

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONTRACTING PARTIES

COMMITTEE ON SPECIAL EXCHANGE AGREEMENTS

Article V

(Article VII of Drafting Committee's Report,
GATT/CEA.2/W.7)

Avoidance of Restrictions on Current Payments

New Zealand

1. Subject to the provisions of Article VIII

(1) the Government of _____ shall not, without first consulting with the CONTRACTING PARTIES, impose restrictions on the making of payments and transfers for current international transactions.

Alternative A:
New Zealand

2. The Government of _____ may impose

restrictions if the CONTRACTING PARTIES as a result of consultation under paragraph 1 are satisfied [that the sole effect of the restrictions, additional to other effects permitted under this Agreement, is to operate or prevent the evasion of non-discriminatory import restrictions imposed in accordance with the provisions of Article XII of the General Agreement.] *

Alternative B:
United Kingdom

2. If the CONTRACTING PARTIES are satisfied

that the conditions set out in paragraph 2 of Article XII of the General Agreement apply in relation to the Government of _____, and that the sole effect of non-discriminatory restrictions on

* Paragraph 2/1 is intended to indicate New Zealand's requirements as to the general form of such a paragraph into which could be inserted criteria which meet New Zealand's position, worded in a way acceptable to the Committee.

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payments and transfers which the Government of _____ may propose or be imposing is to make such restriction of imports effective, the CONTRACTING PARTIES shall concur in the imposition of such restrictions on payments and transfers as being in accordance with this Agreement, provided that nothing in this paragraph shall be construed so as to prejudice the rights of any contracting party under the General Agreement.

Alternative C: 2. provided that when, in the con-
The Chairman sideration of any proposal under paragraph 1 of this Article which is non-discriminatory, the CONTRACTING PARTIES find that the conditions described in Article XII, paragraph (2) (a) of the General Agreement are present, the proposal shall not be rejected unless the CONTRACTING PARTIES authorize an alternative plan of exchange controls adequate to meet the balance-of-payments condition found.

New Zealand 3. The Government of _____ shall not, except with the concurrence of the CONTRACTING PARTIES, impose any restrictions on the making of payments and transfers for current international transactions which do not come within the scope of paragraph 2.