

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Limited Distribution

CONTRACTING PARTIES  
Twenty-Fifth Session

## AGREEMENT ON IMPLEMENTATION OF ARTICLE VI

### Note by the Director-General

At the meeting of the CONTRACTING PARTIES on 14 November, the representative of India asked for a ruling in connexion with the application of the Agreement on Implementation of Article VI. He wished to know whether parties to the Agreement have a legal obligation under Article I of the GATT to apply the provisions of the Anti-Dumping Code in their trade with all GATT contracting parties, or only in their trade with those GATT contracting parties which are also parties to the Agreement.

This question was raised by some delegations early in 1967 when the text of the Code was being prepared by the Sub-Committee on Non-Tariff Barriers of the Trade Negotiations Committee. The answer given by the Director-General was to the effect that the most-favoured-nation provisions of Article I would be applicable. The question has now been re-examined in the secretariat and I concur with the view of my predecessor.

In my judgment the words of Article I - "the method of levying duties and charges (of any kind)", and "all rules and formalities in connexion with importation" - cover many of the matters dealt with in the Anti-Dumping Code, such as investigations to determine normal value or injury and the imposition of anti-dumping duties. In fact, the principle of non-discrimination in the imposition of anti-dumping duties on imports from different sources is written into the Code itself, in Article 8(b). Furthermore, for a contracting party to apply an improved set of rules for the interpretation and application of an Article of the GATT only in its trade with contracting parties which undertake to apply the same rules would introduce a conditional element into the most-favoured-nation obligations which, under Article I of GATT, are clearly unconditional.

I would refer also to Article X. Paragraph 3(a) of that Article provides that all laws, regulations, judicial decisions and administrative rulings pertaining to the classification or the valuation of products for customs purposes, or to rates of duty, taxes or other charges shall be administered in "a uniform, impartial and reasonable manner". These last words would not permit, in the treatment accorded to imported goods, discrimination based on country of origin, nor would they permit the application of one set of regulations and procedures with respect to some contracting parties and a different set with respect to the others.

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