

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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COUNCIL
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LEGAL REQUIREMENTS AT THE NEW HEADQUARTERS

Note by the Director-General

As the GATT is now moving to its own headquarters in the Centre William Rappard a number of arrangements of a legal and contractual nature are to be made. These include not only contracts in which the GATT acts as a private legal personality, but also arrangements in which the GATT functions as an international institution. There is, for example, the contract with FIPOI on the rental of the GATT premises, which involves well over one million francs annually for a period of at least fifteen years. There is the contract with the Swiss Bank Corporation for the installation of an agency in the GATT premises. There are, furthermore, arrangements to be made with the Swiss authorities, on the one hand, for the protection of the inviolability of the GATT premises and, on the other hand, for the waiving of this inviolability in case of emergency.

The legal status of GATT in Switzerland is determined, at present, by a unilateral declaration by the Swiss federal authorities under which the federal authorities have agreed to apply to the ICITO, on a provisional basis and by analogy, the same status as that enjoyed by the European Office of the United Nations Organization. This declaration appears in a letter of the Département Politique Fédéral of 31 May 1948, when it was anticipated that the Charter of the International Trade Organization would enter into force; and in a letter of 7 August 1956 when it was expected that the Organization for Trade Co-operation would be established. As the agreements establishing these organizations have not entered into force, it is now necessary that the provisional arrangement be replaced by a more permanent agreement.

Discussions on this subject have been held with the Swiss federal authorities concerned as a result of which the conclusion was reached that in the present circumstances the situation could best be covered by a formal exchange of letters between the federal authorities and the Director-General of GATT, acting in the name of and on behalf of the CONTRACTING PARTIES.

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The text of a possible letter, addressed to the Director-General, on which tentative agreement has been reached reads as follows:

"Sir,

"Following the recent discussions between representatives of the Département politique fédéral and members of the GATT secretariat, we have the honour to advise you that the federal authorities are prepared to apply to GATT, by analogy, the Agreement on privileges and immunities of the United Nations concluded between the Swiss Federal Council and the Secretary-General of the United Nations on 19 April 1946.

"We would be glad if you would kindly confirm your agreement to the foregoing. This letter and your reply will then be considered as an agreement between the federal authorities and the Director-General of GATT, acting in the name of and on behalf of the CONTRACTING PARTIES. This agreement can be denounced at any time by either of the parties, subject to one year's advance notice.

"Accept, Sir, the assurances of our highest consideration."

This proposed arrangement would of course in no way affect the presently existing relationship between GATT and ICITO.

It is recommended that the Council approve the text of the proposed letter and authorize the Director-General, acting in the name of and on behalf of the CONTRACTING PARTIES, to confirm to the Swiss federal authorities his agreement with the letter.