

RESTRICTED

GATT/CEA.2/W.11
16 June 1949

CONTRACTING PARTIES

Third Session

DRAFT FINAL REPORT OF THE COMMITTEE
ON SPECIAL EXCHANGE AGREEMENTS

1. The Committee met at Annecy from April 12 to June 1949 to give a final reading to the text of a model special exchange agreement consistent with the provisions of Article XV of the General Agreement.
2. The text of the draft special exchange agreement as well as of the two draft resolutions submitted to the CONTRACTING PARTIES is annexed to this report.
3. The changes introduced in the draft agreement annexed to the interim report of the Committee (GATT/CEA/7, 16 November, 1948) do not modify the scope or the substance of that draft, but the form of the agreement has been altered. Instead of proposing a multi-lateral agreement to which all contracting parties not members of the International Monetary Fund would be required to adhere, the Committee is recommending the conclusion with each such contracting party of a separate bilateral agreement in the terms of the model agreement annexed to the resolution to be passed by the CONTRACTING PARTIES.
4. The text of Articles II and VI of the draft agreement annexed to resolution No. 1 will require adjustment if the signatory is to be a contracting party which uses one or more non-metropolitan currencies, in addition to the currency of its metropolitan territory, in the territories in respect of which it has accepted (or is provisionally applying) the General Agreement.

~174~

5. The Committee was also instructed in its terms of reference to recommend the time within which those contracting parties which are not members of the Fund must either join the Fund or enter into a special exchange agreement with the CONTRACTING PARTIES. In draft resolution No. 1 submitted by the Committee, it is suggested that each existing contracting party should deposit an instrument of acceptance of the special exchange agreement to be entered into by it with the CONTRACTING PARTIES on or before the first day after 1 November 1949 on which the CONTRACTING PARTIES are in session, if it is not then a member of the Fund. In view of the special difficulties stressed by the representative of New Zealand, the Committee submits draft resolution No. 2 which would give an opportunity to the Government of New Zealand to suggest variations in the text of the special exchange agreement at the first session held by the CONTRACTING PARTIES after 1 November 1949. As regards the acceding governments, the Committee suggests that each such government should be required to accept a special exchange agreement within four months after it has become a contracting party, or on or before the first day after 1 November 1949, on which the CONTRACTING PARTIES are in session (whichever is the later) if such acceding government is not a member of the Fund.

6. The Committee also proposes that the Chairman of the CONTRACTING PARTIES should be authorized to sign the special exchange agreements with the governments concerned and to take all necessary action to execute the agreements and give effect to the Resolutions relating to the creation of special exchange agreements.

7. Finally, the Committee wishes to draw the attention of the CONTRACTING PARTIES to the desirability of embodying the substance of the sixth paragraph of draft resolution No. 1, annexed to this report, in the Annex Protocol of Terms of Accession to the General Agreement on Tariffs and Trade.

Document Symbol	Language	Title of document
Symbol: GATT/CEA/N		
1	E.	Notes on Discussions on 1st and 2nd November 1948 (Second Meeting-London)
2	E.	Second Meeting - Notes on Discussions 5 November 1948
3	E.	Notes on Discussions on 8 November 1948
4	E.	Notes on Discussions on 9 November 1948
