	NA	NA	0	
Haiti	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0	
Honduras	NA	NA	NA				0	0	NA	X	0	X
Hong Kong	NA	NA	NA	X	X	NA	0	0	NA	NA	0	X
Hungary	X	X	X				0	0	NA	X	X	X
Iceland	X						0	0	NA	NA	0	
India	NA	NA	NA			NA	0	0	NA	X	X	X
Indonesia	X				X		0	0	NA	X	X	X
Israel							0	0	NA	X	X	X
Jamaica	NA	NA	NA			NA	0	0	NA		0	X
Japan	X	X	X		X	NA	0	0	NA	X	X	X
Kenya	NA	NA	NA			NA	0	0	NA		X	X

	Agriculture							Textiles and Clothing				
	18.2 Table MA:1	18.2 Table MA:2	5.7/18.2 Table MA:5	18.2 Table DS:1+	18.2 Table ES:1+	10/18.2 Table ES:2	10/18.2 Table ES:3	16.2 Table NF:1	2.1 QRs (MFA)	2.6/2.7 First Inte-gration	3.1 QRs (other)	6.1 Safe-guard Decision
Korea	X	X	X			NA	0	0	NA	X	X	X
Kuwait	NA	NA	NA			NA	0	0	NA	NA	0	
Lesotho	NA	NA	NA	(NA)		NA	0	0	NA		0	X
Liechtenstein	X	X	X	X	X		0	0	NA	NA	0	
Macau	NA	NA	NA	X	X	NA	0	0	NA	NA	X	X
Madagascar	NA	NA	NA	(NA)		NA	0	0	NA	NA	0	
Malawi	NA	NA	NA	(NA)		NA	0	0	NA	NA	0	
Malaysia	X	X	X		X	X	0	0	NA	X	X	X
Maldives	NA	NA	NA	(NA)		NA	0	0	NA	NA	0	
Mali	NA	NA	NA	(NA)		NA	0	0	NA	NA	0	
Malta	NA	NA	NA			NA	0	0	NA	X	X	X
Mauritania	NA	NA	NA	(NA)		NA	0	0	NA	NA	0	
Mauritius	NA	NA	NA			NA	0	0	NA	X	X	X
Mexico							0	0	NA	X	X	X
Morocco	X	X	X	X	X	NA	0	0	NA	X	X	X
Mozambique	NA	NA	NA	(NA)		NA	0	0	NA	NA	0	
Myanmar	NA	NA	NA	(NA)		NA	0	0	NA	X	0	X
Namibia	NA	NA				NA	0	0	NA	NA	0	
New Zealand	X	X	X	X	X	X	X	X	NA	NA	X	X

	Agriculture							Textiles and Clothing				
	18.2 Table MA:1	18.2 Table MA:2	5.7/18.2 Table MA:5	18.2 Table DS:1+	18.2 Table ES:1+	10/18.2 Table ES:2	10/18.2 Table ES:3	16.2 Table NF:1	2.1 QRs (MFA)	2.6/2.7 First Inte-gration	3.1 QRs (other)	6.1 Safe-guard Decision
Nicaragua	X		X	X	X	NA	0	0	NA	X	0	X
Nigeria	NA	NA	NA			NA	0	0	NA		0	
Norway	X	X	X		X		0	0	X	X	0	NA
Pakistan	NA	NA	NA		X	X	0	0	NA	X	X	X
Papua New Guinea	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0	
Paraguay	NA	NA	NA			NA	0	0	NA	X	0	X
Peru	NA	NA	NA		X	NA	0	0	NA	X	X	X
Philippines	X				X		0	0	NA	X	X	X
Poland	X	X	X		X		0	0	NA	X	0	X
Qatar	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0	
Romania	X	X	X		X		0	0	NA	X	0	X
Rwanda	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0	
Saint Kitts and Nevis	NA	NA	NA	NA	NA	NA	NA	NA	NA	X	X	X
Saint Lucia	NA	NA	NA			NA	0	0	NA	NA	0	
Saint Vincent & Gre.	NA	NA	NA			NA	0	0	NA	NA	0	
Senegal	NA	NA	NA			NA	0	0	NA		0	X
Sierra Leone	NA	NA	NA	(NA)		NA	0	0	NA	NA	0	

	Agriculture							Textiles and Clothing				
	18.2 Table MA:1	18.2 Table MA:2	5.7/18.2 Table MA:5	18.2 Table DS:1+	18.2 Table ES:1+	10/18.2 Table ES:2	10/18.2 Table ES:3	16.2 Table NF:1	2.1 QRs (MFA)	2.6/2.7 First Inte-gration	3.1 QRs (other)	6.1 Safe-guard Decision
Singapore	NA	NA	NA			NA	0	0	NA	NA	X	X
Slovak Republic	X	X	X	X	X	X	X	0	NA	X	0	X
Slovenia	X	X	NA	X	X	NA	0	0	NA	X	X	X
Solomon Islands	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0	
South Africa	X			X			0	0	NA		0	X
Sri Lanka	NA	NA	NA			NA	0	0	NA	X	X	X
Suriname	NA	NA	NA			NA	0	0	NA	NA	0	
Swaziland	NA	NA				NA	0	0	NA	NA	0	
Switzerland	X	X	X	X	X		0	0	NA	X	0	X
Tanzania	NA	NA	NA	(NA)		NA	0	0	NA	NA	0	
Thailand	X	X	X	X	X	X	0	0	NA	X	X	X
Togo	NA	NA	NA	(NA)		NA	0	0	NA	NA	0	
Trinidad and Tobago	NA	NA	NA		X	NA	0	0	NA		0	X
Tunisia	X					NA	0	0	NA	X	0	X
Turkey	NA	NA	NA		X	X	0	0	NA	X	0	X
Uganda	NA	NA	NA	(NA)		NA	0	0	NA	NA	0	

	Agriculture							Textiles and Clothing				
	18.2 Table MA:1	18.2 Table MA:2	5.7/18.2 Table MA:5	18.2 Table DS:1+	18.2 Table ES:1+	10/18.2 Table ES:2	10/18.2 Table ES:3	16.2 Table NF:1	2.1 QRs (MFA)	2.6/2.7 First Inte-gration	3.1 QRs (other)	6.1 Safe-guard Decision
United Arab Emirates	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0	
United States	X	X	X				0	0	X	X	X	NA
Uruguay	NA	NA	X	X	X	X	0	0	NA	X	0	X
Venezuela	X						0	0	NA	X	X	X
Zambia	NA	NA	NA	(NA)		NA	0	0	NA	X	0	X
Zimbabwe	NA	NA	NA				0	0	NA	NA	0	

	TRIMs	Anti-dumping					Customs Valuation								
	5.1	16.4	16.4	18.5	20.1	20.2	Annex III (2)		Annex III (3)		Annex III (4)	22.1	Decisions		
	Invest-ment Mea-sures	Semi-annual		Laws/ Regs	De-ferred appli-cation	De-ferred appli-cation	Mini-mum values	Reser-vations Art. 4	Reser-vations Art.5.2	Laws/ Regs	Check-list	Interest charges	Carrier Media		
		Jan-June 95	July-Dec 95												
Antigua and Barbuda	0														
Argentina	X	X		X	NA	NA	NA	X	X			X	X		
Australia	0	X	X	X	NA	NA	NA	NA	NA	X	X	X	X		
Bahrain	0														
Bangladesh	0				X	X	X	X	X	NA	NA				
Barbados	X	X	X	X											
Belize	0														
Benin	0	NA													
Bolivia	0	X	X	X	X	X				NA	NA				
Botswana	0			X	NA	NA	NA	NA	NA						
Brazil	0	X	X	X	NA	NA	NA	X	X						

	TRIMs	Anti-dumping					Customs Valuation							
	5.1	16.4	16.4	18.5	20.1	20.2	Annex III (2)		Annex III (3)		Annex III (4)	22.1		
	Investment Measures	Semi-annual		Laws/ Regs	Deferred application	Deferred application	Minimum values	Reservations Art. 4	Reservations Art.5.2	Laws/ Regs	Check-list	Interest charges	Decisions	Carrier Media
		Jan-June 95	July-Dec 95											
Brunei Darussalam	0				X	X				NA	NA			
Burkina Faso	0				X	X	X	X	X	NA	NA			
Burundi	0				X	X				NA	NA			
Cameroon	0				X	X		X	X	NA	NA			
Canada	0	X	X	X	NA	NA	NA	NA	NA	X	NA	X	X	
Central African Rep.	0				X					NA	NA			
Chile	X	X	X	X	X	X	X	X	X	NA	NA			
Colombia	X	X	X	X	X	X	X	X	X	NA	NA			
Costa Rica	X	X	X	X	X	X		X	X	NA	NA			
Côte d'Ivoire	0			X	X	X	X	X	X	NA	NA			
Cuba	X	X	X	X	X					NA	NA			
Cyprus	X	X	X	X	NA	NA	NA	NA	NA		NA	X	X	

	TRIMs	Anti-dumping			Customs Valuation								
	5.1	16.4	16.4	18.5	20.1	20.2	Annex III (2)		Annex III (3)		Annex III (4)	22.1	Decisions
	Investment Measures	Semi-annual		Laws/ Regs	Deferred application	Deferred application	Minimum values	Reservations Art. 4	Reservations Art.5.2	Laws/ Regs	Check-list	Interest charges	Carrier Media
		Jan-June 95	July-Dec 95										
Czech Republic	0	X	X	X	NA	NA	NA	NA	NA	X	NA	X	X
Djibouti	0				X	X	X	X	X	NA	NA		
Dominica	0												
Dominican Republic	X	X	X	X	X	X	X	X	X	NA	NA		
EC	X	X	X	X	NA	NA	NA	NA	NA	X	NA	X	X
Ecuador	X			X	X	X		X	X	NA	NA		
Egypt	X	X	X	X	X	X		X	X	NA	NA		
El Salvador	0			X	X	X		X	X	NA	NA		
Fiji	0	NA											
Gabon	0				X	X	X	X	X	NA	NA		
Ghana	0				X					NA	NA		
Grenada	0	NA											
Guatemala	0	X		X	X	X	X	X	X	NA	NA		

	TRIMs	Anti-dumping					Customs Valuation						
	5.1	16.4	16.4	18.5	20.1	20.2	Annex III (2)		Annex III (3)		Annex III (4)	22.1	Decisions
	Investment Measures	Semi-annual		Laws/ Regs	Deferred application	Deferred application	Minimum values	Reservations Art. 4	Reservations Art.5.2	Laws/ Regs	Checklist	Interest charges	Carrier Media
		Jan-June 95	July-Dec 95										
Guinea Bissau	0												
Guinea, Republic of	0			X									
Guyana	0												
Haiti	0	NA											
Honduras	X	X	X	X	X	X		X	X	NA	NA		
Hong Kong	0	X	X	X	NA	NA	NA	NA	NA	X	NA	X	X
Hungary	0	X	X	X	NA	NA	NA	NA	NA	X	NA	X	X
Iceland	0	X	X	X	NA	NA	NA	NA	NA				
India	X	X	X	X	NA	NA	NA	X	X	X	NA		
Indonesia	X	X		X	X	X	X	X	X	NA	NA		
Israel	0	X	X	X	X			X	X	NA	NA		
Jamaica	0	X	X	X	X	X	X	X	X	NA	NA		
Japan	X	X	X	X	NA	NA	NA	NA	NA	X	NA	X	X

	TRIMs	Anti-dumping			Customs Valuation									
	5.1	16.4	16.4	18.5	20.1	20.2	Annex III (2)		Annex III (3)		Annex III (4)	22.1		Decisions
	Investment Measures	Semi-annual		Laws/ Regs	Deferred application	Deferred application	Minimum values	Reservations Art. 4	Reservations Art.5.2	Laws/ Regs	Check-list	Interest charges		Carrier Media
		Jan-June 95	July-Dec 95											
Kenya	0			X	X	X	X	X	X	NA	NA			
Korea	0	X	X	X	NA	NA	NA	NA	NA	X	NA	X	X	
Kuwait	0	X			X	X				NA	NA			
Lesotho	0				NA	NA	NA	NA	NA			X	X	
Liechtenstein	0				NA	NA	NA	NA	NA					
Macau	0			X	NA	NA	NA	NA	NA	X	NA			
Madagascar	0				X	X				NA	NA			
Malawi	0			X	NA	NA	NA	X	NA					
Malaysia	X	X	X	X	X	X	X	X	X	NA	NA			
Maldives	0			X										
Mali	0				X	X				NA	NA			
Malta	0	X	X	X	X	X	X	X	X	NA	NA			
Mauritania	0				X	X	X	X	X	NA	NA			
Mauritius	X		X	X	X					NA	NA			
Mexico	X	X	X	X	NA	NA	NA	X	X	X	X	X	X	

	TRIMs	Anti-dumping					Customs Valuation						
	5.1	16.4	16.4	18.5	20.1	20.2	Annex III (2)		Annex III (3)		Annex III (4)	22.1	Decisions
	Investment Measures	Semi-annual		Laws/ Regs	Deferred application	Deferred application	Minimum values	Reservations Art. 4	Reservations Art.5.2	Laws/ Regs	Checklist	Interest charges	Carrier Media
		Jan-June 95	July-Dec 95										
Morocco	0	X	X	X	X	X	NA	X	X	NA	NA		
Mozambique	0												
Myanmar	0				X	X	X	X	X	NA	NA		
Namibia	0												
New Zealand	0	X	X	X	NA	NA	NA	NA	NA	X	NA	X	X
Nicaragua	X			X	X	X		X	X	NA	NA		
Nigeria	X				X	X			X	NA	NA		
Norway	0	X	X	X	NA	NA	NA	NA	NA	X	NA	X	X
Pakistan	X	X		X	X	X	X	X	X	NA	NA		
Papua New Guinea		NA											
Paraguay	0		X	X	X		X			NA	NA		
Peru	X	X	X	X	X	X	X	X	X	NA	NA		

	TRIMs	Anti-dumping			Customs Valuation								
	5.1	16.4	16.4	18.5	20.1	20.2	Annex III (2)		Annex III (3)		Annex III (4)	22.1	Decisions
	Invest-ment Mea-sures	Semi-annual		Laws/ Regs	De-ferred appli-cation	De-ferred appli-cation	Mini-mum values	Reser-vations Art. 4	Reser-vations Art.5.2	Laws/ Regs	Check-list	Interest charges	Carrier Media
		Jan-June 95	July-Dec 95										
Philippines	X	X	X	X	X	X	X	X	X	NA	NA		
Poland	X	X	X	X	NA	NA	NA	NA	NA				
Qatar		NA											
Romania	X	X	X	X						X	NA	X	X
Rwanda		NA											
Saint Kitts and Nevis	0	NA											
Saint Lucia	X	X	X	X									
Saint Vincent & Gre.	0												
Senegal	0			X	X	X				NA	NA		
Sierra Leone	0												
Singapore	0	X	X	X	X	X	X	X	X	NA	NA		
Slovak Republic	0	X	X	X	NA	NA	NA	NA	NA	X	X		
Slovenia	X	X	X	X	NA	NA	NA	NA	NA	X			

	TRIMs	Anti-dumping					Customs Valuation						
	5.1	16.4	16.4	18.5	20.1	20.2	Annex III (2)		Annex III (3)		Annex III (4)	22.1	Decisions
	Invest-ment Mea-sures	Semi-annual		Laws/ Regs	De-ferred appli-cation	De-ferred appli-cation	Mini-mum values	Reser-vations Art. 4	Reser-vations Art.5.2	Laws/ Regs	Check-list	Interest charges	Carrier Media
		Jan-June 95	July-Dec 95										
Solomon Islands		NA	NA										
South Africa	X	X	X	X	NA	NA	NA	NA	NA	X	NA	X	X
Sri Lanka		X	X	X	X	X	X	X	X	NA	NA		
Suriname	0			X									
Swaziland	0		X	X									
Switzerland	X	X	X	X	NA	NA	NA	NA	NA	X	NA		
Tanzania	0	X											
Thailand	X	X	X	X	X	X	X	X	X	NA	NA		
Togo	0				X	X	X	X	X	NA	NA		
Trinidad and Tobago	X			X									
Tunisia	0	X	X	X	X	X	X	X	X	NA	NA		
Turkey	0	X	X	X	NA	X	NA	X	X	X			
Uganda	0												

	TRIMs	Anti-dumping			Customs Valuation									
	5.1	16.4	16.4	18.5	20.1	20.2	Annex III (2)		Annex III (3)		Annex III (4)	22.1	Decisions	
	Invest-ment Mea-sures	Semi-annual		Laws/ Regs	De-ferred appli-cation	De-ferred appli-cation	Mini-mum values	Reser-vations Art. 4	Reser-vations Art.5.2	Laws/ Regs	Check-list	Interest charges		Carrier Media
		Jan-June 95	July-Dec 95											
United Arab Emirates	0	NA			X	X		X	X	NA	NA	NA		
United States	0	X	X	X	NA	NA	NA	NA	NA	X	NA	X		X
Uruguay	X	X	X	X	X	X	X	X	X	NA	NA			
Venezuela	X	X	X	X	X	X	X	X	X	NA	NA			
Zambia	X	X	X	X	X	X	X	X	X	NA	NA			
Zimbabwe	0		X	X				X	X	X	X	X		X

	Import Licensing			Rules of Origin		Subsidies and Countervailing Measures					Technical Barriers to Trade	
	2.2	**7.3**	**1.4(a)/ 8.2(b)**	**5.1**	**Annex II(4)**	**25.1**	**25.1**	**25.11**	**25.11**	**32.6**	**15.2**	**Annex 3(C)**
	Deferred appli-cation	**Replies to ques-tion-naire**	**Publications/ laws/regs**	**Non-pref. rules**	**Pref. rules**	**Annual Report (new and full, due 30/6/95)**	**Annual Report (update, due 30/6/96)**	**Semi-annual**		**Laws/ Regs**	**Laws/ Regs**	**Acceptance of code**
								Jan-June 95	**July-Dec 95**			
Antigua and Barbuda												0
Argentina		X	X	X	X	X		X	X	X	X	0
Australia	NA	X	X	X	X	X	X	X	X	X	X	X
Bahrain											X	0
Bangladesh	X											0
Barbados		X	X						X	X		0
Belize												0
Benin								NA				0
Bolivia	X			X	X	X		X	X	X		0
Botswana						X			X			0
Brazil	X				X	X	X	X	X	X		X
Brunei Darussalam				X	X							0

	Import Licensing			Rules of Origin			Subsidies and Countervailing Measures					Technical Barriers to Trade	
	2.2	7.3	1.4(a)/ 8.2(b)	5.1	Annex II(4)	25.1	25.1	25.11	25.11	32.6	15.2	Annex 3(C)
	Deferred appli-cation	Replies to ques-tion-naire	Publications/ laws/regs	Non-pref. rules	Pref. rules	Annual Report (new and full, due 30/6/95)	Annual Report (update, due 30/6/96)	Semi-annual		Laws/ Regs	Laws/ Regs	Acceptance of code
								Jan-June 95	July-Dec 95			
Burkina Faso	X											0
Burundi												0
Cameroon	X											0
Canada	NA	X	X	X	X	X		X	X	X	X	0
Central African Rep.												0
Chile	NA	X		X	X			X	X	X	X	X
Colombia	X	X	X	X	X	X		X	X	X	X	X
Costa Rica	X	X	X	X		X		X	X	X		0
Côte d'Ivoire	X				X	X						0
Cuba			X	X	X			X	X	X	X	X
Cyprus		X	X					X	X	X		0
Czech Republic	NA			X	X	X		X	X	X	X	X
Djibouti												0

	Import Licensing			Rules of Origin			Subsidies and Countervailing Measures						Technical Barriers to Trade	
	2.2	7.3	1.4(a)/ 8.2(b)	5.1	Annex II(4)	25.1	25.1	25.11	25.11		32.6	15.2	Annex 3(C)
	Deferred appli-cation	Replies to ques-tion-naire	Publications/ laws/regs	Non-pref. rules	Pref. rules	Annual Report (new and full, due 30/6/95)	Annual Report (update, due 30/6/96)	Jan-June 95	July-Dec 95		Laws/ Regs	Laws/ Regs	Acceptance of code
Dominica													0
Dominican Republic	X			X	X	X		X	X		X		0
EC	NA		X	X	X	X		X	X		X	X	X
Ecuador		X						NA			X		0
Egypt	NA							X	X		X		X
El Salvador	X			X	X						X		0
Fiji								NA					0
Gabon	X												0
Ghana													0
Grenada								NA					0
Guatemala	X							X	X		X		0
Guinea Bissau													0

	Import Licensing			Rules of Origin			Subsidies and Countervailing Measures					Technical Barriers to Trade	
	2.2	7.3	1.4(a)/ 8.2(b)	5.1	Annex II(4)	25.1	25.1	25.11	Semi-annual		32.6	15.2	Annex 3(C)
	Deferred appli-cation	Replies to ques-tion-naire	Publications/ laws/regs	Non-pref. rules	Pref. rules	Annual Report (new and full, due 30/6/95)	Annual Report (update, due 30/6/96)		Jan-June 95	July-Dec 95	Laws/ Regs	Laws/ Regs	Acceptance of code
Guinea, Republic of											X		0
Guyana													0
Haiti									NA				0
Honduras	X			X	X	X			X	X	X		0
Hong Kong	NA	X		X	X	X	X		X	X	X	X	0
Hungary	NA			X	X	X			X	X	X		X
Iceland	NA			X					X	X	X		0
India	NA	X		X	X	X			X	X	X		X
Indonesia	X				X	X			X	X	X	X	X
Israel										X	X		0
Jamaica			X	X	X						X		X
Japan	NA		X	X	X	X	X		X	X	X	X	X
Kenya	X			X	X						X		X

	Import Licensing			Rules of Origin			Subsidies and Countervailing Measures						Technical Barriers to Trade	
	2.2	7.3	1.4(a)/ 8.2(b)	5.1	Annex II(4)	25.1	25.1	25.11	Semi-annual		25.11	32.6	15.2	Annex 3(C)
	Deferred application	Replies to questionnaire	Publications/ laws/regs	Non-pref. rules	Pref. rules	Annual Report (new and full, due 30/6/95)	Annual Report (update, due 30/6/96)		Jan-June 95	July-Dec 95		Laws/ Regs	Laws/ Regs	Acceptance of code
Korea				X	X	X			X	X		X		0
Kuwait									X					0
Lesotho														0
Liechtenstein	NA					X								0
Macau														0
Madagascar				X	X									0
Malawi												X		0
Malaysia	X			X	X	X			X	X		X	X	X
Maldives												X		0
Mali														0
Malta		X	X	X	X				X	X		X		X
Mauritania														0
Mauritius		X	X	X	X	X				X		X		0
Mexico	NA			X	X				X	X		X	X	0

	Import Licensing			Rules of Origin		Subsidies and Countervailing Measures					Technical Barriers to Trade	
	2.2	**7.3**	**1.4(a)/ 8.2(b)**	**5.1**	**Annex II(4)**	**25.1**	**25.1**	**25.11**	**25.11**	**32.6**	**15.2**	**Annex 3(C)**
	Deferred appli-cation	**Replies to ques-tion-naire**	**Publications/ laws/regs**	**Non-pref. rules**	**Pref. rules**	**Annual Report (new and full, due 30/6/95)**	**Annual Report (update, due 30/6/96)**	**Semi-annual**		**Laws/ Regs**	**Laws/ Regs**	**Acceptance of code**
								Jan-June 95	**July-Dec 95**			
Morocco		X	X	X	X	X		X	X	X		0
Mozambique												0
Myanmar	X											0
Namibia												0
New Zealand	NA		X	X	X	X	X	X	X	X		X
Nicaragua			X	X	X	X				X		0
Nigeria	NA					X					X	0
Norway	NA	X		X	X	X		X	X	X	X	0
Pakistan	NA		X					X		X		0
Papua New Guinea								NA				
Paraguay					X			X	X	X		0
Peru		X	X	X	X	X		X	X	X		X
Philippines	NA			X	X	X		X	X	X	X	X

	Import Licensing			Rules of Origin		Subsidies and Countervailing Measures					Technical Barriers to Trade	
	2.2	7.3	1.4(a)/ 8.2(b)	5.1	Annex II(4)	25.1	25.1	25.11	25.11	32.6	15.2	Annex 3(C)
	Deferred appli-cation	Replies to ques-tion-naire	Publications/ laws/regs	Non-pref. rules	Pref. rules	Annual Report (new and full, due 30/6/95)	Annual Report (update, due 30/6/96)	Semi-annual		Laws/ Regs	Laws/ Regs	Acceptance of code
								Jan-June 95	July-Dec 95			
Poland	NA			X	X			X	X	X		0
Qatar								NA				0
Romania	NA			X				X	X	X	X	X
Rwanda								NA				
Saint Kitts and Nevis								NA				0
Saint Lucia								X	X	X		0
Saint Vincent & Gre.												0
Senegal				X	X					X		X
Sierra Leone												0
Singapore	NA			X	X	X		X	X	X		X
Slovak Republic	NA			X	X	X		X	X	X	X	X
Slovenia	NA			X	X	NA		X	X	X	X	X

	Import Licensing			Rules of Origin		Subsidies and Countervailing Measures					Technical Barriers to Trade	
	2.2	**7.3**	**1.4(a)/ 8.2(b)**	**5.1**	**Annex II(4)**	**25.1**	**25.1**	**25.11**	**25.11**	**32.6**	**15.2**	**Annex 3(C)**
	Deferred appli-cation	**Replies to ques-tion-naire**	**Publications/ laws/regs**	**Non-pref. rules**	**Pref. rules**	**Annual Report (new and full, due 30/6/95)**	**Annual Report (update, due 30/6/96)**	**Semi-annual**		**Laws/ Regs**	**Laws/ Regs**	**Acceptance of code**
								Jan-June 95	**July-Dec 95**			
Solomon Islands								NA	NA			
South Africa	NA			X				X	X	X		X
Sri Lanka	X							X	X	X		0
Suriname						X				X		0
Swaziland						X			X			0
Switzerland	NA			X	X	X		X	X	X	X	X
Tanzania								X				0
Thailand	X			X	X	X	X	X	X	X		X
Togo												
Trinidad and Tobago		X		X	X	X		X	X	X		X
Tunisia	X			X	X			X	X	X	X	X
Turkey	X	X	X	X	X	X		X	X	X		X
Uganda												

	Import Licensing			Rules of Origin			Subsidies and Countervailing Measures						Technical Barriers to Trade	
	2.2	7.3	1.4(a)/ 8.2(b)	5.1	Annex II(4)	25.1	25.1	25.11		25.11		32.6	15.2	Annex 3(C)
	Deferred appli-cation	Replies to ques-tion-naire	Publications/ laws/regs	Non-pref. rules	Pref. rules	Annual Report (new and full, due 30/6/95)	Annual Report (update, due 30/6/96)	Semi-annual				Laws/ Regs	Laws/ Regs	Acceptance of code
								Jan-June 95	July-Dec 95					
United Arab Emirates	X							NA						
United States	NA	X		X	X	X		X	X			X	X	
Uruguay	X				X			X	X			X		
Venezuela	X			X	X	X		X	X			X		X
Zambia						X		X	X			X		
Zimbabwe			X						X			X		X

	Safeguards				State Trading		PSI	QRs
	11.2	12.6	12.7	12.7	XVII(4)(a)	XVII(4)(a)	5	G/L/59
	Phase-out timetable	Laws/ Regs	Existing 11.1 measures	Pre-existing Art. XIX	Annual state-trading activities (new and full notif, due 30/6/95)	Annual state-trading activities (update notif, due 30/6/96)	Laws/ Regs	Biennial report
Antigua and Barbuda	0		0	0				
Argentina	0	X	0	0	X			
Australia	0	X	0	0	X	X		X
Bahrain	0		0	0				
Bangladesh	0		0	0				
Barbados	0		0	0	X			
Belize	0		0	0				
Benin	0		0	0				
Bolivia	0	X	0	0				
Botswana	0		0	0				
Brazil	0	X	0	0	X			
Brunei Darussalam	0		0	0				
Burkina Faso	0		0	0				
Burundi	0		0	0				
Cameroon	0		0	0				
Canada	0	X	X	X	X	X	X	
Central African Rep.	0		0	0				
Chili	0	X	0	0	X	X	X	

	Safeguards				State Trading		PSI	QRs
	11.2	12.6	12.7	12.7	XVII(4)(a)	XVII(4)(a)	5	G/L/59
	Phase-out timetable	Laws/ Regs	Existing 11.1 meas-ures	Pre-existing Art. XIX	Annual state-trading activities (new and full notif, due 30/6/95)	Annual state-trading activities (update notif, due 30/6/96)	Laws/ Regs	Biennial report
Colombia	0	X	0	X	X		X	
Costa Rica	0	X	X	X	X		X	
Côte d'Ivoire	0	X	0	0	X		X	
Cuba	0	X	0	0			X	
Cyprus	X		X	0	X			
Czech Republic	0	X	0	0	X		X	
Djibouti	0		0	0				
Dominica	0		0	0				
Dominican Republic	0	X	0	0				X
EC	X	X	X	X	X	X	X	X
Ecuador	0	X	0	0				
Egypt	0	X	0	0				
El Salvador	0	X	0	0				
Fiji	0		0	0				
Gabon	0		0	0				
Ghana	0		0	0				
Grenada	0		0	0				
Guatemala	0	X	0	0				
Guinea Bissau	0		0	0				

	Safeguards			State Trading			PSI	QRs
	11.2	12.6	12.7	12.7	XVII(4)(a)	XVII(4)(a)	5	G/L/59
	Phase-out timetable	Laws/ Regs	Existing 11.1 measures	Pre-existing Art. XIX	Annual state-trading activities (new and full notif, due 30/6/95)	Annual state-trading activities (update notif, due 30/6/96)	Laws/ Regs	Biennial report
Guinea, Republic of	0	X	0	0	X			
Guyana	0		0	0				
Haiti	0		0	0				
Honduras	0	X	0	0	X			
Hong Kong	0	X	X	X	X	X	X	X
Hungary	0	X	0	0	X		X	
Iceland	0	X	0	0			X	X
India	0	X	X	X	X		X	X
Indonesia	0	X	X	X	X		X	
Israel	0	X	0	0	X			
Jamaica	0		0	0	X			
Japan	0	X	0	0	X		X	
Kenya	0	X	0	0				
Korea	X	X	X	X	X			
Kuwait	0		0	0				
Lesotho	0		0	0				
Liechtenstein	0		0	0				
Macau	0	X	0	0	X			X
Madagascar	0		0	0			X	

	Safeguards				State Trading		PSI	QRs
	11.2	12.6	12.7	12.7	XVII(4)(a)	XVII(4)(a)	5	G/L/59
	Phase-out timetable	Laws/ Regs	Existing 11.1 measures	Pre-existing Art. XIX	Annual state-trading activities (new and full notif, due 30/6/95)	Annual state-trading activities (update notif, due 30/6/96)	Laws/ Regs	Biennial report
Malawi	0		0	0				
Malaysia	0	X	X	X	X		X	
Maldives	0	X	0	0				
Mali	0		0	0				
Malta	0	X	0	0	X	X		X
Mauritania	0		0	0				
Mauritius	X	X	X	X	X			
Mexico	0	X	0	0				
Morocco	0	X	0	0	X			
Mozambique	0		0	0				
Myanmar	0	X	0	0				
Namibia	0		0	0				
New Zealand	0	X	0	0	X	X		X
Nicaragua	0	X	0	0			X	
Nigeria	0	X	0	0				
Norway	0	X	0	0	X		X	X
Pakistan	0	X	X	X	X		X	
Papua New Guinea								
Paraguay	0	X	0	0				

	Safeguards			State Trading			PSI	QRs
	11.2	12.6	12.7	12.7	XVII(4)(a)	XVII(4)(a)	5	G/L/59
	Phase-out timetable	Laws/ Regs	Existing 11.1 measures	Pre-existing Art. XIX	Annual state-trading activities (new and full notif, due 30/6/95)	Annual state-trading activities (update notif, due 30/6/96)	Laws/ Regs	Biennial report
Peru	0	X	X	X	X		X	X
Philippines	0	X	0	0	X		X	X
Poland	0	X	0	0	X		X	
Qatar	0		0	0				
Romania	0	X	0	0	X			
Rwanda								
Saint Kitts and Nevis	0		0	0				
Saint Lucia	0	X	0	0			X	
Saint Vincent & Gre.	0		0	0				
Senegal	0		0	0			X	
Sierra Leone	0		0	0				
Singapore	0	X	X	X	X	X	X	
Slovak Republic	0	X	0	0	X			
Slovenia	X	X	X	0	X		X	
Solomon Islands								
South Africa	X	X	X	X	X			X
Sri Lanka	0	X	0	0				
Suriname	0		0	0			X	
Swaziland	0		0	0				

	Safeguards			State Trading			PSI	QRs
	11.2	12.6	12.7	12.7	XVII(4)(a)	XVII(4)(a)	5	G/L/59
	Phase-out timetable	Laws/ Regs	Existing 11.1 measures	Pre-existing Art. XIX	Annual state-trading activities (new and full notif, due 30/6/95)	Annual state-trading activities (update notif, due 30/6/96)	Laws/ Regs	Biennial report
Switzerland	0	X	X	X	X	X	X	
Tanzania	0		0	0				
Thailand	0	X	X	0	X			
Togo	0		0	0				
Trinidad and Tobago	0	X	0	0				
Tunisia	0	X	0	0				
Turkey	0	X	0	0	X			X
Uganda	0		0	0				
United Arab Emirates	0		0	0				
United States	0	X	X	X	X	X	X	
Uruguay	0	X	0	0	X			
Venezuela	0	X	X	X	X			X
Zambia	0	X	0	0				X
Zimbabwe	0	X	0	0			X	

REPORT OF THE INDEPENDENT ENTITY TO THE COUNCIL FOR TRADE IN GOODS

(G/L/120)

The Agreement on Preshipment Inspection provides for the establishment of an Independent Entity for the administration of the independent review procedures as set out in Article 4 of the Agreement. The Independent Entity (IE) was established by Decision of the General Council of 13 December 1995 (WT/L/125/Rev.1). Paragraph I.C of the Structures and Functions of the Independent Entity (Annex II of WT/L/125/Rev.1) provides that,

"the IE will report to the Council for Trade in Goods at least once a year but more frequently if necessary."

The report below is presented in accordance with the above requirement.

1. The Decision of the General Council of 13 December 1995 (WT/L/125/Rev.1) approved the Agreement between the WTO, the International Chamber of Commerce (ICC), and the International Federation of Inspection Agencies (IFIA) establishing the Independent Entity foreseen in Article 4(a) of the Agreement on Preshipment Inspection. Annex I of the Decision contains the terms of the Agreement between the WTO, the ICC, and the IFIA; Annex II contains the Structure and Functions of the Independent Entity; and Annex III contains the Rules of Procedure for the Operation of Independent Reviews.

2. Following the Decision of the General Council, the administrative and procedural requirements necessary to commence operations of the IE were put in place in April 1996. Specifically, the List of Experts for Independent Reviews had been finalized and distributed in document G/PSI/IE/1, and the information and application forms had been translated and distributed globally to the affiliates and contacts of ICC and IFIA. Following this confirmation, WTO Members were notified that as of 1 May 1996, the IE would be prepared to receive applications requesting independent reviews (G/PSI/IE/2).

3. During the reporting period, the IE has received no requests for an independent review.

COUNCIL FOR TRADE IN SERVICES

RULES OF PROCEDURE FOR MEETINGS OF THE COUNCIL FOR TRADE IN SERVICES

Adopted by the Council for Trade in Services on 4 October 1995 and Approved by the General Council on 15 November 1996 (S/L/15)

The Rules of Procedure for meetings of the General Council shall apply *mutatis mutandis* to meetings of the Council for Trade in Services, except as provided below:

(i) Rule 5 concerning the circulation of a proposed agenda one or two days before the meeting is not applicable.

(ii) Rules 12, 13 and 14 of Chapter V (Officers) shall be modified to read as follows:

Rule 12

The Council for Trade in Services shall elect a Chairperson[1] and may elect a Vice-Chairperson from among the representatives of Members. The election shall take place at the first meeting of the year and shall take effect at the end of the meeting. The Chairperson and Vice-Chairperson shall hold office until the end of the first meeting of the following year.

Rule 13

If the Chairperson is absent from any meeting or part thereof, the Vice-Chairperson shall perform the functions of the Chairperson. If no Vice-Chairperson was elected or if the Vice-Chairperson is not present the Council for Trade in Services shall elect an interim Chairperson for that meeting or that part of the meeting.

Rule 14

If the Chairperson can no longer perform the functions of the office, the Council for Trade in Services shall designate the Vice-Chairperson referred to in

[1] The Council for Trade in Services shall apply the relevant guidelines contained in the "Guidelines for Appointment of Officers to WTO Bodies" (PC/IPL/14 dated 29 December 1994).

Rule 12 or, if no Vice-Chairperson was elected it shall elect an interim Chairperson to perform those functions pending the election of a new Chairperson.

(iii) Rule 33 of Chapter VII (Decision-Making) shall be modified to read as follows:

Rule 33

Where a decision cannot be arrived at by consensus, the matter at issue shall be referred to the General Council for decision.

(iv) Rule 34 of Chapter VII (Decision-Making) shall not apply.

DECISION ON COMMITMENTS IN BASIC TELECOMMUNICATIONS

Adopted by the Council for Trade in Services on 30 April 1996
(S/L/19)

The Council for Trade in Services,

Having regard to the Annex on Negotiations on Basic Telecommunications,

Having regard to the final Report of the Negotiating Group on Basic Telecommunications on the negotiations conducted under the terms of the Decision on Negotiations on Basic Telecommunications adopted at Marrakesh on 15 April 1994,

Decides as follows:

1. To adopt the text of the "Fourth Protocol to the General Agreement on Trade in Services" (hereinafter referred to as the Protocol) and to take note of the Schedules of Commitments and Lists of Exemptions from Article II listed in the Attachment to the final Report of the Negotiating Group on Basic Telecommunications.

2. Commencing immediately and continuing until the date of entry into force of the Protocol Members concerned shall, to the fullest extent consistent with their existing legislation and regulations, not take measures which would be inconsistent with their undertakings resulting from these negotiations.

3. During the period from 15 January to 15 February 1997, a Member which has a Schedule of Commitments annexed to the Protocol, may supplement or modify such Schedule or its List of Article II Exemptions. Any such Member which has not annexed to the Protocol a List of Article II Exemptions may submit such a list during the same period.

4. A Group on basic telecommunications reporting to the Council for Trade in Services shall conduct consultations on the implementation of paragraph 3 above commencing its work no later than 90 days from the adoption of the Decision.

5. The Council for Trade in Services shall monitor the acceptance of the Protocol by Members concerned and shall, at the request of a Member, examine any concerns raised regarding the application of paragraph 2 above.

6. Members of the World Trade Organization which have not annexed to the Protocol Schedules of Commitments or Lists of Exemptions from Article II may submit, for approval by the Council, Schedules of Commitments and Lists of Exemptions from Article II relating to basic telecommunications prior to 1 January 1998.

DECISION ON THE NOTIFICATION OF THE ESTABLISHMENT OF ENQUIRY AND CONTACT POINTS

Adopted by the Council for Trade in Services on 28 May 1996
(S/L/23)

The Council for Trade in Services,

Having regard to paragraph 4 of Article III and paragraph 2 of Article IV of the GATS,

Acting with a view to furthering the objectives of these provisions,

Decides as follows:

Members shall notify to the Council for Trade in Services the establishment of enquiry points pursuant to paragraph 4 of Article III, and the establishment of contact points pursuant to paragraph 2 of Article IV of the GATS.

DECISION ON MARITIME TRANSPORT SERVICES

Adopted by the Council for Trade in Services on 28 June 1996
(S/L/24)

The Council for Trade in Services,

Having regard to the Annex on negotiations on Maritime Transport Services,

Having regard to the Decision on Negotiations on Maritime Transport Services, adopted at Marrakesh on 15 April 1994,

Noting the Report of the Negotiating Group on Maritime Transport Services and the commitments scheduled by Members in this sector,

Desiring to further the liberalization of international trade in maritime transport services within the framework of the General Agreement on Trade in Services (GATS),

Decides as follows:

1. To suspend the negotiations on Maritime Transport Services and to resume them with the commencement of comprehensive negotiations on Services,

in accordance with Article XIX of the GATS, and to conclude them no later than at the end of this first round of progressive liberalization. At an appropriate time decisions pursuant to paragraph 3 of Article XIX of the GATS will be taken on procedures for the conduct of such negotiations. It is agreed that negotiations will be resumed on the basis of existing or improved offers.

2. Members wishing to exercise their rights under paragraph 3 of the Annex on Negotiations on Maritime Transport Services may do so during a period of 30 days from the date of this Decision.

3. Any commitments resulting from these negotiations will be inscribed in Schedules of Specific Commitments annexed to the GATS.

4. Article II of the GATS and the Annex on Article II Exemptions, including the requirement to list in the Annex any measures inconsistent with most-favoured-nation treatment that a Member will maintain, shall enter into force for international shipping, auxiliary services and access to and use of port facilities at the same time as the conclusion of the negotiations referred to in paragraph 1. During the course of negotiations the effects of the continued suspension of Article II will be kept under review by the Council for Trade in Services.

5. Paragraph 4 of this Decision shall not apply to any specific commitment on maritime transport services which is inscribed in a Member's Schedule.

6. Notwithstanding Article XXI, a Member may improve, modify or withdraw all or part of its specific commitments in this sector, during a period of sixty days the end of which shall coincide with the conclusion of the negotiations referred to in paragraph 1. During the same period, Members shall finalize their positions relating to MFN Exemptions in this sector.

7. Commencing immediately and continuing until the conclusion of the negotiations referred to in paragraph 1, it is understood that Members shall not apply any measures affecting trade in maritime transport services except in response to measures applied by other countries and with a view to maintaining or improving the freedom of provision of maritime transport services, nor in such a manner as would improve their negotiating position and leverage.

DECISION ON ACCEPTANCE OF THE SECOND AND THIRD PROTOCOLS TO THE GATS

Adopted by the Council for Trade in Services on 30 July 1996 (S/L/28)

The Council for Trade in Services,

Having regard to the Second and Third Protocols to the General Agreement on Trade in Services,

Having regard to the Decision Adopting the Second Protocol to the General Agreement on Trade in Services adopted by the Committee on Trade in Financial Services on 21 July 1995 (S/L/13) and the Joint Communication from the Members which have accepted the Second Protocol (S/L/25),

Having regard to the Decision on Movement of Natural Persons adopted by the Council for Trade in Services on 21 July 1995 (S/L/10) and the statements made at the meeting of the Council on 30 July 1996 in relation to the acceptance of the Third Protocol,

Decides as follows:

1. The Second and Third Protocols to the General Agreement on Trade in Services shall be open for acceptance until 30 November 1996.

2. For Members who accept the Protocols after 30 June 1996, the Protocols shall enter into force on the thirtieth day following each acceptance.

COUNCIL FOR TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS

RULES OF PROCEDURE FOR MEETINGS OF THE COUNCIL FOR TRIPS

Adopted by the Council on Trade-Related Aspects of Intellectual Property Rights on 21 September 1995 and Approved by the General Council on 15 November 1995
(IP/C/1)

The Rules of Procedure for meetings of the General Council shall apply *mutatis mutandis* for meetings of the Council for TRIPS, except as provided below:

(i) Rule 5 (circulation of proposed agenda one or two days before the meeting) is not applicable.

(ii) Rules 12, 13 and 14 of Chapter V (Officers) shall be modified to read as follows:

Rule 12

The Council for TRIPS shall elect a Chairperson[1] and may elect a Vice-Chairperson from among the representatives of Members. The election shall take place at the first meeting of the year and shall take effect at the end of the meeting. The Chairperson and Vice-Chairperson shall hold office until the end of the first meeting of the following year.

Rule 13

If the Chairperson is absent from any meeting or part thereof, the Vice-Chairperson shall perform the functions of the Chairperson. If no Vice-Chairperson was elected or if the Vice-Chairperson is not present the Council for TRIPS shall elect an interim Chairperson for that meeting or that part of the meeting.

[1] The Council for TRIPS shall apply the relevant guidelines contained in the "Guidelines for Appointment of Officers to WTO Bodies" (WT/L/31).

Rule 14

If the Chairperson can no longer perform the functions of the office, the Council for TRIPS shall designate the Vice-Chairperson referred to in Rule 12 or, if no Vice-Chairperson was elected it shall elect an interim Chairperson to perform those functions pending the election of a new Chairperson.

(iii) Rule 33 of Chapter VII (Decision-Making) shall be modified to read as follows:

Rule 33

Where a decision cannot be arrived at by consensus, the matter at issue shall be referred to the General Council for decision.[2]

(iv) Rule 34 of Chapter VII (Decision-Making) is not applicable.

[2] When the TRIPS Agreement specifically requires a decision to be taken by consensus and the matter is referred to the General Council under this Rule, the General Council shall take the decision only by consensus.

REPORT (1996) OF THE COUNCIL FOR TRIPS

Adopted by the Council for TRIPS on 6 November 1996 and Considered by the General Council on 7, 8 and 13 November 1996 (IP/C/8)

I General

1. Since the period covered by its last report[1], the Council for TRIPS has held six formal meetings, on 11 December 1995 and on 22 February, 9 May, 22-25 July, 18 September and 5 November 1996. The minutes of these meetings are to be found in documents IP/C/M/5-10.[2] This report covers this period, but also contains references to the work done by the Council for TRIPS in 1995.

2. The first two of the meetings referred to above were chaired by Mr. Stuart Harbinson (Hong Kong). The remainder were chaired by Ambassador Wade Armstrong (New Zealand).

3. Meetings of the Council were open to all WTO Members. In addition, government observers to WTO bodies were invited. WIPO was invited to all meetings, in accordance with the recommendation of the Preparatory Committee as confirmed by the General Council. Pursuant to the interim procedure on observer status for intergovernmental organizations evolved under the auspices of the General Council, the FAO, the IMF, the OECD, UNCTAD, the United Nations, UPOV (International Union for the Protection of New Varieties of Plants), the World Bank and the WCO were invited to meetings of the Council.

II Implementation

(i) *Notifications and Notification Procedures*

(a) *Article 63.2*

4. At its meeting in November 1995, the Council adopted the following decisions to give effect to the obligation to notify implementing legislation under Article 63.2: Procedures for Notification of, and Possible Establishment of a Common Register of, National Laws and Regulations under Article 63.2 (document IP/C/2); Format for Listing of "Other Laws and Regulations" to be Notified under Article 63.2 (document IP/C/4); and Checklist of Issues on Enforcement (document IP/C/5).

5. These procedures require that, as of the time that a Member is obliged to start applying a provision of the TRIPS Agreement, the corresponding laws and regulations shall be notified without delay. A very substantial volume of legisla-

[1] Document WT/GC/W/25, Section VI.
[2] Document IP/C/M/10 to be issued.

tion has been notified under these procedures. As of the date of this report, 30 Members have notified some or all of their implementing legislation. Most of the material to be notified by Members whose legislation, in the area of copyright and related rights, was the subject of review at the Council's July meeting (see paragraph 14 below) has been notified; three other countries have notified some of their legislation while indicating that this is without prejudice to their transition period under the provisions of Article 65; and 11 Members have notified legislation relating to the implementation of Article 70.8 and, in some cases, Article 70.9 of the TRIPS Agreement. These notifications are circulated in the IP/N/1/COUNTRY/- series of documents.

6. At its November 1995 meeting, the Council also agreed that Members would provide responses to a checklist of issues on enforcement (IP/C/5). In recognition of the fact that preparation of the responses would take time, the procedures require them to be submitted "as soon as possible" after the time that a Member is obliged to start applying the provisions of the TRIPS Agreement on enforcement. Eight Members have notified responses. These responses have been circulated in the IP/N/6/COUNTRY/- series of documents. At the July 1996 meeting of the Council, the Chairman urged the Members concerned to provide their responses soon and in any case before the end of 1996.

7. The national treatment and MFN obligations of Articles 3, 4 and 5 of the TRIPS Agreement became applicable to all Members from 1 January 1996. So far, no notifications have been received under Article 63.2 relating specifically to the implementation of these provisions, except in so far as such notifications have formed part of the comprehensive notifications by developed country Members of their general implementing legislation. The Council has considered whether there may be technical difficulties with meeting this notification requirement. At the Council's July meeting, a proposal was made for a simplified procedure in this connection and the Council agreed that the matter be taken up in informal consultations. Following these informal consultations, the Council agreed at its September meeting that the Members concerned had a range of options as to how to meet these notification requirements in a way best suited to their national circumstances. Three options were identified in particular:

- notifying the specific provisions of laws and regulations that implement the obligations set out in Articles 3, 4 and 5;
- notifying all intellectual property laws and regulations; or
- making a general statement that nationals of other WTO Members enjoy non-discriminatory treatment, together with a list of any exceptions to that principle.

The Council invited the Secretariat to prepare a paper which would recognize these three options and contain a draft format for the last option. This paper will be considered by the Council at its meeting scheduled for 11-15 November 1996.

(b) *Articles 1.3 and 3.1*

8. Articles 1.3 and 3.1 of the TRIPS Agreement, relating to the definition of beneficiary persons under the Agreement and to national treatment, allow certain

exceptions to the normal rules on these matters, provided that notifications are made to the Council for TRIPS. 24 Members have submitted notifications under these provisions. These notifications are contained in the IP/N/2/COUNTRY/- series of documents.

(c) *Article 4(d)*

9. Article 4(d) of the TRIPS Agreement requires a Member seeking to justify an exception to the MFN rule on the basis of an international agreement relating to the protection of intellectual property which had entered into force prior to the entry into force of the WTO Agreement to notify that agreement to the Council for TRIPS. At the meeting of the Council in November 1995, the Chairman drew the attention of Members to the need to make notifications under Article 4(d) by 1 January 1996 if Members wished to have legal cover from that date for any exceptions to MFN treatment that they seek to justify by reference to the provisions of Article 4(d). To date, 28 Members have made notifications under this provision. These notifications are contained in the IP/N/4/COUNTRY/- series of documents.

10. In discussions at the Council's meetings of February, May and July 1996, some Members expressed concern about some of the notifications made, in particular that the absence of sufficient guidelines for such notifications meant that the notifications did not always enable the other Members to understand the specific element of discrimination that was being sought to be justified. As agreed at the Council's February meeting, the Chairman held informal consultations on this matter. To facilitate these consultations, he circulated an informal background note by the Secretariat. It was generally felt in the Council that it would be valuable to continue work on the development of criteria that could assist individual Members in making or reviewing their notifications, but that such criteria could not add to or diminish the rights and obligations of WTO Members under the provisions of Article 4(d). Further consultations on this matter will be held.

(d) *Article 69*

11. Article 69 of the TRIPS Agreement requires Members to establish and notify contact points for the purposes of cooperating with each other with a view to eliminating international trade in goods infringing intellectual property rights. Procedures for such notifications were agreed by the Council in September 1995. To date, 67 Members have notified contact points. The most recent compilation of these is contained in document IP/N/3/Rev.2.

(e) *Notifications Under Other Provisions of the Agreement*

12. A number of notification provisions of the Berne and the Rome Conventions are incorporated by reference into the TRIPS Agreement but without being explicitly referred to in it. At its meeting in February 1996, the Council invited each Member wishing to make such notifications to make them to the Council for TRIPS, even if the Member in question had already made a notification under the Berne or the Rome Convention in regard to the same issue, and drew the attention of Members to the discussion relating to the timing of such notifications in paragraphs 16 through 21 of document IP/C/W/15, a Secretariat background note on the subject. To date, one Member has made a notification under this pro-

cedure. Notifications of this kind are being circulated in the IP/N/5/COUNTRY/- series of documents.

(ii) *Monitoring the Operation of the Agreement*

(a) *Review of National Laws and Regulations*

13. At its meeting in November 1995, the Council adopted a "Schedule for the Consideration of National Implementing Legislation in 1996/1997" (IP/C/3). This provided for legislation in the area of copyright and related rights to be reviewed by the Council in July 1996. Following informal consultations, the Council agreed at its May 1996 meeting on procedures for the Council's review of legislation in this area. These procedures provided for written questions and replies prior to the review meeting, with follow-up questions and replies during the course of the meeting.

14. At the Council's meeting of 22-25 July 1996, the legislation in the area of copyright and related rights of 29 Members was reviewed. A number of these Members indicated that they still had steps to take to comply fully with their TRIPS obligations in this area. The record of the introductory statements made by delegations, the questions put to them and the responses given is being circulated in the IP/Q/COUNTRY/- series of documents. At subsequent meetings of the Council, an opportunity will be given to follow-up points emerging from the review session which delegations consider have not been adequately addressed. In this connection, it was recognized that the review of national implementing legislation implied quite a heavy workload and that it was important to allow an adequate opportunity, consistent with the provisions of Article 63 of the Agreement, for a follow-up to all Members, in particular to developing country Members that had constraints on their resources affecting their ability to analyse and digest some of the material.

15. The procedures adopted by the Council for the review provided that the review would apply to the copyright and related rights legislation of Members obliged to comply with the TRIPS Agreement under Article 65.1 and of any other Members not still availing themselves in respect of this area of legislation of any longer transition period to which they may be entitled. During the course of the review, questions were put to a number of Members which did not consider that they fell into either of these categories and which did not provide answers in the Council's meeting.

16. In accordance with the "Schedule for Consideration of National Implementing Legislation in 1996/1997" (IP/C/3), the Council will review legislation in the areas of trademarks, geographical indications and industrial designs at its meeting scheduled for 11-15 November 1996. Legislation in the areas of patents, layout-designs of integrated circuits, undisclosed information and the control of anti-competitive practices in contractual licences is scheduled for review in the first half of 1997, and that in the area of enforcement in the second half of 1997.

(b) *Implementation of Article 70.8 and 70.9*

17. At its meetings in February, May, July and September 1996, the Council considered the implementation of Article 70.8 and the related provisions of Arti-

cle 70.9. At these meetings the Council took note of statements by some Members of their concern that not all Members to which these provisions applied were giving effect to them or, in the event that they had done so, had not notified the relevant legislation under Article 63.2. At the Council's meetings of May and July 1996, some Members informed the Council that they were engaged in dispute settlement proceedings on this matter with two other Members (IP/D/2 and IP/D/5).

(c) *Implementation of Article 70.2*

18. At the Council's February meeting, statements were made concerning compliance with Article 70.2 in regard to the patent term and in respect of rights in sound recordings. Dispute settlement proceedings initiated in connection with these matters have been notified to the TRIPS Council in documents IP/D/1, 3 and 4. On 3 October 1996, the Council was informed of a mutually agreed solution reached between the parties on the first of these issues (document IP/D/3/Add.1). In this notification, which was made to the Council for TRIPS for its information and without prejudice to the rights and obligations of other Members, the parties involved expressed their understanding that Article 70.2 in conjunction with Article 33 requires developed country parties to provide a patent term of not less than 20 years from the filing date for patents that were in force on 1 January 1996, or that result from applications pending on that date. The notification also indicates that the affected party has taken the necessary steps to confirm that all affected patents will enjoy a term that is the longer of 15 years from the date of grant or 20 years from the date of filing.

(iii) *Revocation of Patents*

19. At the Council's July and September meetings, a number of Members stated their views on the grounds that could justify the revocation of a patent. The Council took note of the statements.

(iv) *Technical Cooperation*

20. In accordance with a decision taken by the Council in November 1995, the Chairman made available for the February 1996 meeting of the Council an informal discussion note outlining and structuring the issues which had been raised in the Council's various discussions on the subject of technical cooperation and identifying possible options for carrying forward the Council's work in this area (subsequently distributed as IP/C/W/21). As a result of the ensuing discussion, the Council agreed on the following:

- that the Council would seek the annual updating by developed country Members of information on their technical cooperation activities pursuant to Article 67 of the Agreement, and that in 1996 the updating would be sought in time for the Council's meeting scheduled for September 1996;
- that the Council's September 1996 meeting would have a special, but not exclusive, focus on the issue of technical cooperation;
- that the Secretariat would prepare an analytical summary of the information on technical cooperation activities already presented

and, on this basis, consideration would be given to whether Members would be invited to use a common list of basic headings in presenting an overview of their technical cooperation activities;

- that the Secretariat would be invited to present a suggestion for a specific pilot project for a workshop, to be held in the margins of the Council meeting, that would permit a more in-depth, thematic discussion of a particular aspect of technical cooperation.

21. At its May meeting, the Council considered a proposal for a pilot project for an in-depth discussion of a specific aspect of technical cooperation. The Council agreed that the Secretariat should go ahead, hopefully in cooperation with the International Bureau of the WIPO, to organize a workshop on border enforcement, to be held immediately before or after the Council's meeting of 18 September 1996. The workshop, organized jointly by the WTO Secretariat and the International Bureau of WIPO, was held on the afternoon of 17 September 1996.

22. At the Council's July meeting, it was agreed that developed country Members, in submitting updated information on their technical cooperation activities prior to the Council's September meeting, would notify a contact point or contact points which could be addressed by a developing country Member seeking technical cooperation. The contact point could be the same as the one that the developed country Member in question had notified under Article 69 of the Agreement, or it could be different, depending on the structure of the Members' administrations.

23. The Council's September meeting had a special focus on the issue of technical cooperation. For that meeting, nine developed country Members supplied updated information on their technical cooperation activities and information was also supplied by the WTO Secretariat and six intergovernmental organizations. The contact points notified by developed country Members are being compiled in a single document (IP/N/7). In addition to reviewing this information, the Council assessed the experience with the workshop on border enforcement, organized jointly by the WTO Secretariat and the International Bureau of WIPO on 17 September. A number of delegations said that the issue of technical cooperation should be brought to the attention of Ministers at Singapore. The Council has agreed to continue its discussion on technical cooperation at its meeting scheduled for 11-15 November 1996, when it is expected that further information on technical cooperation activities will be available from other developed country Members.

(v) *Cooperation with WIPO*

24. Article 68 of the TRIPS Agreement provides that the Council shall, in consultation with WIPO, seek to establish, within one year of its first meeting appropriate arrangements for cooperation with the bodies of that Organization. At its December 1995 meeting, the Council for TRIPS approved a draft agreement drawn up as a result of consultations between the Chairman of the Council for TRIPS, assisted by the WTO Secretariat, and the Chairman of the WIPO Coordination Committee, assisted by the International Bureau of WIPO. The draft

agreement was approved by the General Council at its meeting of 13 and 15 December 1995. Following approval by the competent bodies of WIPO and the signature by the Director's-General of the two Organizations, the Agreement between the World Intellectual Property Organization and the World Trade Organization (IP/C/6) entered into force on 1 January 1996. The Agreement provides for cooperation in the following three areas: the notification of, access to and translation of national laws and regulations; the implementation of Article 6*ter* of the Paris Convention (relating to national emblems) for the purposes of the TRIPS Agreement; and legal-technical assistance and technical cooperation.

25. At its December 1995 meeting, the Council adopted a decision on the implementation of the obligations under the TRIPS Agreement stemming from the incorporation of the provisions of Article 6*ter* of the Paris Convention 1967 (IP/C/7). This decision has as its purpose giving legal effect under the TRIPS Agreement to the procedures relating to the administration of TRIPS obligations regarding Article 6*ter* of the Paris Convention that are incorporated in the Agreement between WIPO and the WTO.

III Built-in Agenda

(i) *Article 24.1*

26. Under Article 24.1, Members agree to enter into negotiations aimed at increasing the protection of individual geographical indications under Article 23. No time-frame is specified for such negotiations. At the July meeting of the Council, some Members addressed Article 24.1, but no specific suggestions have been made as yet in the Council with regard to such negotiations.

(ii) *Article 24.2*

27. Article 24.2 requires the Council for TRIPS to keep under review the application of the provisions of the Section of the Agreement on geographical indications, and states that the first such review shall take place within two years of the entry into force of the WTO Agreement. At the Council's May and July meetings, the Chairman raised the questions of when and how this review should be undertaken. As mentioned in paragraph 16 above, the Council will review legislation in the areas of trademarks, geographical indications and industrial designs at its meeting scheduled for 11-15 November 1996. The Council at its September meeting received some proposals in connection with the review under Article 24.2. It agreed to take up work on this matter by including on the agenda of the November meeting an item "Review of the Application of the Provisions of the Section on Geographical Indications under Article 24.2" which will be addressed after and taking into account the review of legislation in the areas referred to above, it being understood that this would permit the consideration of the proposals put forward in September together with any other inputs from delegations.

(iii) *Article 23.4*

28. Article 23.4 calls on the Council for TRIPS to undertake negotiations concerning the establishment of a multilateral system of notification and registration of geographical indications for wines eligible for protection by those Members participating in the system, but does not specify a time-frame for such negotiations. At the July and September meetings of the Council, some delegations addressed the question of how and when these negotiations might be initiated.

(iv) *Article 27.3(b)*

29. Article 27.3(b) states that the provisions of this subparagraph shall be reviewed four years after the date of entry into force of the WTO Agreement. At the Council's meeting in July, some delegations addressed the question of when this work should be initiated.

(v) *Article 64.3*

30. Article 64.3 requires the Council for TRIPS to examine, during the five years from the date of entry into force of the WTO Agreement, the scope and modalities for the complaints provided for under subparagraphs 1(b) and 1(c) of Article XXIII of GATT 1994 made pursuant to the TRIPS Agreement, and to submit its recommendations to the Ministerial Conference for approval. No suggestions regarding this aspect of the Council's work were made during the course of 1996.

(vi) *Article 71.1*

31. Article 71.1 requires the Council for TRIPS to review the implementation of the TRIPS Agreement after the expiration of the transitional period referred to in paragraph 2 of Article 65, namely after 1 January 2000.

IV. Issues, Problems and Recommendations to be Brought to the Attention of Ministers

32. Members reaffirm the importance of full implementation of the TRIPS Agreement within the applicable transition periods and that each Member will take the steps which it considers appropriate so that the provisions of the Agreement will be applied.

33. Members also reaffirm the importance of the necessary provision of technical and financial cooperation by developed country Members in favour of developing country and least-developed country Members, in accordance with Article 67 of the TRIPS Agreement, in order to facilitate implementation of the Agreement.

34. Members further reaffirm their commitment to the TRIPS built-in agenda agreed during the Uruguay Round, including any time-frames specified in the

relevant provisions, and to carrying out as and when appropriate analytical work and information exchange so as to allow Members a better prior understanding of the issues involved without prejudice to the timing or scope of the reviews or negotiations envisaged in that built-in agenda. In regard to geographical indications, the Council has agreed that a review of the application of the provisions of the section on geographical indications as provided for in Article 24.2 would take the form outlined in paragraph 27 above, which permits inputs from delegations on the issue of scope, and the Council will initiate in 1997 preliminary work on issues relevant to the negotiations specified in Article 23.4 of the TRIPS Agreement concerning the establishment of a multilateral system of notification and registration of geographical indications for wines. Issues relevant to a notification and registration system for spirits will be part of this preliminary work. All of the above work would be conducted without prejudice to the rights and obligations of Members under the TRIPS Agreement and in particular under the specific provisions of the TRIPS built-in agenda.

COMMITTEE ON BALANCE-OF-PAYMENTS RESTRICTIONS

RULES OF PROCEDURE FOR MEETINGS OF THE COMMITTEE ON BALANCE OF PAYMENTS RESTRICTIONS

(WT/BOP/10)

1. The Committee on Balance-of-Payments Restrictions is a subsidiary body of the Ministerial Conference/General Council. As such, it applies the rules of procedure of the General Council as set out in document WT/L/28, *mutatis mutandis*.

2. The following rules of procedure are agreed as exceptions to the general principle established in paragraph 1:

(i) *Membership and participation in meetings*

- Membership of the Committee is open to all Members of the WTO indicating their wish to serve on it. WTO Members wishing to be members of the Committee should communicate this by letter to the Director General, after which they become members.

- Members of the WTO, not being members of the Committee, may attend Committee meetings as observers.

- The IMF is invited to participate in Committee meetings under the consultation procedures laid down in Article XV:2 of GATT 1994.

- Informal meetings shall be open to Committee members. The IMF may be invited as necessary.

(ii) *Agenda*

Rule 5 of the Rules of Procedure for meetings of the General Council is not applicable.

(iii) *Decision-making*

- The Committee's reports to the General Council shall follow the guidelines laid down in paragraph 13 of the Understanding on the Balance-of-Payments Provisions of the GATT 1994. In the absence of consensus, the Committee's conclusions shall record the different views expressed in the Committee.

COMMITTEE ON BUDGET, FINANCE AND ADMINISTRATION

Abstract of the Report Adopted by the General Council on 26 November 1996 (WT/BFA/28)

The Director-General is authorized to make budgetary expenditures of the World Trade Organization for 1997 and the permanent costs for the Appellate Body and its Secretariat for 1997 not exceeding a total of Sw F 115,692,850.

This expenditure is to be financed by contributions amounting to Sw F 114,200,000, by miscellaneous income estimated at Sw F 1,492,850.

The Director-General is also authorized to make budgetary expenditures of the variable costs for the Appellate Body and its Secretariat for 1997 not exceeding a total of Sw F 2,105,900.

This expenditure is to be financed by a transfer of Sw F 2,500,000 from the Operating Fund established by an extra-ordinary expenditure in the 1996 budget.

SCALE OF CONTRIBUTION FOR 1997
(Minimum contribution of 0.03%)

Members	%	Sw F
Angola	0.07	79,940
Antigua and Barbuda	0.03	34,260
Argentina	0.33	376,860
Australia	1.33	1,518,860
Austria	1.67	1,907,140
Bahrain	0.10	114,200
Bangladesh	0.08	91,360
Barbados	0.03	34,260
Belgium	2.90	3,311,800
Belize	0.03	34,260
Benin	0.03	34,260
Bolivia	0.03	34,260
Botswana	0.04	45,680
Brazil	1.00	1,142,000
Brunei Darussalam	0.05	57,100
Bulgaria	0.11	125,620

SCALE OF CONTRIBUTION FOR 1997

(Minimum contribution of 0.03%)

Members	%	Sw F
Burkina Faso	0.03	34,260
Burundi	0.03	34,260
Cameroon	0.04	45,680
Canada	3.85	4,396,700
Central African Republic	0.03	34,260
Chad	0.03	34,260
Chile	0.31	354,020
Colombia	0.21	239,820
Costa Rica	0.07	79,940
Côte d'Ivoire	0.06	68,520
Cuba	0.10	114,200
Cyprus	0.07	79,940
Czech Republic	0.43	491,060
Denmark	1.10	1,256,200
Djibouti	0.03	34,260
Dominica	0.03	34,260
Dominican Republic	0.05	57,100
Ecuador	0.08	91,360
Egypt	0.27	308,340
El Salvador	0.04	45,680
European Communities	-	-
Fiji	0.03	34,260
Finland	0.71	810,820
France	6.47	7,388,740
Gabon	0.05	57,100
Gambia	0.03	34,260
Germany	10.47	11,956,740
Ghana	0.03	34,260
Greece	0.37	422,540
Grenada	0.03	34,260
Guatemala	0.05	57,100
Guinea	0.03	34,260
Guinea-Bissau	0.03	34,260
Guyana	0.03	34,260

SCALE OF CONTRIBUTION FOR 1997
(Minimum contribution of 0.03%)

Members	%	Sw F
Haiti	0.03	34,260
Honduras	0.03	34,260
Hong Kong	3.38	3,859,960
Hungary	0.27	308,340
Iceland	0.04	45,680
India	0.54	616,680
Indonesia	0.83	947,860
Ireland	0.66	753,720
Israel	0.58	662,360
Italy	5.06	5,778,520
Jamaica	0.05	57,100
Japan	8.49	9,695,580
Kenya	0.04	45,680
Korea, Republic of	2.54	2,900,680
Kuwait	0.24	274,080
Lesotho	0.03	34,260
Liechtenstein	0.03	34,260
Luxembourg	0.25	285,500
Macau	0.07	79,940
Madagascar	0.03	34,260
Malawi	0.03	34,260
Malaysia	1.12	1,279,040
Maldives	0.03	34,260
Mali	0.03	34,260
Malta	0.05	57,100
Mauritania	0.03	34,260
Mauritius	0.04	45,680
Mexico	1.65	1,884,300
Morocco	0.16	182,720
Mozambique	0.03	34,260
Myanmar, Union of	0.03	34,260
Namibia	0.03	34,260
Netherlands, Kingdom of the	3.80	4,339,600
New Zealand	0.32	365,440

SCALE OF CONTRIBUTION FOR 1997
(Minimum contribution of 0.03%)

Members	%	Sw F
Nicaragua	0.03	34,260
Nigeria	0.22	251,240
Norway	0.91	1,039,220
Pakistan	0.20	228,400
Papua New Guinea	0.05	57,100
Paraguay	0.06	68,520
Peru	0.11	125,620
Philippines	0.40	456,800
Poland	0.42	479,640
Portugal	0.57	650,940
Qatar	0.06	68,520
Romania	0.14	159,880
Rwanda	0.03	34,260
St. Kitts & Nevis	0.03	34,260
Saint Lucia	0.03	34,260
St.Vincent & The Grenadines	0.03	34,260
Senegal	0.03	34,260
Sierra Leone	0.03	34,260
Singapore	2.03	2,318,260
Slovak Republic	0.19	216,980
Slovenia	0.18	205,560
Solomon Islands	0.03	34,260
South Africa	0.60	685,200
Spain	2.34	2,672,280
Sri Lanka	0.08	91,360
Suriname	0.03	34,260
Swaziland	0.03	34,260
Sweden	1.51	1,724,420
Switzerland	1.75	1,998,500
Tanzania	0.03	34,260
Thailand	1.08	1,233,360
Togo	0.03	34,260
Trinidad and Tobago	0.04	45,680
Tunisia	0.14	159,880

SCALE OF CONTRIBUTION FOR 1997
(Minimum contribution of 0.03%)

Members	%	Sw F
Turkey	0.57	650,940
Uganda	0.03	34,260
United Arab Emirates	0.50	571,000
United Kingdom of Great Britain & Northern Ireland	5.79	6,612,180
United States of America	15.65	17,872,300
Uruguay	0.06	68,520
Venezuela	0.33	376,860
Zambia	0.03	34,260
Zimbabwe	0.04	45,680
TOTAL	100.0	114,200,000

COMMITTEE ON REGIONAL TRADE AGREEMENTS

RULES OF PROCEDURE FOR MEETINGS OF THE COMMITTEE ON REGIONAL TRADE AGREEMENTS

Adopted by the Committee on Regional Trade Agreements on 2 July 1996 and Approved by the General Council on 2 October 1996. (WT/REG/1)

At its meeting of 2 July 1996, the Committee on Regional Trade Agreements adopted the following rules of procedure for its meetings. These are submitted to the General Council for approval.

The Rules of Procedure for Meetings of the General Council shall apply mutatis mutandis for meetings of the Committee on Regional Trade Agreements, except as provided for below:

(i) *Rule 5* of Chapter II (Agenda) is not applicable.

(ii) *Rule 12* of Chapter V (Officers) shall be modified to read as follows:

Rule 12

The Committee shall elect a Chairperson and a Vice-Chairperson or Vice-Chairpersons from among the representatives of Members. The election shall take place at the first meeting of the year and shall take immediate effect. The Chairperson and the Vice-Chairperson or Vice-Chairpersons shall hold office until the end of the first meeting of the following year.

(iii) *Rules 23* and *24* of Chapter VI (Conduct of business) shall be modified to read as follows:

Rule 23

Representatives shall endeavour, to the extent that a situation permits, to keep their oral statements brief. Representatives wishing to develop their position on a particular matter in fuller detail may circulate a written statement for distribution to Members, which, at the representative's request, may be reflected in the corresponding report or in the summary proceedings, as appropriate.

Rule 24

In order to expedite the conduct of business, the Chairperson may invite representatives that wish to express their support for a given proposal to show their hands, in order to be duly recorded in the corresponding report or in the summary proceedings, as appropriate, as supporting statements; thus, only representatives with dissenting views or wishing to make explicit points or proposals would actually be invited to make a statement. This procedure shall only be applied in order to avoid undue repetition of points already made, and will not preclude any representative who so wishes from taking the floor.

(iv) *Rule 33* of Chapter VII (Decision-Making) shall be modified to read as follows:

Rule 33

Where a decision cannot be arrived at by consensus, the matter at issue shall be referred, as appropriate, to the General Council, the Council for Trade in Goods, the Council for Trade in Services or the Committee on Trade and Development

(v) *Rule 34* of Chapter VII (Decision-Making) is not applicable.

(vi) *Rule 36* of Chapter IX (Records) shall be modified to read as follows:

Rule 36

Discussions held in meetings of the Committee on Regional Trade Agreements under item 1(a) of its Terms of Reference shall be reflected in the corresponding reports. Summary proceedings will be prepared for all other matters dealt with in the meetings.[1]

Rule 36bis

At the end of the year, the Committee on Regional Trade Agreements shall adopt a report to the General Council on its activities during the year.

[1] The customary practice under the GATT 1947, whereby representatives may, upon their request, verify those portions of the draft proceedings containing their statements, prior to the issuance of such proceedings, shall be continued.

COMMITTEE ON TRADE AND DEVELOPMENT

RULES OF PROCEDURE FOR MEETINGS OF THE COMMITTEE ON TRADE AND DEVELOPMENT

Adopted by the Committee on Trade and Development on 5 July 1995 and Approved by the General Council on 15 November 1995 (WT/COMTD/6)

At its meeting of 5 July 1995, the Committee on Trade and Development adopted the following rules of procedure for its meetings. These are submitted to the General Council for approval.

The WTO Committee on Trade and Development will follow, mutatis mutandis, the rules of procedure established for meetings of the General Council, except as provided for below:

(i) Rules 1 and 2 of Chapter I (Meetings) shall be modified as follows:

Rule 1

The Committee on Trade and Development shall meet at least three times a year. Other meetings may be convened, as appropriate.

Rule 2

Meetings of the CTD shall be convened by the Director-General by a notice issued not less than four weeks prior to the date set for the meeting. Meetings may be convened with shorter notice for matters of sufficient importance or urgency at the request of a Member concurred in by the majority of the Members.

(ii) Rule 5 of Chapter II (Agenda) is not applicable.

(iii) Rules 12, 13 and 14 of Chapter V (Officers) shall be modified as follows:

Rule 12

The Committee on Trade and Development shall elect a Chairperson[1] from among the representatives of Members. The election shall take place at the first meeting of the year and shall take effect at the end of the meeting. The Chairperson shall hold office until the end of the first meeting of the following year.

Rule 12bis

At its first meeting of the year, the Committee on Trade and Development shall also elect a Chairperson for the Sub-Committee on Least-Developed Countries among the representatives of Members. The Chairperson shall hold office until a new election takes place in the Committee on Trade and Development.

Rule 13

If the Chairperson is absent from any meeting or part thereof, the Committee on Trade and Development shall elect an interim Chairperson for that meeting or that part thereof.

(iv) Rule 33 of Chapter VII (Decision-Making) shall be modified to read as follows:

Rule 33

Where a decision cannot be arrived at by consensus, the matter at issue shall be referred to the General Council for decision.

(v) Rule 34 of Chapter VII (Decision-Making) is not applicable.

(vi) Rule 36 of Chapter IX (Records) shall be modified to read as follows:

Rule 36

Records of the discussions held in each meeting of the Committee on Trade and Development shall be in the form of summary proceedings.[2]

[1] The Committee on Trade and Development shall apply the relevant guidelines contained in the "Guidelines for Appointment of Officers to WTO Bodies" (WT/L/31 dated 7 February 1995).

[2] The customary practice under the GATT 1947, whereby representatives may, upon their request, verify those portions of the draft proceedings containing their statements, prior to the issuance of such proceedings, shall be continued.

Rule 36bis

After the last meeting of the year, a report to the General Council on the activities of the Committee on Trade and Development during the year shall be adopted

GUIDELINES FOR WTO TECHNICAL COOPERATION

Adopted by the Committee on Trade and Development on 15 October 1996
(WT/COMTD/8)

Bearing in mind the Marrakesh Declaration of 15 April 1994 and the Decision on Measures in Favour of Least-Developed Countries, WTO Technical Cooperation is to be provided in conformity with the principles set out below:

I. OBJECTIVES AND PRINCIPLES

- Assist in the full integration of beneficiaries into the multilateral trading system and contribute to the expansion of their trade;
- Strengthen and enhance institutional and human capacities in the public sector for an appropriate participation in the multilateral trading system; whenever possible and in consultation with the government concerned, capacity building activities could include representatives of the private sector;
- Be demand-driven and adapted to recipient needs, in particular with respect to the best suited modes of delivery;
- Be complementary to and supportive of recipients' efforts to identify their own requirements;
- Keep a geographical balance, while giving priority to least-developed countries, in particular African countries, and to low-income economies;
- Cover subject matters within the competence and expertise of the WTO, in particular:
    - To improve knowledge of multilateral trade rules and WTO working procedures and negotiations; and
    - To assist in the implementation of commitments in the multilateral trading system and full use of its provisions, including the effective use of the dispute settlement mechanism;
- Be fully and closely coordinated with other assistance provided by multilateral and bilateral institutions;
- Be administered by the Secretariat and reviewed by Members, in accordance with operational directives and implementation modalities to be established by the Committee on Trade and Development.

II. OPERATIONAL DIRECTIVES

1. *Modes of Delivery*

- The modes of delivery shall be chosen to fit both the requirements of the recipient country and technical cooperation programmes;

- Modes of delivery shall be assessed in the light of principles and directives to be agreed upon by the Committee on Trade and Development and on the progress in devising new means for an efficient dissemination of knowledge;

- Modes of delivery shall be elaborated with the aim of:

  - Extending assistance on as broad and cost-effective a basis as possible, e.g.:

    - Training courses of a regional or linguistic format;

    - Development of information and training material, in particular with the help of technology based aids;

  - Emphasizing in-depth and concrete training on WTO matters such as:

    - Specialized technical seminars and workshops of a regional or linguistic format;

    - Practical training programmes.

2. *Long-Term Engagement*

  - Follow-up of individual programmes and assessment of their effectiveness;

  - Development of training capabilities with particular emphasis on the training of local trainers, the use of local or regional technical expertise, and the establishment of links with academic and research institutions.

3. *International Coordination*

  a) *International and Regional Institutions Dealing with Trade-Related Matters*

  - Close institutional dialogue with other international organizations, in particular with ITC and UNCTAD, and with other regional institutions to ensure a coherent approach, to identify areas of competence and complementarity, to define and execute joint projects and avoid duplication;

  - Dissemination of information on the WTO technical cooperation programmes, and establishment with other relevant organizations of a central inventory of programmes.

  b) *Bilateral Development Assistance in Trade-Related Matters*

  - Exchange of information with donor and recipient governments, including participation in bilateral programmes.

4. *Management*

  a) *Transparency*

- Three year plan adjusted on an annual basis, including budgetary implications, to be approved by the Committee on Trade and Development and to be submitted to the appropriate bodies of WTO, according to agreed procedures and decisions of the General Council;

- Annual Secretariat reporting on programme implementation, and financial report;

- *Ad hoc* Secretariat status reports.

b) *Funding*

- Regular Budget of the WTO, within the limits specifically assigned by Members;

- WTO Trust Fund for technical cooperation: Voluntary contributions by Members and international financial institutions;

- International or national cost-sharing, whenever appropriate.

c) *Monitoring and Evaluation*

- By the Committee on Trade and Development based on annual evaluation of the results of technical assistance activities in order to ensure optimum use of resources according to appropriate evaluation criteria;

- The WTO Trust Fund shall be managed according to the recommendations contained in the decision taken by the General Council of 18 July 1996 (WT/GC/M/13) and to the Financial Regulations and Financial Rules in documents WT/L/156 and WT/L/157 of 5 August 1996.

WAIVERS

WAIVERS UNDER ARTICLE IX OF THE WTO AGREEMENT

Country	Type	Decision of	Expiry	Document
Bangladesh	Implementation of the Harmonized Commodity Description and Coding System - Extension of Time-Limit	18 July 1996	30 April 1997	WT/L/164
Bolivia	Implementation of the Harmonized Commodity Description of Coding System - Extension of Time-Limit	18 July 1996	30 April 1997	WT/L/165
Guatemala	Implementation of the Harmonized Commodity Description and Coding System - Extension of Time-Limit	18 July 1996	30 April 1997	WT/L/172
Jamaica	Implementation of the Harmonized Commodity Description and Coding System - Extension of Time-Limit	18 July 1996	30 April 1997	WT/L/166
Morocco	Implementation of the Harmonized Commodity Description and Coding System - Extension of Time-Limit	18 July 1996	30 April 1997	WT/L/167
Nicaragua	Implementation of the Harmonized Commodity Description and Coding System - Extension of Time-Limit	18 July 1996	30 April 1997	WT/L/168
Sri Lanka	Implementation of the Harmonized Commodity Description and Coding System - Extension of Time-Limit	18 July 1996	30 April 1997	WT/L/170
Malawi	Renegotiation of Schedule - Extension of Time-Limit	6 February 1996	30 June 1996	WT/L/131
Senegal	Renegotiation of Schedule - Extension of Time-Limit	18 July 1996	30 April 1997	WT/L/169
Zambia	Renegotiation of Schedule - Extension of Time-Limit	18 July 1996	30 April 1997	WT/L/171

Country	Type	Decision of	Expiry	Document
Argentina, Australia, Brazil, Brunei Darussalam, Canada, Colombia, Costa Rica, Cuba, Czech Republic, Egypt, El Salvador, European Communities, Honduras, Hungary, Iceland, India, Indonesia, Israel, Korea, Malaysia, Mexico, Norway, Paraguay, Philippines, Poland, Singapore, Slovak Republic, Slovenia, South Africa, Switzerland, Thailand, Tunisia, Turkey, United States, Uruguay, Venezuela, Zimbabwe	Introduction of Harmonized System changes into WTO Schedules of Tariff Concessions on 1 January 1996 - Extension of Time-Limit	18 July 1996	30 April 1997	WT/L/173
Canada	CARIBCAN - Extension of waiver pursuant to paragraph 2 of the Understanding in respect of waivers of obligations under GATT 1994	14 October 1996	31 December 2006	WT/L/185
Cuba	Article XV:6 - Extension of waiver pursuant to paragraph 2 of the Understanding in respect of waivers of obligations under GATT 1994	14 October 1996	31 December 2001	WT/L/182
European Communities	Fourth ACP-EC Convention of Lomé - Extension of waiver pursuant to paragraph 2 of the Understanding in respect of waivers of obligations under GATT 1994	14 October 1996	29 February 2000	WT/L/186
France	Trading Arrangements with Morocco - Extension of waiver pursuant to paragraph 2 of the Understanding in respect of waivers of obligations under GATT 1994	14 October 1996	31 December 1997	WT/L/187
South Africa	Base dates under Article I:4 - Extension of waiver pursuant to paragraph 2 of the Understanding in respect of waivers of obligations under GATT 1994	14 October 1996	31 December 1997	WT/L/188
United States	ANDEAN Trade Preference Act - Extension of waiver pursuant to paragraph 2 of the Understanding in respect of waivers of obligations under GATT 1994	14 October 1996	4 December 2001	WT/L/184

Country	Type	Decision of	Expiry	Document
United States	Former Trust Territory of the Pacific Islands - Extension of waiver pursuant to paragraph 2 of the Understanding in respect of waivers of obligations under GATT 1994	14 October 1996	31 December 2006	WT/L/183
United States	Imports of automotive products - Extension of Time-Limit	7, 8 and 13 November 1996	1 January 1998	WT/L/198
Zimbabwe	Base dates under Article I:4 - Extension of waiver pursuant to paragraph 2 of the Understanding in respect of waivers of obligations under GATT 1994	14 October 1996	31 December 1997	WT/L/189

COMMITTEES UNDER THE PLURILATERAL TRADE AGREEMENTS

COMMITTEE ON GOVERNMENT PROCUREMENT (1994 AGREEMENT)

REPORT (1996) OF THE COMMITTEE ON GOVERNMENT PROCUREMENT (1994 AGREEMENT)

Adopted by the Committee on Government Procurement (1994 Agreement) on 30 September and 5 December 1996 and Considered by the General Council on 7, 8 and 13 November 1996 (WT/L/190 and Add. 1)

I. General

1. This report is submitted pursuant to Article XXIV:7(a) of the Agreement on Government Procurement, which requires the Committee to review annually the implementation and operation of the Agreement and to inform annually the General Council of developments in the implementation and operation of the Agreement during the periods covered by such reviews.

2. The Agreement on Government Procurement entered into force on 1 January 1996. The period covered in this first Report is January-September 1996, but the report also reflects, where necessary, the preparatory work of the Interim Committee on Government Procurement prior to the Agreement's entry into force. The Committee on Government Procurement held three meetings in 1996: on 27 February, 4 June and 20 September (GPA/M/1-3). The Interim Committee on Government Procurement held six meetings in 1994 and 1995 (GPA/IC/M/1-6). Its report to the Committee was circulated in document GPA/IC/9.

3. The following WTO Members are Parties to the Agreement: Canada, the European Communities and fifteen Member States, Israel, Japan, Korea, Netherlands with respect to Aruba[1], Norway, Switzerland and the United States. Seven WTO Members have observer status: Australia, Colombia, Iceland, Liechtenstein, Singapore and Turkey. Two non-WTO members have observer status: Chinese Taipei and Latvia.

[1] As of 25 October 1996.

II. Implementation of the Agreement

Modifications of Appendices to the Agreement

4. Article XXIV:6 of the Agreement requires Parties to notify rectifications of a purely formal nature or other modifications relating to Appendices I through IV, which set out the mutually agreed coverage provided under the Agreement. Consequential rectifications or modifications become effective once they are agreed to pursuant to the procedures under this Article.

5. Prior to the entry into force of the Agreement, the United States and Norway made rectifications of a purely formal nature pursuant to the relevant Decision of the Interim Committee (GPA/IC/M/1, Annex 2). The United States rectification to its Appendix II regarding State Publications with effect as of 23 December 1994 was accompanied by a list of such publications (GPA/IC/W/10) and Norway's rectification with effect as of 15 December 1994 related to the change of names of entities in Appendix I, Annex 1 (GPA/IC/W/8).

6. At the time of the signature of the Agreement in Marrakesh in April 1994, the European Communities and the United States negotiated a bilateral agreement extending their mutual benefits under the Agreement, the relevant details of which, including the intended modifications, were circulated to the Interim Committee on 15 June 1994. At its meeting of 7 December 1995 the Interim Committee accepted that the European Communities and the United States had met the procedural requirements, in terms of the relevant Decision of the Informal Group on Negotiations (GPA/IC/3), necessary for the incorporation of modifications to the respective Annexes to Appendix I, which were subsequently submitted on 22 December 1995 (GPA/IC/10).

7. After the entry into force of the Agreement, Japan and the United States notified modifications to Appendix I which followed their bilateral agreement reached on the enlargement of the coverage of the Agreement (GPA/W/1 and GPA/W/2). Consequential modifications to Appendix I entered into force on 25 February 1996. Following the bilateral agreement reached between Norway and the United States, further modifications to Appendix I entered into force on 17 August 1996 (GPA/W/22 and GPA/W/23). Discussions currently being held between some other Parties may result in further expansion of the coverage of the Agreement.

8. The Committee also discussed the follow-up to Canada's offer, contained in its Appendix I, Annexes 2 and 3, to cover sub-central government entities and enterprises in all ten Provinces, on the basis of commitments received from the Provinces, with a final listing to be provided within 18 months after the conclusion of the Agreement. At the last two meetings of the Interim Committee, Canada linked the tabling of its schedule at the sub-central level to achieving increased market access in sectors of priority interest to Canadian suppliers and improving security of access through circumscribing the use of small business and other set-aside exceptions under the Agreement (GPA/IC/M/5-6). Canada maintained this position at the first three meetings of the Committee held in 1996 (GPA/M/1-3). Some other Parties expressed their disappointment over the situa-

tion, stressed the need for Canada to honour its commitments and considered that the problems raised by Canada with respect to expanded coverage of the Agreement could only be addressed once Canada had come forward with offers pursuant to its commitments in its Annexes 2 and 3. Canada has asserted that it did not undertake obligations regarding Annexes 2 and 3, and has reiterated that its coverage was to be based on commitments received from the Provinces. Canada has also asserted that, as no commitments have been received, it is under no obligation to put forward an offer under these Annexes.

Accession

9. At its first meeting on 27 February 1996, the Committee concluded the accession process of two additional WTO Members to the Agreement, which had been initiated prior to the entry into force of the Agreement, by adopting the Decisions on the accession of Liechtenstein and the Kingdom of the Netherlands with respect to Aruba on the basis of the reports of the Interim Committee (GPA/IC/6 and GPA/IC/7), and inviting these Members to accede to the Agreement on the terms for accession attached to the respective Decisions (GPA/2 and GPA/3). The Kingdom of the Netherlands for Aruba has deposited its instrument of accession on 25 September 1996 (WT/Let/111 and GPA/7). Liechtenstein has not yet deposited its instrument of accession.

10. Singapore applied for accession in November 1995. Following bilateral consultations held between Singapore and Parties in 1996, the Committee adopted, at its meeting on 20 September 1996, a Decision inviting Singapore to accede on the terms attached to that Decision (GPA/6). Singapore has not yet deposited its instrument of accession.

11. Hong Kong applied for accession to the Agreement by a communication dated 31 October 1996 (GPA/W/28 and Corr.1). Following bilateral consultations held between Hong Kong and Parties, the Committee adopted, at its meeting of 5 December 1996, a Decision inviting Hong Kong to accede to the Agreement on the terms attached to that Decision (GPA/9).

12. Chinese Taipei applied for accession to the Agreement in June 1994 (GPA/IC/5). At its February and June 1996 meetings, the Committee was informed of the bilateral consultations held between the delegation of Chinese Taipei and Parties to the Agreement on Chinese Taipei's revised offer in view of its wish to conclude this process in the latter part of 1996. At its September meeting, the Committee was informed of further improvements that Chinese Taipei had made to its offer.

Decisions on Procedural Matters

13. At its first meeting on 27 February 1996, the Committee on Government Procurement adopted the following Decisions on procedural matters: Participation of Observers in the Committee; Accession to the Agreement; and Interim Procedures on the Circulation of and on the Derestriction of Documents, Pending Definitive Procedures (GPA/1). These Decisions, which concern, *inter alia*, possibilities for Members of the WTO not Parties to the Agreement to participate as observers in the Committee, to receive Committee documents and to accede to the Agreement, were transmitted to the General Council for the information of

all Members of the WTO (WT/L/146). At its September meeting, the Committee agreed to align its procedures on circulation and derestriction of documents with those adopted by the General Council on 18 July 1996 (WT/L/160/Rev.1).

14. At its meeting on 27 February 1996, the Committee adopted a Decision on modalities for notifying threshold figures in national currencies (GPA/1). All Parties have notified thresholds in their respective national currencies for the periods 1996-97 and the methods employed for determining them (GPA/W/12 and Addenda 1-6).

15. At its meeting on 4 June 1994, the Committee adopted a Decision on Procedures for the Notification of National Implementing Legislation, including responses to a checklist of issues (GPA/1/Add.1). This sets a time-limit of 31 December 1996 for such notifications.

Establishment of a Practical Guide to the New Agreement

16. Pursuant to its discussion on the desirability, the structure and presentation of a practical guide to the Agreement directed towards the private sector, the Interim Committee considered it appropriate to postpone active consideration of the establishment of such a guide in view of its linkages with various other outstanding issues, such as the procedures for notifying national implementing legislation and the use of information technology in procurement procedures.

Loose-leaf System for Updating Appendices

17. The Committee agreed, at its meeting on 4 June 1996, to establish a loose-leaf system, with legal effect, to ensure that the Appendices to the Agreement are kept up to date. The Committee requested the Secretariat to produce and distribute an updated set of Appendices, with a view to providing a starting point for the loose-leaf system. The Committee agreed to make this loose-leaf system, once established, available to the public at large through the Internet.

Statistical Reporting

18. Article XIX:5 requires Parties to collect and provide on an annual basis statistics on their procurements covered by the Agreement. With a view to ensuring that such statistics are comparable, Article XIX:5 requires the Committee to provide guidance on the methods to be used. The Interim Committee established a Working Group on Statistical Reporting to propose guidelines for meeting the statistical reporting requirements of Article XIX:5, in particular in respect of the adoption of uniform classification systems and methods to be used for providing statistics on the country of origin of products and services.

19. Based on the report of this Working Group (GPA/IC/8), the Committee agreed, at its first meeting on 27 February 1996, that the rules of origin of products used for the purposes of statistical reporting in Article XIX:5 of the Agreement should be the same as those applied under Article IV, which were those used in the normal course of trade. As for the requirement to report statistics on the origin of services, the Committee postponed application of this requirement until practicable rules for determining the origin of services had been defined. At its meeting on 4 June 1996, the Committee adopted classification systems for goods and services to be used in statistical reporting under the Agreement

(GPA/4). Some Parties asserted that the objective of establishing statistics, i.e. to provide information and enable review as regards obligations of Parties, might be more appropriately met through alternative means.

Other Matters

20. In accordance with the provisions of the Understanding on Rules and Procedures Governing the Settlement of Disputes (Annex 2 of the WTO Agreement), the Committee notified the Dispute Settlement Body (DSB) of special or additional rules or procedures on dispute settlement in the Agreement on Government Procurement, namely Article XXII, paragraphs 2 through 7 (GPA/5).

III. Work under the Built-In Agenda

Information Technology

21. Article XXIV:8 of the Agreement calls on Parties to consult regularly in the Committee on developments in the use of information technology in government procurement and, if necessary, to negotiate modifications to the Agreement itself. In preparation for the implementation of the future responsibilities of the Committee in regard to these provisions, the Interim Committee gathered information on the use of information technology in government procurement in the various Signatories in reply to a questionnaire (GPA/IC/W/4/Rev.1) as well as through discussion in the Interim Committee (GPA/IC/M/1-6). This information raised a number of policy issues concerning, on the one hand, issues both of access to procurement opportunities on on-line databases and electronic tendering or commerce and, on the other hand, questions both of cooperation between and coordination of national systems (GPA/IC/W/18). The work on information technology has focused on the need to ensure that access to procurement opportunities through the use of information technology takes place on a non-discriminatory basis and also on considering what modifications, if any, may be necessary to the Agreement to enable the benefits of information technology to be harnessed. The United States, the European Communities and Norway submitted communications identifying a number of areas that might require examination to accommodate the developments in information technology (GPA/IC/W/36, GPA/W/13 and GPA/W/14). In addition the Secretariat prepared a compilation of issues relating to the implications of the developments of information technology which also identified options for carrying forward the work in this area (GPA/W/15). The Committee's discussion of these options at its second meeting on 4 June 1996 had the following outcome. First, the Secretariat revised the questionnaire on information technology (GPA/IC/W/4/Rev.1) as proposed in document GPA/W/15 (GPA/W/24). Second, the Secretariat prepared a factual note on the aspects of the Agreement that it had been suggested might need to be re-examined in the light of information technology, setting out the relevant provisions of the Agreement and drawing attention to any pertinent information on their negotiating history (GPA/W/25). Third, the delegation of the United States provided information on the pilot project launched in the APEC framework on access to national databases (GPA/M/3). Fourth, the European

Community, in coordination with Norway, would prepare a paper identifying, *inter alia*, the technical issues relating to information technology that might need to be examined by experts. The Committee is determined to pursue its work on information technology expeditiously, so as to ensure that the benefits of information technology are harnessed while at the same time protecting and, where possible, enhancing non-discriminatory access.

Three-year Review

22. Article XXIV:7(b) and (c) of the Agreement calls on the Parties, not later than the end of the third year from the date of its entry into force, to undertake further negotiations, with a view to improving the Agreement and achieving the greatest possible extension of its coverage among all Parties and eliminating any remaining discriminatory measures and practices. At the Committee's meeting on 4 June 1996, suggestions were made that, with a view to facilitating accession by the widest possible number of countries and to adjusting the Agreement to newly-emerging technologies, such negotiations should be initiated in 1997 and could include the following main elements: (i) expansion of the coverage of the Agreement, notably extending it to sectors not presently covered; (ii) increased security of market access under the Agreement; (iii) elimination of discriminatory measures and practices; and (iv) simplification and improvement of the Agreement. Some Parties expressed the view that further experience with the operation of the Agreement should be gained before initiating negotiations aimed at increased coverage.

IV. Issues to be brought to the attention of the Ministerial Conference

23. The Committee has agreed to undertake an early review, starting in 1997 with an examination of modalities, with a view to the implementation of Article XXIV:7 (b) and (c) of the Agreement. The review will, in particular, cover the following elements:

- expansion of the coverage of the Agreement;
- elimination of discriminatory measures and practices which distort open procurement; and
- simplification and improvement of the Agreement, including, where appropriate, adaptation to advances in the area of information technology.

24. This review shall seek the expansion of membership of the Agreement by making it more accessible to non-Parties.

25. Members of the Committee note the work under way under the Council for Trade in Services on government procurement and the proposals for the Singapore Ministerial for a multilateral work programme on government procurement. The Parties to the Agreement on Government Procurement intend to support and actively contribute to any multilateral work on government procurement that may be decided upon by the Ministerial Conference, without prejudice to

their own efforts to improve and extend the Agreement on Government Procurement and to encourage more WTO Members to become Parties to it.

DECISIONS ON PROCEDURAL MATTERS UNDER THE AGREEMENT ON GOVERNMENT PROCUREMENT (1994)

(Abstract from GPA/1)

At its meeting on 27 February 1996, the Committee on Government Procurement took the following Decisions on procedural matters:

- Participation of Observers in the Committee on Government Procurement (1994) (Annex 1);
- Accession to the Agreement on Government Procurement (1994) (Annex 2);
- Modalities for Notifying Threshold Figures in National Currencies (Annex 3);
- Interim Procedure on the Circulation of Documents of the Committee on Government Procurement (1994), Pending a Definite Procedure (Annex 4); and
- Interim Procedure on the Derestriction of Documents of the Committee on Government Procurement (1994), Pending a Definitive Procedure (Annex 5).

PARTICIPATION OF OBSERVERS IN THE COMMITTEE ON GOVERNMENT PROCUREMENT (1994)

(Abstract from GPA/1)

DECISION

1. Members of the World Trade Organization which are not Parties to the Agreement may follow the proceedings of the Committee on Government Procurement in an observer capacity.

2. Governments which are not Members of the World Trade Organization, but are in the process of, or have expressed the intent of, accepting or acceding to the WTO Agreement and which are also interested in initiating negotiations for accession to the Agreement on Government Procurement (1994) and have an interest in following the proceedings of the Committee on Government Procurement in an observer capacity, should communicate a request to the Director-General of the World Trade Organization indicating their desire to have observer status in the Committee on Government Procurement. The Committee shall decide on each request.

3. The Committee shall decide on the conditions of observership, including with respect to the provision of information by observers. Observers may participate in the discussions but decisions shall be taken only by Parties.

4. The Committee on Government Procurement may deliberate on confidential matters in special restricted sessions.

5. The Committee may invite, as appropriate, international organizations to participate in sessions of the Committee on Government Procurement in an observer capacity. In addition, requests from international organizations to participate in sessions of the Committee on Government Procurement, in an observer capacity, shall be considered on a case-by-case basis by the Committee. In such considerations, the criteria and conditions for observer status for intergovernmental organizations in the WTO shall be taken into account.

6. This Decision is without prejudice to the provisions of paragraph 2 of Article XVII of the Agreement.

ACCESSION TO THE AGREEMENT ON GOVERNMENT PROCUREMENT (1994)

(Abstract from GPA/1)

DECISION

1. In accordance with paragraph 2 of Article XXIV of the Agreement on Government Procurement (1994), any government w**h**ich is a Member of the WTO may accede to this Agreement on terms to be agreed between that government and the Parties.

2. To this effect, a government interested in accession shall communicate its interest to the Director-General of the WTO and, through him, to the Committee on Government Procurement and shall submit relevant information including an offer by way of appropriate Appendices containing lists of entities and services which would be covered by the Agreement, as well as lists of relevant publications, having regard to the provisions of the Agreement, in particular Article I and, where appropriate, Article V.

3. The government interested in accession shall hold consultations with the Parties to the Agreement on the terms for its accession to the Agreement.

4. With a view to facilitating accession, the Committee on Government Procurement shall establish a working party if the applicant government, or any Party to the Agreement, so requests. The working party should examine: (i) the coverage offer made by the applicant government; and (ii) relevant information pertaining to export opportunities in the markets of the Parties, taking into account the existing and potential export capabilities of the applicant government and export opportunities for the Parties in the market of the applicant government.

5. Upon a decision by the Committee on Government Procurement agreeing to the terms of accession including the lists of entities and services as well as of relevant publications of the applicant government, the applicant government shall deposit with the Director-General of the WTO an instrument of accession which states the terms so agreed. The applicant government's lists of entities, services and publications in their authentic WTO language(s) shall be appended to the Agreement.

MODALITIES FOR NOTIFYING THRESHOLD FIGURES IN NATIONAL CURRENCIES

(Abstract from GPA/1)

DECISION

General

Each Party will calculate and convert for itself the value of the thresholds contained in its Appendix I into its own national currency, it being understood that these calculations will be based on the conversion rates published by the IMF in its monthly "International Financial Statistics" (for the EC, the Member States' currency equivalents of the ECU for determining the value of public contracts are calculated and published by the EC Commission). Parties will notify without delay to the Committee the method and result of their calculation, for possible examination and challenge in the Committee.

Basis for calculation[1]

The conversion rates will be the average of the daily values of the respective national currency in terms of the SDR over the two-year period preceding 1 October or 1 November of the year prior to the thresholds in national currency becoming effective which will be from 1 January. For Israel and Japan the conversion rate will be established in the same way as above but the relevant date for the calculation will be 1 January (rather than 1 October or 1 November) and the newly-established conversion rate will take effect on 1 April.

Period of validity of national thresholds

Thresholds expressed in national currencies will be fixed for two years, i.e. calendar years for all Parties except Israel and Japan, where the fiscal year (1 April-31 March) will be used.

[1] It is understood that the EC calculates its thresholds based on a unilateral reduction of 13 per cent in the thresholds applicable to the EC (pursuant to the relevant decision by the Committee under the Tokyo Code of 20 May 1987, in furtherance of the panel decision on Value-Added Tax and Threshold (GPR/21, GPA/IC/W/2, pages 3 and 4).

Safeguard mechanism

If a major change in a national currency vis-à-vis the SDR during a year were to create a significant problem with regard to the application of the Agreement, the matter will be considered in the Committee.

INTERIM PROCEDURE ON THE CIRCULATION OF DOCUMENTS OF THE COMMITTEE ON GOVERNMENT PROCUREMENT (1994), PENDING A DEFINITIVE PROCEDURE

(Abstract from GPA/1)

DECISION

Formal documents shall be circulated to members of the Committee and to observers and shall be available, on request, to Members of the WTO. In certain cases, the circulation of sensitive documents shall be determined on an ad hoc basis.

INTERIM PROCEDURE ON THE DERESTRICTION OF DOCUMENTS OF THE COMMITTEE ON GOVERNMENT PROCUREMENT (1994), PENDING A DEFINITIVE PROCEDURE

(Abstract from GPA/1)

DECISION

The Committee decides that documents pertaining to its work and that of its subsidiary bodies shall be derestricted in accordance with the following procedure:

(a) the Secretariat will prepare a list of such documents proposed for derestriction, which will include decisions, Secretariat background notes, and working papers that do not include details of individual country positions or proposals;

(b) this list will be circulated to all participants;

(c) documents on the list will be derestricted 60 days after their circulation unless a participant has requested that a document remain restricted;

(d) the Secretariat will issue a list after the date fixed for derestriction, specifying the documents derestricted.

PROCEDURES FOR THE NOTIFICATION OF NATIONAL IMPLEMENTING LEGISLATION

Decision of the Committee on Government Procurement (1994) on 4 June 1996 (GPA/1/Add.1)

1. Parties shall submit the complete texts of their basic legislation (laws and regulations) on government procurement in the original language to the Secretariat where these texts will be open for inspection by Parties. These would include the basic legal instruments pursuant to which effect is given to the provisions of the Agreement. Each Party shall provide a summary of that legislation in a WTO language.

2. In addition, each Party shall describe in a WTO language what other legislation giving effect to the Agreement on Government Procurement exists. This need not take the form of a listing of individual texts but should include sufficient information on the nature of legislation relevant to each category of entities to facilitate another Party requesting a text of interest to it.

3. Each Party shall supply, in response to a request from another Party, a copy of any law, regulation, final judicial decision, administrative ruling or other measure relevant to the Agreement. Each Party shall notify the Committee of the coordinates of a contact point established for that purpose. Through its contact point, a Party from which a text has been requested, shall use its best endeavours to assist the requesting Party with any translation into a WTO language necessary.

4. Each Party shall provide responses to the attached checklist of issues.

5. The notifications shall be made as soon as possible, but in no case later than 31 December 1996.

ATTACHMENT

CHECKLIST OF ISSUES

I. GENERAL ELEMENTS

1. Has the Agreement been transposed into national law and/or does it apply directly?

2. In the case that entities below the federal or central state level are covered: are these categories of entities autonomous from federal or central state level government in the implementation of the Agreement?

3. In the case that Annex 3 entities are covered: are these categories of entities autonomous in the implementation of the Agreement or do they apply the legislation provided by the federal/central or sub-central level?

4. Which main differences (if any) exist between the implementing laws at the federal or central level, the sub-central level and for Annex 3 entities?

5. To what extent is information technology used in the process of government procurement?

II. SPECIFIC ELEMENTS

6. Identify the specific provisions in your legislation which reflect the national treatment and non-discrimination commitments of Article III of the Agreement.

7. Article IX:2 of the Agreement foresees that the invitation to participate may take the form of a notice of proposed procurement. If your implementing legislation provides for this opportunity, give details.

8. Article IX:3 of the Agreement foresees that entities at the sub-central level as well as Annex 3 entities may use a notice of planned procurement or a notice regarding a qualification system as an invitation to participate. If your implementing legislation provides for this opportunity, give details.

9. In the case of selective tendering procedures: to what extent are entities allowed to use permanent lists of suppliers or is there a requirement for lists of suppliers to be selected on a contract-by-contract basis?

10. Article XIV of the Agreement allows for negotiation under certain conditions. Are entities allowed to proceed to negotiations? If so, which categories and what are the conditions imposed?

11. Article XI contains the time-limits for tendering and delivery. Time-limits shall normally be "not less that X days". Does the domestic legislation reflect the various minimum time-limits as set out in the Agreement? If not, give information on any longer time limits which have been established.

12. To what extent does the implementing legislation allow entities, in pursuance of Article XII:1, to permit tenders to be submitted in several languages (one of which has to be a language of the WTO)? To what extent do entities use this flexibility?

III. CHALLENGE PROCEDURES - ARTICLE XX

13. Paragraph 3 of Article XX requires each Party to provide its challenge procedures in writing and make them generally available. Please provide this information.

14. To the extent that this information does not fully respond to the following points, please provide the supplementary information necessary to do so.

(i) The time-limit to launch a complaint contained in the Agreement is "not less than 10 days". What are the limits in domestic legislation?

(ii) What body is responsible for the challenge procedures? Is this a "court" or an "impartial and independent review body"? If the latter:

- How are its members selected?
- Are its decisions subject to judicial review?
- If not, how are the requirements of paragraph 6 of Article XX taken into account?

(iii) What is the applicable law by reference to which the challenge body will examine complaints?

(iv) Which rapid interim measures are provided to correct breaches of the Agreement and to preserve commercial opportunities?

- Do these measures include the possibility to suspend the procurement process? On what conditions?

(v) How do challenge procedures provide for correction of the Agreement? What types of compensation for loss or damages suffered can the challenge body order?

(vi) Give any available information on the time periods for the stages of the challenge process, including to obtain interim measures and a final decision.

(vii) What are the usual costs to conduct a challenge procedure? Are there possibilities foreseen to do so free of charge?

UNIFORM CLASSIFICATION SYSTEMS FOR GOODS AND SERVICES FOR THE PURPOSES OF STATISTICAL REPORTING UNDER THE AGREEMENT ON GOVERNMENT PROCUREMENT

Adopted by the Committee on Government Procurement (1994)
on 4 June 1996
(GPA/4)

CLASSIFICATION SYSTEM FOR GOODS

Grouping No.	Classification[1]	Product description[2]
1	CCCN chapters 01-24. SITC 00-12; 22; 268.51; 29; 41-43; 512.16-18; 592.1; 941.	Products from agriculture and from agricultural and food processing industries *including:* live animals; animal products; vegetable products; animal and vegetable fats and oils and their cleavage products; prepared edible fats; animal and vegetable

Grouping No.	Classification[1]	Product description[2]
		waxes; prepared foodstuffs; beverages, spirit and vinegar; obacco.
2	CCCN chapters 25-27. SITC 27 (exc. 271.1-2, 271.4; 277.1, 277.21); 28 (exc. 282, 287.12, 22 and 32, 288.2, 289.02); 32; 33 (exc. 334.52); 34-35; 661.1-2.	Mineral products *including* salt; sulphur; stone; clay; lime; cement; metallic ores; coal; coke; mineral fuels; mineral oils.
3	CCCN chapter 28, headings 29.01-16, 29.19, 29.21-31, 29.33-37, 29.43, 29.45, chapters 31-36 and 38. SITC 271.1-2; 271.4; 287.32; 334.52; 51-53 (exc. 512.16-18); 55-56; 572; 59 (exc. 592.1); 662.33; 895.91; 899.31-32 and 39.	Products of the chemical and allied industries *including*: inorganic chemicals; organic chemicals; fertilizers; colours; paints; varnishes; waxes; essential oils; soap; washing, polishing and lubricating preparations; enzymes; albuminoidal substances; explosives; matches; disinfectants; insecticides. *excluding*: medicinal and pharmaceutical products.
4	CCCN headings 29.38-39, 29.41-42, 29.44 and chapter 30. SITC 54.	Medicinal and pharmaceutical products *including*: vitamins, antibiotics, vegetable alkaloids, hormones, medicaments and other pharmaceutical goods.
5	CCCN chapters 39-41, headings 42.01, 42.04-06, chapter 43. SITC 21; 23; 58; 61 (exc. 612.3); 62; 848.2-3; 893; 899.91.	Artificial resins and plastic materials, cellulose esters and ethers, and articles thereof; rubber, synthetic rubber, factice, and articles thereof; raw hides and skins; leather, furskins and articles thereof, other than articles of apparel and clothing accessories of leather; saddlery and harness; articles of animal gut.
6	CCCN chapters 44-49. SITC 24; 25; 63; 64;	Wood and articles of wood; wood charcoal; cork and articles

Grouping No.	Classification[1]	Product description[2]
	659.11; 659.7; 892.1-8; 899.71.	of cork; paper making material; paper and paperboard and articles thereof; manufactures of straw, of esparto and of other plaiting materials; basketwork and wickerwork.
7	CCCN headings 42.02-03 and chapters 50-66. SITC 26 (exc. 268.51); 612.3; 65 (exc. 651.95, 654.6, 659.11, 659.7); 775.85; 83; 84 (exc. 848.2-3); 85; 899.4.	Textiles and textile articles; footwear; headgear; umbrellas; sunshades; walking sticks, whips, riding crops and parts thereof; travel goods; hand-bags and similar containers; articles of apparel and clothing accessories, of leather or composition leather *including:* electric blankets.
8	CCCN chapter 68, headings 69.01-09, 69.11-14, 70.01, 70.03-13 and 70.15-21. SITC 651.95; 654.6; 66 (exc. 661.1-2, 662.33, 667).	Articles of stone, of plaster, of cement, of asbestos, of mica and similar materials; ceramic products, other than sanitary fixtures; glass and glassware, other than illuminating and signalling glassware and optical elements of glass, not optically worked nor of optical glass.
9	CCCN headings 73.01-27, 73.29-36, 73.38 and 73.40. SITC 282; 67; 691.1, 692.11; 692.41, 692.43, 693.11, 693.2, 693.51; 694.01-02; 697.31-33; 697.41; 697.51; 699.2; 699.31-32; 699.41; 699.7.	Iron and steel and articles thereof, other than boilers and radiators for central heating, air heaters and hot air distributors, not electronically heated *including:* structures; containers; wire; cordage; reinforcing fabric; certain domestic-type, non-electric heating and cooking apparatus.
10	CCCN chapters 74-82, headings 83.01-06, 83.08-09, 83.11, 83.13-15. SITC 287.12 and 22; 288.2; 682-689; 691.2; 692.13; 692.42; 692.44; 693.12-13; 693.52;	Non-ferrous metals and articles thereof, other than lamp and lighting fittings *including:* containers; wire; cordage; reinforcing fabric; tools; cutlery; domestic-type, non-electrical heating and cooking apparatus;

Grouping No.	Classification[1]	Product description[2]
	694.03; 695-696; 697.34; 697.42-43; 697.52-53; 697.8, 699.33; 699.42; 699.6; 699.8-9; 895.1.	certain household appliances of base metal; office and stationary supplies of base metal.
11	CCCN headings 84.01-02, 84.04-08, ex 84.59[a], 85.01. SITC 71; 771.	Power generating machinery and equipment *including:* nuclear reactors;[a] steam and vapour generating boilers; steam engines and vapour power units; internal combustion piston engines; rotating electrical plant; water turbines; various engines and motors; electric power machinery (transformers and others).
12	CCCN headings 84.09, 84.23-39, 84.41-48, 84.50, 84.56-57, ex 84.59[a], ex 87.01B.[b] SITC 72 (exc. 724.7); 73 (exc. 737.32).	Machinery specialized for particular industries *including:* agricultural machinery, tractors, other than road tractors for semi-trailers[b], civil engineering and contractors' plant and equipment; textile and leather machinery; machinery for the manufacture of paper articles; printing and bookbinding machinery; food-processing machines; other machinery, equipment and parts specialized for particular industries; metalworking machinery. *excluding:* nuclear reactors; electric or laser-operated welding, brazing, soldering or cutting machines; certain machinery for washing or cleaning textiles etc. (incl. laundry and dry-cleaning machinery).
13	CCCN headings 84.03, 84.10-14, 84.16-18, 84.20-22, 84.49, 84.58, 84.60-65, 85.11 and 87.07.	General industrial machinery and equipment, and machine parts *including:* domestic instantaneous or

Grouping No.	Classification[1]	Product description[2]
	SITC 697.35; 737.32; 74 (exc. 741.4 and 745.22-23).	storage water heaters, non-electric; electric welding, brazing, soldering machines and similar electric apparatus for cutting; heating and cooling equipment (e.g. gas generators, furnaces and ovens; air-conditioning machines; laboratory equipment); pumps; compressors; centrifuges; filtering/purifying apparatus; fans and blowers; mechanical handling equipment (e.g. works trucks, lifting, handling, loading/unloading machinery, telphers and conveyors), other non-electrical tools and machinery (e.g. weighing machinery, fire extinguishers, spray guns, jet projecting machines).
14(a)	CCCN headings 84.51, 84.52, 84.54, 84.55 (less ex 84.55.B), 90.10.A, 90.10.B. HS 8469, 8472, 8473 (less 8473.30), 9009. SITC 751, 759.1, 759.9 (less 759.97).	Office machinery
14(b)	CCCN headings 84.53, ex 84.55.B, 90.10.C. HS 8471, 8473.30, 9010, ex 8441.10, ex 8441.90. SITC 752, 759.97, 881.35, 881.36, ex 725.21, ex 725.99.	Automatic data processing equipment
15(a)	CCCN headings 85.13, 85.14, 85.15. HS 8517, 8518 (less ex 8518.30 and ex 8518.90), 8525, 8526 (less ex 8526.92), 8527, 8528 (less ex 8528.10 and ex 8528.20), 8529. SITC 761 (less ex 761.1	Telecommunications apparatus and equipment

Grouping No.	Classification[1]	Product description[2]
	and ex 761.2), 762, 764.1, 764.2 (less ex 764.24), 764.3, 764.8 (less ex 764.83), 764.9 (less ex 764.92, less 764.99).	
15(b)	CCCN headings 92.11, 92.13. HS 8519 (less ex 8519.99), 8520 (less ex 8520.90), 8521, 8522 (less 8522.90). SITC 763 (less ex 763.83 and ex 763.84), 764.99 (less ex 764.99).	Sound recording and reproducing apparatus
16	CCCN headings 84.15, 84.19, 84.40, 85.02-09, 85.12, 85.16-28, ex 90-20.[c] SITC 724.7; 741.4; 745.22-23; 772-773; ex 774.2; 775 (exc. 775.85); 776; 778.	Electrical machinery, apparatus and appliances, and electrical parts thereof *excluding:* electric blankets; electro-medical apparatus; electric power machinery. *including:* refrigerators and refrigerating equipment; machinery for cleaning or drying bottles or other containers; machinery for filling, closing, sealing or labelling bottles, cans, boxes or other containers; other packing or wrapping machinery; laundry or dry-cleaning machinery; switches, relays, switchboards (other than telephone); control panels; resistors; equipment for distributing electricity; machinery based on the use of X-rays, or of radiations from radio-active substances; X-ray generators, tubes; screens, etc., other than for medical purposes;[c] household-type equipment; electro-thermic appliances; valves, tubes; transistors; microcircuits, batteries,

Grouping No.	Classification[1]	Product description[2]
		accumulators; starting and ignition equipment; electrical traffic-control equipment; electric sound or visual signalling apparatus (e.g. bells, sirens, fire alarms), etc.
17	CCCN headings ex 87.01[d], 87.02-06, 87.09-12, 87.14. SITC 78 (exc. 786.13).	Road vehicles *including:* road tractors for semi-trailers;[d] air-cushion vehicles
18	CCCN chapter 86. SITC 786.13; 791.	Railway vehicles and associated equipment *including:* railway and tramway locomotives; rolling-stock and parts thereof; railway and tramway track fixtures and fittings; traffic signalling equipment of all kinds (not electrically powered); containers specially designed and equipped for carriage by one or more modes of transport.
19	CCCN chapter 88. SITC 792; 899.98.	Aircraft and associated equipment *including:* aircraft and parts thereof; parachutes; catapults and similar aircraft launching gear; ground flying trainers.
20	CCCN chapter 89. SITC 793.	Ships, boats and floating structures.
21	CCCN headings 69.10, 70.14, 73.37, 83.07, 85.10. SITC 81.	Sanitary, plumbing, heating and lighting fixtures and fittings, n.e.s. *including:* boilers; radiators; air heaters and hot air distributors, not electrically heated; sinks; wash basins; lamps and lanterns; illuminating glassware, signalling glassware; lamps and light fittings of base metal.

Grouping No.	Classification[1]	Product description[2]
22	CCCN headings 90.03-04, 90.17-18, ex 90.20[e], 94.02. SITC 774.1; ex 774.2; 821.21; 872; 884.2.	Medical, dental, surgical and veterinary equipment *including:* electro-medical apparatus; apparatus based on the use of X-rays or of radiations from radio-active substances, X-ray generators, tubes, screens, control panels, examination tables etc. for medical purposes;[e] spectacles and spectacle frames, mountings and parts thereof; medical instruments and appliances; mechano-therapy appliances; respirators etc; medical, dental, surgical or veterinary furniture and parts thereof.
23	CCCN headings 94.01, 94.03-04. SITC 82 (exc. 821.21).	Furniture and parts thereof *including:* bedding, mattresses, mattress supports, cushions and similar stuffed furnishings. *excluding:* medical, dental, surgical and veterinary furniture.
24	CCCN headings 90.05-06, 90.11-16, 90.21-29. SITC 87.	Professional, scientific and controlling instruments and apparatus *including:* optical instruments and apparatus; meters and counters; precision, measuring, checking, analysing and controlling instruments.
25	CCCN chapter 37, headings 90.01-02, 90.07-09, Chapter 91. SITC 88 (exc. 881.39).	Photographic apparatus, equipment and supplies and optical goods; watches and clocks *including:* optical lenses, prisms, mirrors; photographic and cinematographic cameras, cinematographic projectors, sound recorders and sound

Grouping No.	Classification[1]	Product description[2]
		reproducers and any combination of these articles; image projectors; photographic enlargers and reducers; photographic and cinematographic film, watches and clocks. *excluding:* apparatus and equipment of a kind used in photographic or cinematographic laboratories; spectacles and frames, mountings and parts thereof.
26	CCCN chapters 67, 71, and 72, headings 87.08, 87.13, 90.19, 92.01-08, 92.10, 92.12, chapters 93 and 95-99. SITC 277.1; 277.21; 289.02; 667; 681; 894; 895 (exc. 895.1, 895.91); 896-898; 899 (exc. 899.31-32, 899.39, 899.4, 899.71, 899.91, 899.98); Section 9 (exc. 941).	Miscellaneous articles.

[1] The classification attempts to avoid subdividing CCCN-4-digit headings. However, products classified in headings 84.59, 87.01 and 90.20 clearly belong to different categories and are important enough to justify maintaining the subdivisions. These products have been defined in footnotes.

[2] Apart from product descriptions, this column also contains some examples of products.

[a] All machines and appliances with individual functions falling under CCCN 84.59 - except Nuclear reactors - are placed in grouping 12 in this list. (nuclear reactors fall in subgroup 718.7 of the SITC.)

[b] Tractors failing under CCCN 87.01 are placed in this grouping. However, road tractors for semi-trailers (SITC 783.2) are placed in grouping 17 below.

[c] X-ray and radiological apparatus etc. of CCCN 90.20 for medical purposes (SITC ex 774.2) are placed in grouping 22.

[d] See footnote "b" under grouping 12.

[e] X-ray and radiological apparatus etc. of CCCN 90.20 for laboratory and industrial purposes (SITC EX 7742) are placed in grouping 16.

CLASSIFICATION SYSTEM FOR SERVICES

Grouping No.	Division Code (UNCPC)	Services Description
1	51	Construction work
2	61	Sale, maintenance and repair services of motor vehicles andmotorcycles
3	62	Commission agents' and wholesale trade services, except of motor vehicles and motorcycles
4	63	Retail trade services; repair services or personal and household goods
5	64	Hotel and restaurant services
6	71 + 73	Transport services
7	72	Water transport services
8	74	Supporting and auxiliary transport services
9	75	Post and telecommunications services
10	81	Financial intermediation services and auxiliary services therefor
11	82	Real estate services
12	83	Leasing or rental services without operator
13	84	Computer and related services
14	85	Research and development services
15	86	Legal, accounting, auditing and book-keeping services; taxation services; market research and public opinion polling services; management and consulting services; architectural, engineering and other technical services.
16	87	Business services n.e.c.
17	88	(except 88442) Agricultural, mining and manufacturing services except printing and publishing
18	88442	Printing and publishing on a fee or a contract basis
19	89	Intangible assets
20	91	Public administration and other services to the community as a whole; compulsory social security services
21	92	Education services

22	93	Health and social services
23	94	Sewage and refuse disposal, sanitation and other environmental protection services
24	95	Services of membership organizations
25	96	Recreational, cultural and sporting services
26	97	Other services
27	98	Private households with employed persons
28	99	Services provided by extraterritorial organizations and bodies

ACCESSION OF THE KINGDOM OF THE NETHERLANDS WITH RESPECT TO ARUBA

(GPA/2)

DECISION

At its meeting on 27 February 1996, the Committee took the following Decision on the Accession of the Kingdom of the Netherlands with respect to Aruba.

The Committee,

Having regard to the application for accession to the Agreement on Government Procurement (1994) by the Kingdom of the Netherlands with respect to Aruba, contained in document GPA/IC/W/14 of 8 February 1995, and the consultations held with the members of the Interim Committee on Government Procurement in pursuance thereof;

Decides as follows:

1. In accordance with the provisions of Article XXIV:2 of the Agreement on Government Procurement (1994), the Government of the Kingdom of the Netherlands with respect to Aruba may accede to this Agreement on the terms attached.

2. The Agreement on Government Procurement will enter into force for the Kingdom of the Netherlands with respect to Aruba on the thirtieth day following the date of its accession, i.e. the date on which the instrument of accession reproducing the attached terms has been received by the Director-General.

3. This Decision shall expire six months after the date of its adoption by the Committee on Government Procurement unless it is extended by that Committee by mutual consent between the Committee and the Kingdom of the Netherlands with respect to Aruba.

ATTACHMENT

THE KINGDOM OF THE NETHERLANDS WITH RESPECT TO ARUBA

Terms of Accession

APPENDIX I

ANNEXES 1-5 SETTING OUT THE SCOPE OF THE AGREEMENT

ANNEX 1

Central Government Entities which Procure in Accordance with the Provisions of this Agreement

Supplies	*Threshold:*	SDR 130,000
Services	*Threshold:*	SDR 130,000
Works	*Threshold:*	SDR 5,000,000

List of Entities:
Ministry of General Affairs;
Ministry of Public Works and Health;
Ministry of Transport and Communication;
Ministry of Welfare;
Ministry of Justice and Sport;
Ministry of Finance;
Ministry of Economic Affairs.

ANNEX 2

Sub-Central Entities which Procure in Accordance with the Provisions of this Agreement

Non-applicable for Aruba (Aruba does not have any Sub-central Governments).

ANNEX 3

Other Entities which Procure in Accordance with the Provisions of this Agreement

Supplies	*Threshold:*	SDR 400,000
Services	*Threshold:*	SDR 400,000
Works	*Threshold:*	SDR 5,000,000

List of Entities:

Water en Energiebedrijf N.V. (Water and Energy Company);
Aruba Ports Authority N.V.;
Arubus N.V. (Public Transport Company);
Setar (Telecommunications Company);
Airport Authority N.V.;
Findacion Cas pa Comunidad Arbubano (Public Housing).

ANNEX 4

Services

List of Services	*CPC ref #*
Legal services	861
Accountancy	862
Taxation services	863
Engineering services	8672
Computer services	841
Management consulting services	865
Franchising	8929
Insurance	812, 814
Banking and securities trade	811, 813
Hotel lodging services	6411
Entertainment services	9619
Recreation park and beach services	96491
Sporting services	9641
Shipping (freight and passenger transport)	72
Maritime auxiliary services: cargo handling	74

Freight transport: agency services/freight forwarding	74
Maritime auxiliary services: storage/warehousing	74
Road transport	71231, 71234, 71239

ANNEX 5

Construction Services

List of Construction Services	CPC ref #
Construction work for buildings	512

APPENDIX II

PUBLICATIONS UTILIZED BY PARTIES FOR THE PUBLICATION OF NOTICES OF INTENDED PROCUREMENTS - PARAGRAPH 1 OF ARTICLE IX, AND OF POST-AWARD NOTICES - PARAGRAPH 1 OF ARTICLE XVIII

The Aruba Gazette "Landscourant" as well as in local newspapers

APPENDIX III

PUBLICATIONS UTILIZED BY PARTIES FOR THE PUBLICATION ANNUALLY OF INFORMATION ON PERMANENT LISTS OF QUALIFIED SUPPLIERS IN THE CASE OF SELECTIVE TENDERING PROCEDURES - PARAGRAPH 9 OF ARTICLE IX

Non-applicable for Aruba: Aruba does not operate permanent lists of suppliers and service providers.

APPENDIX IV

PUBLICATIONS UTILIZED BY PARTIES FOR THE PUBLICATION OF LAWS, REGULATIONS, JUDICIAL DECISIONS, ADMINISTRATIVE RULINGS OF GENERAL APPLICATION AND ANY PROCEDURE REGARDING GOVERNMENT PROCUREMENT COVERED BY THIS AGREEMENT - PARAGRAPH 1 OF ARTICLE XIX

Aruban laws and legislations are published in the Aruban Gazette "Landscourant".

ACCESSION OF LIECHTENSTEIN

DECISION OF THE COMMITTEE ON GOVERNMENT PROCUREMENT (1994) ON 27 FEBRUARY 1996
(GPA/3)

At its meeting on 27 February 1996, the Committee took the following Decision on the Accession of Liechtenstein.

The Committee,

Having regard to the application for accession to the Agreement on Government Procurement (1994) by Liechtenstein, contained in document GPA/IC/W/13 of 11 January 1995, and the consultations held with the members of the Interim Committee on Government Procurement in pursuance thereof;

Decides as follows:

1. In accordance with the provisions of Article XXIV:2 of the Agreement on Government Procurement (1994), the Government of Liechtenstein may accede to this Agreement on the terms attached.

2. The Agreement on Government Procurement will enter into force for Liechtenstein on the thirtieth day following the date of its accession, i.e. the date on which the instrument of accession reproducing the attached terms has been received by the Director-General.

3. This Decision shall expire one year after the date of its adoption by the Committee on Government Procurement unless it is extended by that Committee by mutual consent between the Committee and Liechtenstein.

ATTACHMENT

LIECHTENSTEIN

TERMS OF ACCESSION

APPENDIX I

ANNEXES 1-5 SET OUT THE SCOPE OF THE AGREEMENT

ANNEX 1

Central Government Entities which Procure in Accordance With the Provisions of this Agreement

Supplies	*Threshold*:	SDR 130,000
Services (specified in Annex 4)	*Threshold*:	SDR 130,000
Construction services (specified in Annex 5)	*Threshold*:	SDR 5,000,000

List of Entities:

Government of the Principality of Liechtenstein.

Note to Annex 1

The Agreement shall not apply to contracts awarded by contracting authorities in the field of drinking water, energy, transport or telecommunications.

ANNEX 2

Sub-Central Entities which Procure in Accordance With the Provisions of this Agreement

Supplies	*Threshold*:	SDR 200,000
Services (specified in Annex 4)	*Threshold*:	SDR 200,000
Construction services (specified in Annex 5)	*Threshold:*	SDR 5,000,000

List of Entities:

1. Public Authorities at local level.

2. Bodies governed by public law and not having an industrial or commercial character at the local level.

Note to Annex 2

The Agreement shall not apply to contracts awarded by contracting authorities in connection with activities in the field of drinking water, energy, transport or telecommunications.

ANNEX 3

All Other Entities which Procure in Accordance With the Provisions of this Agreement

Supplies	*Threshold:*	SDR 400,000
Services	*Threshold:*	SDR 400,000
Works (specified in Annex 5)	*Threshold:*	SDR 5,000,000

List of Entities:

The contracting entities which are public authorities[1] or public undertakings[2] and which have as at least one of their activities any of those referred to below:

1. the provision or operation of fixed networks intended to provide a service to the public in connection with the production, transport or distribution of drinking water or the supply of drinking water to such networks (as specified under title I);

2. the provision or operation of fixed networks intended to provide a service to the public in connection with the production, transport or distribution of electricity or the supply of electricity to such networks (as specified under title II);

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[1] Public authorities means the State, regional or local authorities, bodies governed by public law, or associations formed by one or more of such authorities or bodies governed by public law. A body is considered to be governed by public law where it:

- is established for the specific purpose of meeting needs in the general interest, not being of an industrial or commercial nature;
- has legal personality; and
- is financed for the most part by the State, or regional or local authorities, or other bodies governed by public law, or is subject to management supervision by those bodies, or has an administrative, managerial or supervisory board more than half of whose members are appointed by the State, regional or local authorities, or other bodies governed by public law.

[2] Public undertakings means any undertaking over which the public authorities may exercise directly or indirectly a dominant influence by virtue of their ownership of it, their financial participation therein, or the rules which govern it. A dominant influence on the part of the public authorities shall be presumed when these authorities, directly or indirectly, in relation to an undertaking:

- hold the majority of the undertaking's subscribed capital; or
- control the majority of the votes attaching to shares issued by the undertaking; or
- can appoint more than half of the members of the undertaking's administrative, managerial or supervisory body.

3. the operation of fixed networks providing a service to the public in the field of transport by urban railway, automated systems, tramway, trolleybus, bus or cable (as specified under title III);

4. the exploitation of a geographical area for the purpose of the provision of airport or other terminal facilities to carriers by air (as specified under title IV);

5. the exploitation of a geographical area for the purpose of the provision of inland port or other terminal facilities to carriers by sea or inland waterway (as specified under title V).

I. Production, transport or distribution of drinking water

Public authorities and public undertakings producing, transporting and distributing drinking water. Such public authorities and public undertakings are operating under local legislation or under individual agreements based thereupon.

- Gruppenwasserversorgung Liechtensteiner Oberland.
- Gruppenwasserversorgung Liechtensteiner Unterland.

II. Production, transport or distribution of electricity

Public authorities and public undertakings for the production, transport and distribution of electricity operating on the basis of authorizations for expropriation pursuant to the "Gesetz vom 16. Juni 1947 betreffend die "Liechtensteinischen Kraftwerke" (LKWG)".

- Liechtensteinische Kraftwerke.

III. Contracting entities in the field of urban railway, automated systems, tramway, trolley bus, bus or cable services

Liechtensteinische Post-, Telefon- und Telegrafenbetriebe (PTT)

according to "Vertrag vom 9. Januar 1978 zwischen dem Fürstentum Liechtenstein und der Schweizerischen Eidgenossenschaft über die Besorgung der Post- und Fernmeldedienste im Fürstentum Liechtenstein durch die Schweizerischen Post-, Telefon- und Telegrafenbetriebe (PTT).

IV. Contracting entities in the field of airport facilities

None.

Notes to Annex 3

This Agreement shall not apply:

1. to contracts which the contracting entity awards for purposes other than the pursuit of their activities as described in this Annex.

2. to contracts awarded for purposes of re-sale or hire to third parties, provided that the contracting entity enjoys no special or exclusive right to sell or hire the subject of such contracts and other entities are free to sell or hire it under the same conditions as the contracting entity.

3. to contracts for the purchase of water.

4. to contracts of contracting entities other than a public authority exercising the supply of drinking water or electricity to networks which provide a service to the public, if they produce these services by themselves and consume them for the purpose of carrying out other activities than those described under this Annex under I and II and provided that the supply to the public network depends only on the entity's own consumption and does not exceed 30 per cent of the entity's total production of drinking water or energy, having regard to the average for the preceding three years.

5. to contracts for the supply of energy or of fuels for the production of energy.

6. to contracts awarded by contracting entities providing a bus service if other entities are free to offer the same service either in general or in a specific geographical area and under the same conditions.

ANNEX 4

Services

The following services from the services sectoral classification list contained in document MTN.GNS/W/120 are included:

Subject	
Maintenance and repair services	6112, 6122, 633, 886
Land transport services, including armoured car services, and courier services, except transport of mail	712 (except 71235), 7512, 87304
Air transport services of passengers and freight, except transport of mail	73 (except 7321)
Transport of mail by land, except rail, and by air	71235, 7321
Telecommunications services	752[3]
Financial services	ex 81
(a) Insurance services	812, 814

[3] Except voice telephony, telex, radiotelephony, paging and satellite services.

(b) Banking and investment services[4]	
Computer and related services	84
Accounting, auditing and bookkeeping services	862
Market research and public opinion polling services	864
Management consulting services and related services	865, 866[5]
Architectural services; engineering services and integrated engineering services, urban planning and landscape architectural services; related scientific and technical consulting services; technical testing and analysis services	867
Advertising services	871
Building-cleaning services and property management services	874, 82201-82206
Publishing and printing services on a fee or contract basis	88442
Sewage and refuse disposal; sanitation and similar services	94

Notes to Annex 4

The Agreement shall not apply to:

1. service contracts awarded to an entity which is itself a procuring entity listed in Annex 1 or 2 on the basis of an exclusive right which it enjoys pursuant to a published law, regulation or administrative provision.

2. service contracts which a contracting entity awards to an affiliated undertaking or which are awarded by a joint venture formed by a number of contracting entities for the purpose of carrying out an activity within the meaning of Annex 3 or to an undertaking which is affiliated with one of these contracting entities. At least 80 per cent of the average turnover of that undertaking for the preceding three years has to derive from the provision of such services to undertakings with which it is affiliated. Where more than one undertaking affiliated with the contracting entity provides the same service, the total turnover deriving from the provision of services by those undertakings shall be taken into account.

3. contracts for the acquisition or rental, by whatever means, of land, existing buildings, or other immovable property or concerning rights thereon.

4. to contracts of employment.

5. for the acquisition, development, production or co-production of programme material by broadcasters and contracts for broadcasting time.

[4] Except contracts for financial services in connection with the issue, sale, purchase, or transfer of securities or other financial instruments, and central bank services.

[5] Except arbitration and conciliation services.

ANNEX 5

Construction Services

Definition:

A construction services contract is a contract which has as its objective the realization by whatever means of civil or building works, in the sense of Division 51 of the Central Product Classification.

List of Division 51, CPC:

General construction work for buildings	512
General construction work for civil engineering	513
Installation and assembly work	514 + 516
Building completion and finishing work	517
Other	511 + 515 + 518

GENERAL NOTES AND DEROGATIONS FROM THE PROVISIONS OF ARTICLE III

1. The Principality of Liechtenstein will not extend the benefits of this Agreement:

- as regards the award of contracts by entities listed in Annex 2 to the suppliers and service providers of Canada and the United States of America,
- as regards the award of contracts by entities listed in Annex 3 in the following sectors:
  - water: to the suppliers and service providers of Canada and the United States of America;
  - electricity: to the suppliers and service providers of Canada, Japan and the United States of America;
  - urban transport: to the suppliers and service providers of Canada, Israel, Japan, Korea and the United States of America

until such time as the Principality of Liechtenstein has accepted that the Parties concerned give comparable and effective access for undertakings of the Principality of Liechtenstein to the relevant markets;

- to service providers of Parties which do not include service contracts for the relevant entities in Annexes 1 to 3 and the relevant service category under Annexes 4 and 5 in their own coverage.

2. The provisions of Article XX shall not apply to suppliers and service providers of:

- Israel, Japan and Korea in contesting the award of contracts by bodies governed by public law and not having an industrial or commercial character listed in Annex 2, paragraph 2, until such time as the Principality of Liechtenstein accepts that they have completed coverage of sub-central entities;

- Canada, Japan, Korea and the United States of America in contesting the award of contracts to a supplier or service provider of Parties other than those mentioned, which are small- or medium-sized enterprises under the relevant provisions of the law of Liechtenstein until such time as the Principality of Liechtenstein accepts that they no longer operate discriminatory measures in favour of certain domestic small and minority businesses;

- Israel, Japan and Korea in contesting the award of contracts by entities of the Principality of Liechtenstein, whose value is less than the threshold applied for the same category of contracts awarded by these Parties.

3. Until such time as the Principality of Liechtenstein has accepted that the Parties concerned provide access for suppliers and service providers to their own markets, the Principality of Liechtenstein will not extend the benefits of this Agreement to suppliers and service providers of:

- Canada, as regards procurement of FSC 36, 70 and 74 (special industry machinery; general purpose automatic data processing equipment, software, supplies and support equipment (except 7010 ADPE configurations); office machines, visible record equipment and ADP equipment);

- Canada, as regards procurement of FSC 58 (communications, protection and coherent radiation equipment) and the United States of America as regards air traffic control equipment;

- Korea and Israel as regards procurement by entities listed in Annex 3, paragraph (B) as regards procurement of HS Nos 8504, 8535, 8537 and 8544 (electrical transformers, plugs, switches and insulated cables); and for Israel, HS Nos 8501, 8536 and 902830;

- Canada and the United States of America as regards contracts for good or service components of contracts which, although awarded by an entity covered by this Agreement, are not themselves subject to this Agreement.

4. The Agreement shall not apply to contracts awarded under:

- an international agreement and intended for the joint implementation or exploitation of a project by signatory States;

- the particular procedure of an international organization.

5. The Agreement shall not apply to procurement of agricultural products made in furtherance of agricultural support programmes and human feeding programmes.

6. The provision of services, including construction services, in the context of procurement procedures according to this Agreement is subject to the conditions and qualifications for market access and national treatment as will be required by the Principality of Liechtenstein in conformity with its commitments under the GATS.

APPENDIX II

PUBLICATIONS UTILIZED BY PARTIES FOR THE PUBLICATION OF NOTICES OF INTENDED PROCUREMENTS - PARAGRAPH 1 OF ARTICLE IX, AND OF POST-AWARD NOTICES - PARAGRAPH 1 OF ARTICLE XVIII

Daily Press: "Liechtensteiner Volksblatt", "Liechtensteiner Vaterland".

APPENDIX III

PUBLICATIONS UTILIZED BY PARTIES FOR THE PUBLICATION ANNUALLY OF INFORMATION ON PERMANENT LISTS OF QUALIFIED SUPPLIERS IN THE CASE OF SELECTIVE TENDERING PROCEDURES - PARAGRAPH 9 OF ARTICLE IX

Official Journal of the European Communities (after the entry into force of the EEA Agreement for Liechtenstein). (Currently no such lists exist).

APPENDIX IV

PUBLICATIONS UTILIZED BY PARTIES FOR THE PUBLICATION OF LAWS, REGULATIONS, JUDICIAL DECISIONS, ADMINISTRATIVE RULINGS OF GENERAL APPLICATION AND ANY PROCEDURE REGARDING GOVERNMENT PROCUREMENT COVERED BY THIS AGREEMENT - PARAGRAPH 1 OF ARTICLE XIX

Landesgesetzblatt

Liechtensteinische Entscheidsammlung

(Laws, judicial decisions, administrative rulings and procedures regarding government procurement for entities listed in Annexes 2 and 3 of Appendix I are available either through relevant local publications or directly from the listed entities).

ACCESSION OF SINGAPORE

DECISION OF THE COMMITTEE OF 20 SEPTEMBER 1996 ON GOVERNMENT PROCUREMENT (1994) ON 20 SEPTEMBER 1996 (GPA/6)

The Committee,

Having regard to the application for accession to the Agreement on Government Procurement (1994) by Singapore, contained in document GPA/IC/W/33 of 15 November 1995, and the consultations held with the Parties to the Agreement on Government Procurement in pursuance thereof;

Decides as follows:

1. In accordance with the provisions of Article XXIV:2 of the Agreement on Government Procurement (1994), the Government of Singapore may accede to this Agreement on the terms attached.

2. The Agreement on Government Procurement will enter into force for Singapore on the thirtieth day following the date of its accession, i.e. the date on which the instrument of accession reproducing the attached terms has been received by the Director-General.

3. This Decision shall expire one year after the date of its adoption by the Committee on Government Procurement unless it is extended by that Committee by mutual consent between the Committee and Singapore.

ATTACHMENT

TERMS OF ACCESSION OF SINGAPORE

APPENDIX I

ANNEXES 1-5 SET OUT THE SCOPE OF THE AGREEMENT

ANNEX 1

Central Government Entities which Procure in Accordance with the Provisions of this Agreement

Goods	*Threshold*:	SDR 130,000
Services (specified in Annex 4)	*Threshold*:	SDR 130,000
Construction (specified in Annex 5)	*Threshold*:	SDR 5,000,000

List of Entities:

Auditor-General's Office
Attorney-General's Office
Cabinet Office
Istana
Judicature
Ministry of Communications
Ministry of Community Development
Ministry of Education
Ministry of Environment
Ministry of Finance
Ministry of Foreign Affairs
Ministry of Health
Ministry of Home Affairs
Ministry of Information and the Arts
Ministry of Labour
Ministry of Law
Ministry of National Development[1]
Ministry of Trade and Industry
Parliament
Presidential Councils
Prime Minister's Office
Public Service Commission
Ministry of Defence

This Agreement will generally apply to purchases by the Singapore Ministry of Defence of the following FSC categories (others being excluded) subject to the Government of Singapore's determinations under the provision of Article XXIII, paragraph 1.

FSC	*Description*
22	Railway Equipment
23	Ground Effect Vehicles, Motor Vehicles, Trailers and Cycles
24	Tractors
25	Vehicular Equipment Components
26	Tires and Tubes

[1] Includes Public Works Department.

29	Engine Accessories
30	Mechanical Power Transmission Equipment
31	Bearings
32	Woodworking Machinery and Equipment
34	Metalworking Machinery
35	Service and Trade Equipment
36	Special Industry Machinery
37	Agricultural Machinery and Equipment
38	Construction, Mining, Excavating and Highway Maintenance Equipment
39	Materials Handling Equipment
40	Rope, Cable, Chain and Fittings
41	Refrigeration, Air Conditioning and Air Circulating Equipment
42	Fire Fighting, Rescue and Safety Equipment
43	Pumps and Compressors
44	Furnace, Steam Plant and Drying Equipment
45	Plumbing, Heating and Sanitation Equipment
46	Water Purification and Sewage Treatment Equipment
47	Pipe, Tubing, Hose and Fittings
48	Valves
51	Handtools
52	Measuring Tools
53	Hardware and Abrasives
54	Prefabricated Structures and Scaffolding
55	Lumber, Millwork, Plywood and Veneer
56	Construction and Building Materials
61	Electric Wire, and Power and Distribution Equipment
62	Lighting, Fixtures and Lamps
63	Alarm, Signal and Security Detection Systems
65	Medical, Dental and Veterinary Equipment and Supplies
67	Photographic Equipment
68	Chemicals and Chemical Products
69	Training Aids and Devices
70	General Purpose Automatic Data Processing Equipment, Software, Supplies and Support Equipment
71	Furniture
72	Household and Commercial Furnishings and Appliances

73	Food Preparation and Serving Equipment
74	Office Machines, Text Processing Systems and Visible Record Equipment
75	Office Supplies and Devices
76	Books, Maps and other Publications
77	Musical Instruments, Phonographs and Home-Type Radios
78	Recreational and Athletic Equipment
79	Cleaning Equipment and Supplies
80	Brushes, Paints, Sealers and Adhesives
81	Containers, Packaging and Packing Supplies
83	Textiles, Leather, Furs, Apparel and Shoe Findings, Tents and Flags
84	Clothing, Individual Equipment, and Insignia
85	Toiletries
87	Agricultural Supplies
88	Live Animals
89	Subsistence
91	Fuels, Lubricants, Oils and Waxes
93	Non-metallic Fabricated Materials
94	Non-metallic Crude Materials
95	Metal Bars, Sheets and Shapes
96	Ores, Minerals, and their Primary Products
99	Miscellaneous

Notes to Annex 1:

1. The Agreement shall not apply to any procurement in respect of:

(a) construction contracts for chanceries abroad and headquarters buildings made by the Ministry of Foreign Affairs; and

(b) contracts made by the Internal Security Department, Criminal Investigation Department, Security Branch and Central Narcotics Bureau of the Ministry of Home Affairs as well as procurement that have security considerations made by the Ministry.

2. The Agreement shall not apply to any procurement made by a covered entity on behalf of a non-covered entity.

ANNEX 2

Sub-Central Entities which Procure in Accordance with the Provisions of the Agreement

Non-applicable for Singapore (Singapore does not have any Sub-central Governments).

ANNEX 3

All other Entities which Procure in Accordance with the Provisions of this Agreement

Goods	*Threshold*:	SDR 400,000
Services (specified in Annex 4)	*Threshold*:	SDR 400,000
Construction (specified in Annex 5)	*Threshold*:	SDR 5,000,000

List of Entities:

Board of Architects
Civil Aviation Authority of Singapore
Construction Industry Development Board
Economic Development Board
Housing and Development Board
Inland Revenue Authority of Singapore
Land Transport Authority of Singapore
Jurong Town Corporation
Maritime and Port Authority of Singapore
Monetary Authority of Singapore
National Computer Board
National Science & Technology Board
Nanyang Technological University
National Parks Board
National University of Singapore
Preservation of Monuments Board
Professional Engineers Board
Public Transport Council
Sentosa Development Corporation
Singapore Broadcasting Authority

Singapore Productivity and Standards Board
Singapore Tourist Promotion Board
Telecommunication Authority of Singapore
Trade Development Board
Urban Redevelopment Authority

Note to Annex 3:

The Agreement shall not apply to any procurement made by a covered entity on behalf of a non-covered entity.

ANNEX 4

SERVICES

The following services as contained in document MTN.GNS/W/120 are offered (others being excluded):

Threshold: SDR 130,000 for entities as set out in Annex 1
SDR 400,000 for entities as set out in Annex 3

CPC	*Description*
862	Accounting, Auditing and Book-keeping Services
8671	Architectural Services
865	Management Consulting Services
874	Building-Cleaning Services
641-643	Hotels and Restaurants (incl. catering)
74710	Travel Agencies and Tour Operators
7472	Tourist Guide Services
843	Data Processing Services
844	Database Services
932	Veterinary Services
84100	Consultancy Services Related to the Installation of Computer Hardware
84210	Systems and Software Consulting Services
87905	Translation and Interpretation Services
7523	Electronic Mail
7523	Voice Mail

7523	On-Line Information and Database Retrieval
7523	Electronic Data Interchange
96112	Motion Picture or Video Tape Production Services
96113	Motion Picture or Video Tape Distribution Services
96121	Motion Picture Projection Services
96122	Video Tape Projection Services
96311	Library Services
8672	Engineering Services
7512	Courier Services
-	Biotechnology Services
-	Exhibition Services
-	Commercial Market Research
-	Interior Design Services, Excluding Architecture
-	Professional, Advisory and Consulting Services Relating to Agriculture, Forestry, Fishing and Mining, Including Oilfield Services

Notes to Annex 4:

1. The offer regarding services is subject to the limitations and conditions specified in the Government of Singapore's offer under the GATS negotiations.

2. The Agreement shall not apply to any procurement made by a covered entity on behalf of a non-covered entity.

ANNEX 5

CONSTRUCTION SERVICES

The following construction services in the sense of Division 51 of the Central Product Classification as contained in document MTN.GNS/W/120 are offered (others being excluded):

Threshold: SDR 5,000,000 for entities as set out in Annex 1
SDR 5,000,000 for entities as set out in Annex 3

List of construction services offered:

CPC	*Description*
512	General construction work for buildings
513	General construction work for civil engineering

514, 516	Installation and assembly work
517	Building completion and finishing work
511, 515, 518	Others

Notes to Annex 5:

1. The offer regarding construction services is subject to the limitations and conditions specified in the Government of Singapore's offer under the GATS negotiations.

2. The Agreement shall not apply to any procurement made by a covered entity on behalf of a non-covered entity.

GENERAL NOTE:

1. Taking into account the concerns expressed by GPA Members, Singapore will review its current compulsory registration system with the view to removing any unintended effects of discrimination and of limited tendering in its open tender system that the existing registration system may have on GPA Members within a period of three years after its accession.

APPENDIX II

PUBLICATIONS UTILIZED BY PARTIES FOR THE PUBLICATION OF NOTICES OF INTENDED PROCUREMENTS - PARAGRAPH 1 OF ARTICLE IX, AND OF POST-AWARD NOTICES - PARAGRAPH I OF ARTICLE XVIII

SINGAPORE

The Republic of Singapore Government Gazette.

APPENDIX III

PUBLICATIONS UTILIZED BY PARTIES FOR THE PUBLICATION ANNUALLY OF INFORMATION ON PERMANENT LISTS OF QUALIFIED SUPPLIERS IN THE CASE OF SELECTIVE TENDERING PROCEDURES - PARAGRAPH 9 OF ARTICLE IX

SINGAPORE

The Republic of Singapore Government Gazette.

APPENDIX IV

PUBLICATIONS UTILIZED BY PARTIES FOR THE PUBLICATION OF LAWS, REGULATIONS, JUDICIAL DECISIONS, ADMINISTRATIVE RULINGS OF GENERAL APPLICATION AND ANY PROCEDURE REGARDING GOVERNMENT PROCUREMENT COVERED BY THIS AGREEMENT - PARAGRAPH 1 OF ARTICLE XIX

SINGAPORE

The Republic of Singapore Government Gazette.

ACCESSION OF HONG KONG

Decision of the Committee on Government Procurement on 5 December 1996 (GPA/9)

The Committee,

Having regard to the application for accession to the Agreement on Government Procurement (1994) by Hong Kong, contained in document GPA/W/28 of 6 November 1996, and the consultations held with the Parties to the Agreement on Government Procurement in pursuance thereof;

Decides as follows:

1. In accordance with the provisions of Article XXIV:2 of the Agreement on Government Procurement (1994), the Government of Hong Kong may accede to this Agreement on the terms attached. This shall be open to Hong Kong for a period of six months after the date of the adoption of this Decision by the Committee on Government Procurement unless the period is extended by that Committee by mutual consent between the Committee and Hong Kong.

2. The Agreement on Government Procurement will enter into force for Hong Kong on the thirtieth day following the date of its accession, i.e. the date on which the instrument of accession reproducing the attached terms has been received by the Director-General. For those Parties to the Agreement whose national legislation implementing the Agreement in respect of Hong Kong has not taken effect by that date, the Agreement will apply as between them and Hong Kong as soon as such legislation has taken effect.

3. Hong Kong may delay the application of paragraphs 2-8 of Article XX of the Agreement for a period of no more than one year after the entry into force of the Agreement for Hong Kong.

TERMS OF ACCESSION OF HONG KONG TO THE AGREEMENT ON GOVERNMENT PROCUREMENT (1994)

APPENDIX I

ANNEX 1

CENTRAL GOVERNMENT ENTITIES WHICH PROCURE IN ACCORDANCE WITH THE PROVISIONS OF THIS AGREEMENT

Supplies

Threshold: 130,000 SDR for goods and services other than construction services

5,000,000 SDR for construction services

List of Entities:

1. Agriculture and Fisheries Department
2. Architectural Services Department
3. Audit Department
4. Auxiliary Medical Services
5. Buildings Department
6. Census and Statistics Department
7. Civil Aid Services
8. Civil Aviation Department
9. Civil Engineering Department
10. Civil Service Training and Development Institute
11. Companies Registry
12. Correctional Services Department
13. Customs and Excise Department
14. Department of Health
15. Drainage Services Department
16. Education Department
17. Electrical and Mechanical Services Department
18. Environmental Protection Department
19. Fire Services Department
20. Government Flying Service

21. Government Laboratory
22. Government Land Transport Agency
23. Government Property Agency
24. Government Secretariat
25. Government Supplies Department
26. Highways Department
27. Home Affairs Department
28. Hong Kong Monetary Authority
29. Hospital Services Department
30. Immigration Department
31. Independent Commission Against Corruption
32. Industry Department
33. Information Services Department
34. Information Technology Services Department
35. Inland Revenue Department
36. Intellectual Property Department
37. Judiciary
38. Labour Department
39. Lands Department
40. Land Registry
41. Legal Department
42. Legal Aid Department
43. Marine Department
44. Office of the Commissioner for Administrative Complaints
45. Office of the Telecommunications Authority
46. Official Receiver's Office
47. Planning Department
48. Post Office
49. Printing Department
50. Public Service Commission
51. Radio Television Hong Kong
52. Rating and Valuation Department
53. Royal Hong Kong Police Force (including Royal Hong Kong Auxiliary Police Force)
54. Royal Observatory
55 Social Welfare Department
56. Secretariat, Independent Police Complaints Council

57. Secretariat, Standing Commission on Civil Service Salaries and Conditions of Service
58. Secretariat, Standing Committee on Disciplined Services Salaries and Conditions of Service
59. Student Financial Assistance Agency
60. Technical Education and Industrial Training Department
61. Television and Entertainment Licensing Authority
62. Territory Development Department
63. Trade Department
64. Transport Department
65. Treasury
66. Secretariat, University Grants Committee
67. Water Supplies Department
68. Management Services Agency
69. Official Languages Agency
70. Registration and Electoral Office

ANNEX 2

SUB-CENTRAL ENTITIES WHICH PROCURE IN ACCORDANCE WITH THE PROVISIONS OF THIS AGREEMENT

Threshold: 200,000 SDR for goods and services other than construction services

5,000,000 SDR for construction services

List of Entities:

1. Urban Council and Urban Services Department
2. Regional Council and Regional Services Department

ANNEX 3

ALL OTHER ENTITIES WHICH PROCURE IN ACCORDANCE WITH THE PROVISIONS OF THIS AGREEMENT

Threshold: 400,000 SDR for supplies and services other than construction services

5,000,000 SDR for construction services

List of Entities:

1. Housing Authority and Housing Department
2. Hospital Authority
3. Airport Authority
4. Mass Transit Railway Corporation
5. Kowloon-Canton Railway Corporation

ANNEX 4

SERVICES

The following services, classified according to the United Nations Central Product Classification (CPC) Code on Goods and Services, will be covered:

		CPC
1.	*Computer and Related Services*	
-	Data base and processing services	843+844
-	Maintenance and repair service of office machinery and equipment including computers	845
-	Other Computer Services	849
2.	*Rental/Leasing Services Without Operators*	
-	Relating to ships	83103
-	Relating to aircraft	83104
-	Relating to other transport equipment	83101+83102+83105
-	Relating to other machinery and equipment	83106+83109
3.	*Other Business Services*	
Maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment)		633+8861-8866
Market Research & Public Opinion Polling Services		864
Security Services		87304
Building-Cleaning Services		874
Advertising Services		871
4.	*Courier Services*	
5.	*Telecommunications Services*	(Provisions of certain types of service may require licensing under the Telecommunication Ordinance)

Value-added telecommunications services		7523, 843
Basic telecommunications services		7521, 7529
Telecommunications-related services		754
6.	*Environmental Services*	
-	Sewage services	9401
-	Refuse disposal services	9402
7.	*Financial Services*	*ex 81*
-	All Insurance and Insurance-Related Services	(exceptions are set out in paragraph 5 of General Conditions)
-	Banking and other financial services	
8.	*Transport Services*	
-	Air transportation srvices (excluding transportation of mail)	731, 732, 73
-	Road transport services	712, 6112, 8867

ANNEX 5

CONSTRUCTION SERVICES

Definition:

A construction services contract is a contract which has as its objective the realization by whatever means of civil or building works, in the sense of Division 51 of the Central Product Classification (CPC).

List of Division 51 CPC:

All services of Division 51 of the CPC

Threshold: 5,000,000 SDR

GENERAL CONDITIONS APPLICABLE TO ENTITIES AND SERVICES SPECIFIED IN ANNEXES 1 TO 5

1. Notwithstanding anything in the Annexes 1-5, the Agreement shall not apply to:

- All consultancy and franchise arrangements
- Transportation of mail by air

- Statutory insurances including third party liability in respect of vehicles and vessels and employer's liability insurance in respect of employees
- Purchase of office or residential accommodation by the Government Property Agency.

2. Hong Kong's commitments on telecommunications services are subject to the terms of the licence held by Hong Kong Telecommunications International Ltd. (HKTI) until 30 September 2006 for the exclusive provision of external telecommunications circuits and certain external telecommunications services. The exclusive services covered by the licence are listed below.

(a) Circuits by radio for the provision of external public telecommunications services.

(b) The operation of circuits by submarine cable for the provision of external public telecommunications services.

(c) External and internal Public Telegram Service.

(d) External and internal Public Telex Service.

(e) External public telephone services to subscribers to the Public Switched Telephone Network by radio, submarine cable and such overland cables as are authorized.

(f) External dedicated and leased telephone circuit services by radio, submarine cable and such overland cables as are authorized.

(g) External dedicated and leased circuits for -

telegraph

data

facsimile.

(h) Hong Kong coast stations and coast earth stations of the Maritime Mobile service and Maritime Mobile - Satellite Service.

(i) Hong Kong Aeronautical Stations of the Aeronautical Mobile Service and Aeronautical Mobile - Satellite Service for radio communications services between aircraft operating agencies and their aircraft in flight.

(j) International telecommunications services routed in transit via Hong Kong.

(k) Except to the extent that the Governor-in-Council may from time to time otherwise in writing direct, external television and voice programme transmission services to and from Hong Kong.

3. Operators of telecommunications services may require licensing under the Telecommunication Ordinance. Operators applying for the licences are required to be established in Hong Kong under the Companies Ordinance.

4. Hong Kong Government shall not be obliged to permit the supply of such services cross-border, or through commercial presence or the presence of natural persons.

5. The following services are excluded from the Financial Services under Annex 4

1. CPC 81402

Insurance and pension consultancy services.

2. CPC 81339

Money broking.

3. CPC 8119+81323

Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial depository and trust services.

4. CPC 81339 or 81319

Settlement and clearing services for financial assets, including securities, derivative products, and other negotiable instruments.

5. CPC 8131 or 8133

Advisory and other auxiliary financial services on all the activities listed in subparagraphs 5(a)(v) to (xvi) in the Annex on Financial Services in the General Agreement on Trade in Services, including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy.

6. CPC 81339+81333+81321

Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:

- money market instruments (cheques, bills, certificate of deposits, etc.);
- foreign exchange;
- derivative products including, but not limited to futures and options;
- exchange rate and interest rate instruments, including products such as swaps, forward rate agreement, etc.;
- transferable securities;
- other negotiable instruments and financial assets, including bullion.

APPENDIX II

HONG KONG

ANNEX 1

Hong Kong Government Gazette.
Daily Press.

ANNEX 2

Hong Kong Government Gazette.
Daily Press.

ANNEX 3

Hospital Authority	-	Hong Kong Government Gazette.
	-	Daily Press.
Housing Authority	-	Hong Kong Government Gazette.
	-	Daily Press.
Kowloon-Canton Railway Corporation	-	To be notified.
Mass Transit Railway Corporation	-	Daily Press.
Airport Authority	-	Daily Press.

APPENDIX III

HONG KONG

ANNEX 1

Hong Kong Government Gazette.

ANNEX 2

Hong Kong Government Gazette.
Daily Press.

ANNEX 3

Hospital Authority	-	Hong Kong Government Gazette.

Housing Authority	-	Hong Kong Government Gazette.
Kowloon-Canton Railway Corporation	-	To be notified.
Mass Transit Railway Corporation	-	Not applicable.
Airport Authority	-	Not applicable.

APPENDIX IV

HONG KONG

ANNEX 1

Hong Kong Government Gazette.

ANNEX 2

Hong Kong Government Gazette.

ANNEX 3

Hospital Authority	-	Hong Kong Government Gazette.
Housing Authority	-	Hong Kong Government Gazette.
Kowloon-Canton Railway Corporation	-	To be notified.
Mass Transit Railway Corporation	-	Provided to potential suppliers upon issuance of invitations to participate.
Airport Authority	-	Provided to potential suppliers upon issuance of invitations to participate.

COMMITTEE ON TRADE IN CIVIL AIRCRAFT

REPORT (1996) OF THE COMMITTEE ON TRADE IN CIVIL AIRCRAFT

Adopted by the Committee on Trade in Civil Aircraft on 8 November 199_ and Considered by the General Council on 7, 8 and 13 November 1996 (WT/L/193)

1. This report is submitted under Article 8.2 of the Agreement on Trade in Civil Aircraft (hereinafter the "Agreement") and Article IV.8 of the Marrakesh

Agreement Establishing the World Trade Organization (hereinafter the "WTO Agreement"). It sets out the activities of the Committee since November 1995.

2. On 8 November 1996 there were 22 Signatories to the Agreement: Canada, the European Communities, Austria, Belgium, Denmark, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, United Kingdom, Egypt, Japan, Macau, Norway, Romania, Switzerland and the United States. Greece has signed the Agreement subject to ratification. Bulgaria accepted the Agreement on 1 November 1996. The Agreement shall enter into force for that country on 1 December 1996. The other countries with observer status in the Committee are: Argentina, Australia, Bangladesh, Brazil, Cameroon, Czech Republic, Finland, Gabon, Ghana, India, Indonesia, Israel, Malta, Mauritius, Nigeria, Poland, Singapore, the Slovak Republic, Sri Lanka, Trinidad and Tobago, Tunisia and Turkey. In addition, China, the Russian Federation and Chinese Taipei have observer status in the Committee. The IMF and UNCTAD are also observers.

3. The Committee on Trade in Civil Aircraft (hereafter the "Committee") held three meetings in the period under review: on 7 June, 19 July and 8 November 1996.

4. At the meeting of 7 June 1996 (TCA/M/2), the Chairman reported on the consultations he had carried out since the previous meeting of the Committee and summarized his view of the situation of the Agreement. He characterized this situation as creating a climate of legal uncertainty, in contradiction to the object and purpose of the WTO Agreement. He concluded that, as it proved very difficult to amend the Agreement, the alternative for Signatories was either (i) to terminate or suspend the application of the Agreement; or (ii) to try in good faith to make it function as it stood. In that context, the Chairman tabled an informal proposal consisting of two decisions. The first one related to the meaning of certain institutional provisions of the Agreement and confirmed the legal effects of the entry into force of the WTO Agreement. The ºsecond one provided that the WTO Understanding on Rules and Procedures Governing the Settlement of Disputes would apply to dispute under the Agreement. Signatories agreed to examine the proposal and to meet again rapidly to take a decision on these matters. Under "Other Business", the Chairman informed the Committee that Mr. Latrille could no longer serve as Vice-Chairman of the Committee, and that he himself would soon no longer be able to serve as Chairman. Consultations were under way regarding the election of a new Chairman and Vice-Chairman.

5. At the meeting of 19 July 1996 (TCA/M/3), the Chairman concluded that his proposal was not acceptable to all Signatories and that there were no alternatives that would be readily acceptable to all. Under "Other Business", one Signatory referred to the negotiations initiated under Article 8.3 in 1992. In its view, three options were available: (i) terminate the negotiations; (ii) conclude the negotiations by incorporating in the Agreement the results on which consensus had been reached or (iii) define a new mandate for those negotiations. The same Signatory also suggested that Article 8.8 of the Agreement be amended pursuant to Article 9.5 to preserve the current relationship between the Agreement and the

other agreements annexed to the WTO Agreement while allowing the Agreement to be formally revised to take into account the existence of the WTO.

6. At the meeting of 8 November 1996 (TCA/M/4), Mr. Hidetaka Saeki was elected as Chairman of the Committee on Trade in Civil Aircraft. The Committee discussed the informal proposal tabled by the Chairman on 7 June 1996 as well as the suggestion made by one Signatory to amend Article 8.8 of the Agreement. While no agreement could be reached on either of the proposals, Signatories agreed to continue discussions aimed at reaching a solution promptly. Signatories also reviewed the proposal made under Article 8.3 at the meeting of the Committee of 19 July 1996. Various views were expressed by Signatories but no agreement could be reached.

7. The Sub-Committee of the Committee on Trade in Civil Aircraft, established on 16 July 1992 to conduct negotiations under Article 8.3 and composed of 32 participants: Australia, Austria, Belgium, Brazil, Canada, China, Czech Republic, Denmark, Egypt, European Communities, Finland, France, Germany, Greece, Ireland, Israel, Italy, Japan, Luxembourg, the Netherlands, Norway, Poland, Portugal, Romania, Russian Federation, Slovak Republic, Spain, Sweden, Switzerland, Chinese Taipei, United Kingdom and the United States, did not hold any meeting during the period under review.

8. Signatories reiterated their commitment to continue the work on technical revision with a view to reaching a successful conclusion in the negotiation to adapt the Aircraft Agreement to the WTO structure. They also reiterated their intention to work to resolve outstanding issues under Article 8.3.

INTERNATIONAL DAIRY COUNCIL

REPORT (1996) OF THE INTERNATIONAL DAIRY COUNCIL

Adopted by the International Dairy Council on 17 September 1996
and Considered by the General Council on 7, 8 and 13 November 1996
(WT/L/178)

The International Dairy Agreement (IDA) entered into force on 1 January 1995. The two main functions of the Agreement are (i) the maintenance of minimum export prices for specific dairy products listed in the Agreement, and (ii) to provide, with the International Dairy Council, a forum for exchange of information on the world market situation and outlook for dairy products. As of 17 September 1996, the following were Parties to the Agreement: Argentina, Bulgaria, the European Communities, Japan, New Zealand, Norway, Romania, Switzerland and Uruguay. Other governments and intergovernmental organizations are represented at meetings by observers.

The International Dairy Council held meetings on 20-21 March 1995, 17 October 1995 and 17 September 1996. In accordance with Article IV:1 of the

IDA, the Council reviewed at its meetings the situation and outlook in the world market for dairy products on the basis of notes prepared by the Secretariat (IDA/W/1, IDA/W/7 and IDA/W/12), as well as the questionnaires submitted by Parties. In 1995, the Council also: (i) adopted Rules of Procedure (IDA/1); (ii) adopted formats for Questionnaires 1-5 (IDA/4); and (iii) issued a standing invitation to the United Nations Economic Commission for Europe (ECE), FAO, OECD and UNCTAD to participate in its meetings in an observer capacity.

At its October 1995 meeting, the Council noted that the limited membership in the Agreement, and in particular the non-participation of some major dairy exporting countries, made the operation of the minimum price provisions of the IDA untenable. In light of this situation, the Council decided to suspend the operation of the Annex to the Agreement thus suspending minimum prices for all dairy products therein until 31 December 1997. Noting that the task of the Committee on Certain Milk Products was directly related to the implementation of the provisions of the Annex, the Committee was also suspended.

In view of the fact that certain Parties expressed doubts about the continued usefulness of the current Agreement in light of the Uruguay Round results, the Council, at its meeting in September 1996, invited the Chairperson to undertake informal consultations on the future of the Agreement.

The reports of the meetings of the International Dairy Council are contained in IDA/2, IDA/5 and IDA/7.

INTERNATIONAL MEAT COUNCIL

REPORT (1996) OF THE INTERNATIONAL MEAT COUNCIL

Adopted by the International Meat Council on 11 June 1996
and Considered by the General Council on 7, 8 and 13 November 1996
(WT/L/179)

The International Bovine Meat Agreement entered into force on 1 January 1995. As of 11 June 1996 the following were Parties to the Agreement: Argentina, Australia, Brazil, Bulgaria, Canada, Colombia, the European Communities (15), Japan, New Zealand, Norway, Paraguay, Romania, South Africa, Switzerland, the United States and Uruguay. Other governments and intergovernmental organizations are represented at meetings by observers.

The International Meat Council held meetings on 21-22 June 1995 and 11 June 1996. At its first meeting, the Council: (i) adopted the Rules of Procedure (IMA/1) and agreed to hold one regular meeting in June of each year; (ii) adopted the formats for the questionnaires on domestic policies (IMA/2) and statistical information (IMA/3); (iii) agreed that observer governments would be requested to reply to the statistical and policy questionnaires on a voluntary basis; and (iv) issued a standing invitation to the United Nation's Economic Com-

mission for Europe (ECE), FAO, the International Trade Centre (ITC), OECD and UNCTAD to participate in its meetings in an observer capacity.

In accordance with Article IV:1 of the International Bovine Meat Agreement, the Council reviewed at its meetings the world supply and demand situation and outlook in the bovine meat sector on the basis of notes prepared by the Secretariat (IMA/W/1 and IMA/W/7, refer) as well as the questionnaires submitted by Parties. Parties also had a general exchange of views on the functioning of the Agreement in the light of past experience under the Arrangement Regarding Bovine Meat and the Uruguay Round outcome. At its meeting in June 1996, the Council invited the Chairman to undertake informal consultations on various issues, including the future of the Agreement.

MINISTERIAL DECLARATION ON TRADE IN INFORMATION TECHNOLOGY PRODUCTS

Singapore, Ministerial Conference, 13 December 1996
(WT/MIN(96)/16)

Ministers,

Representing the following Members of the World Trade Organization ("WTO"), and States or separate customs territories in the process of acceding to the WTO, which have agreed in Singapore on the expansion of world trade in information technology products and which account for well over 80 per cent of world trade in these products ("parties"):

Australia
Norway
Canada
Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu
European Communities
Hong Kong
Iceland
Indonesia
Japan
Korea
Singapore
Switzerland[1]
Turkey
United States

[1] On behalf of the customs union Switzerland and Liechtenstein.

Considering the key role of trade in information technology products in the development of information industries and in the dynamic expansion of the world economy,

Recognizing the goals of raising standards of living and expanding the production of and trade in goods;

Desiring to achieve maximum freedom of world trade in information technology products;

Desiring to encourage the continued technological development of the information technology industry on a world-wide basis;

Mindful of the positive contribution information technology makes to global economic growth and welfare;

Having agreed to put into effect the results of these negotiations which involve concessions additional to those included in the Schedules attached to the Marrakesh Protocol to the General Agreement on Tariffs and Trade 1994, and

Recognizing that the results of these negotiations also involve some concessions offered in negotiations leading to the establishment of Schedules annexed to the Marrakesh Protocol,

Declare as follows:

1. Each party's trade regime should evolve in a manner that enhances market access opportunities for information technology products.

2. Pursuant to the modalities set forth in the Annex to this Declaration, each party shall bind and eliminate customs duties and other duties and charges of any kind, within the meaning of Article II:1(b) of the General Agreement on Tariffs and Trade 1994, with respect to the following:

   (a) all products classified (or classifiable) with Harmonized System (1996) ("HS") headings listed in Attachment A to the Annex to this Declaration; and

   (b) all products specified in Attachment B to the Annex to this Declaration, whether or not they are included in Attachment A;

through equal rate reductions of customs duties beginning in 1997 and concluding in 2000, recognizing that extended staging of reductions and, before implementation, expansion of product coverage may be necessary in limited circumstances.

3. Ministers express satisfaction about the large product coverage outlined in the Attachments to the Annex to this Declaration. They instruct their respective officials to make good faith efforts to finalize plurilateral technical discussions in Geneva on the basis of these modalities, and instruct these officials to complete this work by 31 January 1997, so as to ensure the implementation of this Declaration by the largest number of participants.

4. Ministers invite the Ministers of other Members of the WTO, and States or separate customs territories in the process of acceding to the WTO, to provide similar instructions to their respective officials, so that they may participate in

the technical discussions referred to in paragraph 3 above and participate fully in the expansion of world trade in information technology products.

Annex: Modalities and Product Coverage
Attachment A: list of HS headings
Attachment B: list of products

ANNEX

MODALITIES AND PRODUCT COVERAGE

Any Member of the World Trade Organization, or State or separate customs territory in the process of acceding to the WTO, may participate in the expansion of world trade in information technology products in accordance with the following modalities:

1. Each participant shall incorporate the measures described in paragraph 2 of the Declaration into its schedule to the General Agreement on Tariffs and Trade 1994, and, in addition, at either its own tariff line level or the Harmonized System (1996) ("HS") 6-digit level in either its official tariff or any other published versions of the tariff schedule, whichever is ordinarily used by importers and exporters. Each participant that is not a Member of the WTO shall implement these measures on an autonomous basis, pending completion of its WTO accession, and shall incorporate these measures into its WTO market access schedule for goods.

2. To this end, as early as possible and no later than 1 March 1997 each participant shall provide all other participants a document containing (a) the details concerning how the appropriate duty treatment will be provided in its WTO schedule of concessions, and (b) a list of the detailed HS headings involved for products specified in Attachment B. These documents will be reviewed and approved on a consensus basis and this review process shall be completed no later than 1 April 1997. As soon as this review process has been completed for any such document, that document shall be submitted as a modification to the Schedule of the participant concerned, in accordance with the Decision of 26 March 1980 on Procedures for Modification and Rectification of Schedules of Tariff Concessions (BISD 27S/25).

(a) The concessions to be proposed by each participant as modifications to its Schedule shall bind and eliminate all customs duties and other duties and charges of any kind on information technology products as follows:

(i) elimination of such customs duties shall take place through rate reductions in equal steps, except as may be otherwise agreed by the participants. Unless otherwise agreed by the participants, each participant shall bind all tariffs on items listed in the Attachments no later than 1 July 1997, and

shall make the first such rate reduction effective no later than 1 July 1997, the second such rate reduction no later than 1 January 1998, and the third such rate reduction no later than 1 January 1999, and the elimination of customs duties shall be completed effective no later than 1 January 2000. The participants agree to encourage autonomous elimination of customs duties prior to these dates. The reduced rate should in each stage be rounded off to the first decimal; and

(ii) elimination of such other duties and charges of any kind, within the meaning of Article II:1(b) of the General Agreement, shall be completed by 1 July 1997, except as may be otherwise specified in the participant's document provided to other participants for review.

(b) The modifications to its Schedule to be proposed by a participant in order to implement its binding and elimination of customs duties on information technology products shall achieve this result:

(i) in the case of the HS headings listed in Attachment A, by creating**,** where appropriate**,** sub-divisions in its Schedule at the national tariff line level; and

(ii) in the case of the products specified in Attachment B, by attaching an annex to its Schedule including all products in Attachment B, which is to specify the detailed HS headings for those products at either the national tariff line level or the HS 6-digit level.

Each participant shall promptly modify its national tariff schedule to reflect the modifications it has proposed, as soon as they have entered into effect.

3. Participants shall meet periodically under the auspices of the Council on Trade in Goods to review the product coverage specified in the Attachments, with a view to agreeing, by consensus, whether in the light of technological developments, experience in applying the tariff concessions, or changes to the HS nomenclature, the Attachments should be modified to incorporate additional products, and to consult on non-tariff barriers to trade in information technology products. Such consultations shall be without prejudice to rights and obligations under the WTO Agreement.

4. Participants shall meet as soon as practicable and in any case no later than 1 April 1997 to review the state of acceptances received and to assess the conclusions to be drawn therefrom. Participants will implement the actions foreseen in the Declaration provided that participants representing approximately 90 per cent of world trade[2] in information technology products have by then notified their

[2] This percentage shall be calculated by the WTO Secretariat on the basis of the most recent data available at the time of the meeting.

acceptance, and provided that the staging has been agreed to the participants' satisfaction. In assessing whether to implement actions foreseen in the Declaration, if the percentage of world trade represented by participants falls somewhat short of 90 per cent of world trade in information technology products, participants may take into account the extent of the participation of States or separate customs territories representing for them the substantial bulk of their own trade in such products. At this meeting the participants will establish whether these criteria have been met.

5. Participants shall meet as often as necessary and no later than 30 September 1997 to consider any divergence among them in classifying information technology products, beginning with the products specified in Attachment B. Participants agree on the common objective of achieving, where appropriate, a common classification for these products within existing HS nomenclature, giving consideration to interpretations and rulings of the Customs Co-operation Council (also known as the World Customs Organization or "WCO"). In any instance in which a divergence in classification remains, participants will consider whether a joint suggestion could be made to the WCO with regard to updating existing HS nomenclature or resolving divergence in interpretation of the HS nomenclature.

6. The participants understand that Article XXIII of the General Agreement will address nullification or impairment of benefits accruing directly or indirectly to a WTO Member participant through the implementation of this Declaration as a result of the application by another WTO Member participant of any measure, whether or not that measure conflicts with the provisions of the General Agreement.

7. Each participant shall afford sympathetic consideration to any request for consultation from any other participant concerning the undertakings set out above. Such consultations shall be without prejudice to rights and obligations under the WTO Agreement.

8. Participants acting under the auspices of the Council for Trade in Goods shall inform other Members of the WTO and States or separate customs territories in the process of acceding to the WTO of these modalities and initiate consultations with a view to facilitate their participation in the expansion of trade in information technology products on the basis of the Declaration.

9. As used in these modalities, the term "participant" shall mean those Members of the WTO, or States or separate customs territories in the process of acceding to the WTO, that provide the document described in paragraph 2 no later than 1 March 1997.

10. This Annex shall be open for acceptance by all Members of the WTO and any State or any separate customs territory in the process of acceding to the WTO. Acceptances shall be notified in writing to the Director-General who shall communicate them to all participants.

There are two attachments to the Annex.

Attachment A lists the HS headings or parts thereof to be covered.

Attachment B lists specific products to be covered by an ITA wherever they are classified in the HS .

Attachment A, Section 1

	HS96		HS description
	3818		Chemical elements doped for use in electronics, in form of discs, wafers or similar forms; chemical compounds doped for use in electronics
	8469	11	Word processing machines
	8470		Calculating machines and pocket-size data recording, reproducing and displaying machines with a calculating function; accounting machines, postage franking machines, ticket-issuing machines and similar machines, incorporating a calculating devices; cash registers:
	8470	10	Electronic calculators capable of operating without an external source of electric power and pocket size data recording, reproducing and displaying machines with calculating functions
	8470	21	Other electronic calculating machines incorporating a printing device
	8470	29	Other
	8470	30	Other calculating machines
	8470	40	Accounting machines
	8470	50	Cash registers
	8470	90	Other
	8471		Automatic data processing machines and units thereof; magnetic or optical readers, machines for transcribing data onto data media in coded form and machines for processing such data, not elsewhere specified or included:
	8471	10	Analogue or hybrid automatic data processing machines
	8471	30	Portable digital automatic data processing machines, weighing no more than 10 kg, consisting of at least a central processing unit, a keyboard and a display
	8471	41	Other digital automatic data processing machines comprising in the same housing at least a central processing unit and an input and output unit, whether or not combined
	8471	49	Other digital automatic data processing machines presented in the form of systems
	8471	50	Digital processing units other than those of subheading 8471 41 and 8471 49, whether or not in the same housing one or two of the following types of units : storage units, input units, output units
	8471	60	Input or output units, whether or not containing storage units in the same housing
	8471	70	Storage units, including central storage units, optical disk storage units, hard disk drives and magnetic tape storage units
	8471	80	Other units of automatic data processing machines
	8471	90	Other
ex	8472	90	Automatic teller machines
	8473	21	Parts and accessories of the machines of heading No 8470 of the electronic calculating machines of subheading 8470 10, 8470 21 and 8470 29

	HS96		HS description
	8473	29	Parts and accessories of the machines of heading No 8470 other than the electronic calculating machines of subheading 8470 10, 8470 21 and 8470 29
	8473	30	Parts and accessories of the machines of heading No 8471
	8473	50	Parts and accessories equally suitable for use with machines of two or more of the headings Nos. 8469 to 8472
ex	8504	40	Static converters for automatic data processing machines and units thereof, and telecommunication apparatus
ex	8504	50	Other inductors for power supplies for automatic data processing machines and units thereof, and telecommunication apparatus
	8517		Electrical apparatus for line telephony or line telegraphy, including line telephone sets with cordless handsets and telecommunication apparatus for carrier-current line systems or for digital line systems; videophones:
	8517	11	Line telephone sets with cordless handsets
	8517	19	Other telephone sets and videophones
	8517	21	Facsimile machines
	8517	22	Teleprinters
	8517	30	Telephonic or telegraphic switching apparatus
	8517	50	Other apparatus, for carrier-current line systems or for digital line systems
	8517	80	Other apparatus including entry-phone systems
	8517	90	Parts of apparatus of heading 8517
ex	8518	10	Microphones having a frequency range of 300 Hz to 3,4 KHz with a diameter of not exceeding 10 mm and a height not exceeding 3 mm, for telecommunication use
ex	8518	30	Line telephone handsets
ex	8518	29	Loudspeakers, without housing, having a frequency range of 300 Hz to 3,4 KHz with a diameter of not exceeding 50 mm, for telecommunication use
	8520	20	Telephone answering machines
	8523	11	Magnetic tapes of a width not exceeding 4 mm
	8523	12	Magnetic tapes of a width exceeding 4 mm but not exceeding 6,5 mm
	8523	13	Magnetic tapes of a width exceeding 6,5 mm
	8523	20	Magnetic discs
	8523	90	Other
	8524	31	Discs for laser reading systems for reproducing phenomena other than sound or image
ex	8524	39	Other :
			- for reproducing representations of instructions, data, sound, and image, recorded in a machine readable binary form, and capable of being manipulated or providing interactivity to a user, by means of an automatic data processing machine
	8524	40	Magnetic tapes for reproducing phenomena other than sound or image
	8524	91	Media for reproducing phenomena other than sound or image
ex	8424	99	Other :
			- for reproducing representations of instructions, data, sound, and image, recorded in a machine readable binary form, and capable of being manipulated or providing interactivity to a user, by means of an automatic data processing machine

	HS96		HS description
ex	8525	10	Transmission apparatus other than apparatus for radio-broadcasting or television
	8525	20	Transmission apparatus incorporating reception apparatus
ex	8525	40	Digital still image video cameras
ex	8527	90	Portable receivers for calling, alerting or paging
ex	8529	10	Aerials or antennae of a kind used with apparatus for radio-telephony and radio-telegraphy
ex	8529	90	Parts of:
			transmission apparatus other than apparatus for radio-broadcasting or television
			transmission apparatus incorporating reception apparatus
			digital still image video cameras,
			portable receivers for calling, alerting or paging
	8531	20	Indicator panels incorporating liquid crystal devices (LCD) or light emitting diodes (LED)
ex	8531	90	Parts of apparatus of subheading 8531 20
	8532		Electrical capacitors, fixed, variable or adjustable (pre-set):
	8532	10	Fixed capacitors designed for use in 50/60 Hz circuits and having a reactive power handling capacity of not less than 0,5 kvar (power capacitors)
	8532	21	Tantalum fixed capacitors
	8532	22	Aluminium electrolytic fixed capacitors
	8532	23	Ceramic dielectric, single layer fixed capacitors
	8532	24	Ceramic dielectric, multilayer fixed capacitors
	8532	25	Dielectric fixed capacitors of paper or plastics
	8532	29	Other fixed capacitors
	8532	30	Variable or adjustable (pre-set) capacitors
	8532	90	Parts
	8533		Electrical resistors (including rheostats and potentiometers), other than heating resistors:
	8533	10	Fixed carbon resistors, composition or film types
	8533	21	Other fixed resistors for a power handling capacity not exceeding 20 W
	8533	29	Other fixed resistors for a power handling capacity of 20 W or more
	8533	31	Wirewound variable resistors, including rheostats and potentiometers, for a power handling capacity not exceeding 20 W
	8533	39	Wirewound variable resistors, including rheostats and potentiometers, for a power handling capacity of 20 W or more
	8533	40	Other variable resistors, including rheostats and potentiometers
	8533	90	Parts
	8534		Printed circuits
ex	8536	50	Electronic AC switches consisting of optically coupled input and output circuits (Insulated thyristor AC switches)
ex	8536	50	Electronic switches, including temperature protected electronic switches, consisting of a transistor and a logic chip (chip-on-chip technology) for a voltage not exceeding 1000 volts
ex	8536	50	Electromechanical snap-action switches for a current not exceeding 11 amps

	HS96		HS description
ex	8536	69	Plugs and sockets for co-axial cables and printed circuits
ex	8536	90	Connection and contact elements for wires and cables
	8541		Diodes, transistors and similar semiconductor devices; photosensitive semiconductor devices, including photovoltaic cells whether or not assembled in modules or made up into panels; light-emitting diodes; mounted piezo-electric crystals:
	8541	10	Diodes, other than photosensitive or light-emitting diodes
	8541	21	Transistors, other than photosensitive transistors, with a dissipation rate of less than 1 W
	8541	29	Transistors, other than photosensitive transistors, with a dissipation rate of 1 W or more
	8541	30	Thyristors, diacs and triacs, other than photosensitive devices
	8541	40	Photosensitive semiconductor devices, including photovoltaic cells whether or not assembled in modules or made up into panels; light emitting diodes
	8541	50	Other semiconductor devices
	8541	60	Mounted piezo-electric crystals
	8541	90	Parts
	8542		Electronic integrated circuits and microassemblies
	8542	12	Cards incorporating an electronic integrated circuit ('smart' cards)
	8542	13	Metal oxide semiconductors (MOS technology)
	8542	14	Circuits obtained by bipolar technology
	8542	19	Other monolithic digital integrated circuits, including circuits obtained by a combination of bipolar and MOS technologies (BIMOS technology)
	8542	30	Other monolithic integrated circuits
	8542	40	Hybrid integrated circuits
	8542	50	Electronic microassemblies
	8542	90	Part
	8543	81	Proximity cards and tags
ex	8543	89	Electrical machines with translation or dictionary functions
ex	8544	41	Other electric conductors, for a voltage not exceeding 80 V, fitted with connectors, of a kind used for telecommunications
ex	8544	49	Other electric conductors, for a voltage not exceeding 80 V, not fitted with connectors, of a kind used for telecommunications
ex	8544	51	Other electric conductors, for a voltage exceeding 80 V but not exceeding 1000 V, fitted with connectors, of a kind used for telecommunications
	8544	70	Optical fibre cables
	9009	11	Electrostatic photocopying apparatus, operating by reproducing the original image directly onto the copy (direct process)]
	9009	21	Other photocopying apparatus, incorporating an optical system
	9009	90	Parts and accessories
	9026		Instruments and apparatus for measuring or checking the flow, level, pressure or other variables of liquids or gases (for example, flow meters, level gauges, manometers, heat meters), excluding instruments and apparatus of heading No 9014, 9015, 9028 or 9032:
	9026	10	Instruments for measuring or checking the flow or level of liquids

	HS96		HS description
	9026	20	Instruments and apparatus for measuring or checking pressure
	9026	80	Other instruments and apparatus for measuring or checking of heading 9026
	9026	90	Parts and accessories of instruments and apparatus of heading 9026
	9027	20	Chromatographs and electrophoresis instruments
	9027	30	Spectrometers, spectrophotometers and spectrographs using optical radiations (UV, visible, IR)
	9027	50	Other instruments and apparatus using optical radiations (UV, visible, IR) of heading No 9027
	9027	80	Other instruments and apparatus of heading No 9027 (other than those of heading No 9027 10)
ex	9027	90	Parts and accessories of products of heading 9027, other than for gas or smoke analysis apparatus and microtomes
	9030	40	Instruments and apparatus for measuring and checking, specially designed for telecommunications (for example, cross-talk meters, gain measuring instruments, distorsion factor meters, psophometers)

Attachment A, Section 2

Semiconductor manufacturing and testing equipment and parts thereof

	HS Code	Description	Comments
ex	7017 10	Quartz reactor tubes and holders designed for insertion into diffusion and oxidation furnaces for production of semiconductor wafers	For Attachment B
ex	8419 89	Chemical vapor deposition apparatus for semiconductor production	For Attachment B
ex	8419 90	Parts of chemical vapor deposition apparatus for semiconductor production	For Attachment B
ex	8421 19	Spin dryers for semiconductor wafer processing	
ex	8421 91	Parts of spin dryers for semiconductor wafer processing	
ex	8424 89	Deflash machines for cleaning and removing contaminants from the metal leads of semiconductor packages prior to the electroplating process	
ex	8424 89	Spraying appliances for etching, stripping or cleaning semiconductor wafers	
ex	8424 90	Parts of spraying appliances for etching, stripping or cleaning semiconductor wafers	
ex	8456 10	Machines for working any material by removal of material, by laser or other light or photo beam in the production of semiconductor wafers	
ex	8456 91	Apparatus for stripping or cleaning semiconductor wafers	For Attachment B
	8456 91	Machines for dry-etching patterns on semiconductor materials	
ex	8456 99	Focused ion beam milling machines to produce or repair masks and reticles for patterns on semiconductor devices	

	HS Code	Description	Comments
ex	8456 99	Lasercutters for cutting contacting tracks in semiconductor production by laser beam	For Attachment B
ex	8464 10	Machines for sawing monocrystal semiconductor boules into slices, or wafers into chips	For Attachment B
ex	8464 20	Grinding, polishing and lapping machines for processing of semiconductor wafers	
ex	8464 90	Dicing machines for scribing or scoring semiconductor wafers	
ex	8466 91	Parts for machines for sawing monocrystal semiconductor boules into slices, or wafers into chips	For Attachment B
ex	8466 91	Parts of dicing machines for scribing or scoring semiconductor wafers	For Attachment B
ex	8466 91	Parts of grinding, polishing and lapping machines for processing of semiconductor wafers	
ex	8466 93	Parts of focused ion beam milling machines to produce or repair masks and reticles for patterns on semiconductor devices	
ex	8466 93	Parts of lasercutters for cutting contacting tracks in semiconductor production by laser beam	For Attachment B
ex	8466 93	Parts of machines for working any material by removal of material, by laser or other light or photo beam in the production of semiconductor wafers	
ex	8456 93	Parts of apparatus for stripping or cleaning semiconductor wafers	For Attachment B
ex	8466 93	Parts of machines for dry-etching patterns on semiconductor materials	
ex	8477 10	Encapsulation equipment for assembly of semiconductors	For Attachment B
ex	8477 90	Parts of encapsulation equipment	For Attachment B
ex	8479 50	Automated machines for transport, handling and storage of semiconductor wafers, wafer cassettes, wafer boxes and other material for semiconductor devices	For Attachment B
ex	8479 89	Apparatus for growing or pulling monocrystal semiconductor boules	
ex	8479 89	Apparatus for physical deposition by sputtering on semiconductor wafers	For Attachment B
ex	8479 89	Apparatus for wet etching, developing, stripping or cleaning semiconductor wafers and flat panel displays	For Attachment B
ex	8479 89	Die attach apparatus, tape automated bonders, and wire bonders for assembly of semiconductors	For Attachment B
ex	8479 89	Encapsulation equipment for assembly of semiconductors	For Attachment B
ex	8479 89	Epitaxial deposition machines for semiconductor wafers	
ex	8479 89	Machines for bending, folding and straightening semiconductor leads	For Attachment B
ex	8479 89	Physical deposition apparatus for for semiconductor production	For Attachment B

	HS Code	Description	Comments
ex	8479 89	Spinners for coating photographic emulsions on semiconductor wafers	For Attachment B
ex	8479 90	Part of apparatus for physical deposition by sputtering on semiconductor wafers	For Attachment B
ex	8479 90	Parts for die attach apparatus, tape automated bonders, and wire bonders for assembly of semiconductors	For Attachment B
ex	8479 90	Parts for spinners for coating photographic emulsions on semiconductor wafers	For Attachment B
ex	8479 90	Parts of apparatus for growing or pulling monocrystal semiconductor boules	
ex	8479 90	Parts of apparatus for wet etching, developing, stripping or cleaning semiconductor wafers and flat panel displays	For Attachment B
ex	8479 90	Parts of automated machines for transport, handling and storage of semiconductor wafers, wafer cassettes, wafer boxes and other material for semiconductor devices	For Attachment B
ex	8479 90	Parts of encapsulation equipment for assembly of semiconductors	For Attachment B
ex	8479 90	Parts of epitaxial deposition machines for semiconductor wafers	
ex	8479 90	Parts of machines for bending, folding and straightening semiconductor leads	For Attachment B
ex	8479 90	Parts of physical deposition apparatus for for semiconductor production	For Attachment B
ex	8480 71	Injection and compression moulds for the manufacture of semiconductor devices	
ex	8514 10	Resistance heated furnaces and ovens for the manufacture of semiconductor devices on semiconductor wafers	
ex	8514 20	Inductance or dielectric furnaces and ovens for the manufacture of semiconductor devices on semiconductors wafers	
ex	8514 30	Apparatus for rapid heating of semiconductor wafers	For Attachment B
ex	8514 30	Parts of resistance heated furnaces and ovens for the manufacture of semiconductor devices on semiconductor wafers	
ex	8514 90	Parts of apparatus for rapid heating of wafers	For Attachment B
ex	8514 90	Parts of furnaces and ovens of Headings No 8514 10 to No 8514 30	
ex	8536 90	Wafer probers	For Attachment B
	8543 11	Ion implanters for doping semiconductor materials	
ex	8543 30	Apparatus for wet etching, developing, stripping or cleaning semiconductor wafers and flat panel displays	For Attachment B
ex	8543 90	Parts of apparatus for wet etching, developing, stripping or cleaning semiconductor wafers and flat panel displays	For Attachment B
ex	8543 90	Parts of ion implanters for doping semiconductor materials	

	HS Code	Description	Comments
	9010 41 to 9010 49	Apparatus for projection, drawing or plating circuit patterns on sensitized semiconductor materials and flat panel displays	
ex	9010 90	Parts and accessories of the apparatus of Headings No 9010 41 to 9010 49	
ex	9011 10	Optical stereoscopic microscopes fitted with equipment specifically designed for the handling and transport of semiconductor wafers or reticles	For Attachment B
ex	9011 20	Photomicrographic microscopes fitted with equipment specifically designed for the handling and transport of semiconductor wafers or reticles	For Attachment B
ex	9011 90	Parts and accessories of optical stereoscopic microscopes fitted with equipment specifically designed for the handling and transport of semiconductor wafers or reticles	For Attachment B
ex	9011 90	Parts and accessories of photomicrographic microscopes fitted with equipment specifically designed for the handling and transport of semiconductor wafers or reticles	For Attachment B
ex	9012 10	Electron beam microscopes fitted with equipment specifically designed for the handling and transport of semiconductor wafers or reticles	For Attachment B
ex	9012 90	Parts and accessories of electron beam microscopes fitted with equipment specifically designed for the handling and transport of semiconductor wafers or reticles	For Attachment B
ex	9017 20	Pattern generating apparatus of a kind used for producing masks or reticles from photoresist coated substrates	For Attachment B
ex	9017 90	Parts and accessories for pattern generating apparatus of a kind used for producing masks or reticles from photoresist coated substrates	For Attachment B
ex	9017 90	Parts of such pattern generating apparatus	For Attachment B
	9030 82	Instruments and apparatus for measuring or checking semiconductor wafers or devices	
ex	9030 90	Parts and accessories of instruments and apparatus for measuring or checking semiconductor wafers or devices	
ex	9030 90	Parts of instruments and appliances for measuring or checking semiconductor wafers or devices	
	9031 41	Optical instruments and appliances for inspecting semiconductor wafers or devices or for inspecting masks, photomasks or reticles used in manufacturing semiconductor devices	

	HS Code	Description	Comments
ex	9031 49	Optical instruments and appliances for measuring surface particulate contamination on semiconductor wafers	
ex	9031 90	Parts and accessories of optical instruments and appliances for inspecting semiconductor wafers or devices or for inspecting masks, photomasks or reticles used in manufacturing semiconductor devices	
ex	9031 90	Parts and accessories of optical instruments and appliances for measuring surface particulate contamination on semiconductor wafers	

Attachment B

Positive list of specific products to be covered by this agreement wherever they are classified in the HS.

Where parts are specified, they are to be covered in accordance with HS Notes 2(b) to Section XVI and Chapter 90, respectively.

Computers: automatic data processing machines capable of 1) storing the processing program or programs and at least the data immediately necessary for the execution of the program; 2) being freely programmed in accordance with the requirements of the user; 3) performing arithmetical computations specified by the user; and 4) executing, without human intervention, a processing program which requires them to modify their execution, by logical decision during the processing run.

The agreement covers such automatic data processing machines whether or not they are able to receive and process with the assistance of central processing unit telephony signals, television signals, or other analogue or digitally processed audio or video signals. Machines performing a specific function other than data processing, or incorporating or working in conjunction with an automatic data processing machine, and not otherwise specified under Attachment A or B, are not covered by this agreement.

Electric amplifiers when used as repeaters in line telephony products falling within this agreement, and parts thereof

Flat panel displays (including LCD, Electro Luminescence, Plasma and other technologies) for products falling within this agreement, and parts thereof.

Network equipment: Local Area Network (LAN) and Wide Area Network (WAN) apparatus, including those products dedicated for use solely or principally to permit the interconnection of automatic data processing machines and units thereof for a network that is used primarily for the sharing of resources such as central processor units, data storage devices and input or output units - including adapters, hubs, in-line repeaters, converters, concentrators, bridges and routers, and printed circuit assemblies for physical incorporation into automatic data processing machines and units thereof.

Monitors : display units of automatic data processing machines with a cathode ray tube with a dot screen pitch smaller than 0,4 mm not capable of receiving and processing television signals or other analogue or digitally processed audio or video signals without assistance of a central processing unit of a computer as defined in this agreement.

The agreement does not, therefore, cover televisions, including high definition televisions.[3]

Optical disc storage units, for automatic data processing machines (including CD drives and DVD-drives), whether or not having the capability of writing/recording as well as reading, whether or not in their own housings.

Paging alert devices, and parts thereof.

Plotters whether input or output units of HS heading No 8471 or drawing or drafting machines of HS heading No 9017.

Printed Circuit Assemblies for products falling within this agreement, including such assemblies for external connections such as cards that conform to the PCMCIA standard.

Such printed circuit assemblies consist of one or more printed circuits of heading 8534 with one or more active elements assembled thereon, with or without passive elements "Active elements" means diodes, transistors, and similar semiconductor devices, whether or not photosensitive, of heading 8541, and integrated circuits and micro assemblies of heading 8542.

Projection type flat panel display units used with automatic data processing machines which can display digital information generated by the central processing unit.

Proprietary format storage devices including media therefor for automatic data processing machines, with or without removable media and whether magnetic, optical or other technology, including Bernoulli Box, Syquest, or Zipdrive cartridge storage units.

Multimedia upgrade kits for automatic data processing machines, and units thereof, put up for retail sale, consisting of, at least, speakers and/or microphones as well as a printed circuit assembly that enables the ADP machines and units thereof to process audio signals (sound cards).

Set top boxes which have a communication function: a microprocessor-based device incorporating a modem for gaining access to the Internet, and having a function of interactive information exchange.

[3] Participants will conduct a review of this product description in January 1999 under the consultation provisions of paragraph 3 of the Declaration

DECISIONS AND REPORTS NOT INCLUDED

General Council	
Annual report 1996	WT/GC/7
Dispute Settlement Body	
Annual report 1996	WT/DSB/8
Trade Policy Review Body	
Annual report 1996	WT/TPR/27
Reviews	
- Brazil	WT/TPR/M/21 + Add.1
- Canada	WT/TPR/M/22
- Czech Republic	WT/TPR/M/12
- Colombia	WT/TPR/M/18
- Dominican Republic	WT/TPR/M/11
- El Salvador	WT/TPR/M/23
- Morocco	WT/TPR/M/8
- Norway	WT/TPR/M/15 + Add.1
- New Zealand	WT/TPR/M/20
- Republic of Korea	WT/TPR/M/19 + Add.1
- Singapore	WT/TPR/M/14
- Switzerland	WT/TPR/M/13 + Add.1
- United States	WT/TPR/M/16 + Add.1
- Venezuela	WT/TPR/M/10 + Add.1
- Zambia	WT/TPR/M/17 + Add.1
Council for Trade in Goods	
Annual report 1996	G/L/134
Committee on Anti-Dumping Practices	
Annual report 1996	G/L/123
Committee on Customs Valuation	
Annual report 1996	G/L/121
Committee on Import Licensing	
Annual report 1996	G/L/127
Committee on Market Access	
Annual report 1996	G/L/132
Committee on Rules of Origin	
Annual report 1996	G/L/119
Committee on Safeguards	
Annual report 1996	G/L/129

Committee on Sanitary and Phytosanitary Measures	
Annual report 1996	G/L/118
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Committee on Balance-of-Payments Restrictions	
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Consultations	
- Hungary	WT/BOP/R/17
- India	WT/BOP/R/11
- Nigeria	WT/BOP/R/13
- Slovak Republic	WT/BOP/R/15,18
- Tunisia	WT/BOP/R/14
Committee on Budget, Finance and Administration	
Annual report 1996	WT/BFA/29
Reports of the Committee on Budget, Finance and Administration	WT/BFA/16,18, 20-22, 24, 26
Committee on Regional Trade Agreements	
Annual report 1996	WT/REG/2
Committee on Trade and Development	
Annual report 1996	WT/COMTD/9
Committee on Trade and Environment	
Annual report 1996	WT/CTE/1
Council for Trade in Services	
Annual report 1996	S/C/3
Committee on Trade in Financial Services	
Annual report 1996	S/FIN/2
Negotiating Group on Basic Telecommunications	
Annual report 1996	S/NGBT/18
Group on Basic Telecommunications	
Annual report 1996	S/GBT/2

Negotiating Group on Maritime Transport Services	
Report	S/NGMTS/16
Working Party on GATS rules	
Report	S/WPGR/1
Working Party on Professional Services	
Annual report 1996	S/WPPS/1

INDEX

[1] WTO panels and Appellate Body reports, as well as arbitration awards, can be found in the Dispute Settlement Reports DSR series co-published by the WTO and Cambridge University Press.

[2] WTO panels and Appellate Body reports, as well as arbitration awards, can be found in the Dispute Settlement Reports DSR series co-published by the WTO and Cambridge University Press.

[3] WTO panels and Appellate Body reports, as well as arbitration awards, can be found in the Dispute Settlement Reports DSR series co-published by the WTO and Cambridge University Press