

**PREPARATORY COMMITTEE
FOR THE
WORLD TRADE ORGANIZATION**

RESTRICTED

PC/BFA/2

7 December 1994

(94-2687)

SUB-COMMITTEE ON BUDGET,
FINANCE AND ADMINISTRATION

TRANSFER OF ASSETS, LIABILITIES, RECORDS, STAFF AND
FUNCTIONS OF THE DIRECTOR-GENERAL FROM
THE ICITO/GATT TO THE WTO¹

General

1. Article VI:1 of the WTO Agreement states that there should be a Secretariat of the WTO and Article XVI:2 that the WTO is to replace the institutional structure of the GATT and that the GATT Secretariat is to become the WTO Secretariat "to the extent practicable". The WTO is a new organization legally separate from the GATT with a different membership. The institutional transition from the GATT to the WTO therefore requires an agreement between the GATT CONTRACTING PARTIES, the Interim Commission of the International Trade Organization (ICITO), which on a reimbursable basis provides the GATT CONTRACTING PARTIES with a Secretariat, and the WTO.

2. Paragraph 8(a) of the Ministerial Decision on the Establishment of the Preparatory Committee for the WTO states that the Preparatory Committee should, "to the extent necessary, take decisions or, as appropriate, provisional decisions in advance of the establishment of the WTO" on the Headquarters Agreement, financial regulations, budget estimates, transfer of property and transfer of staff. (For the sake of legal certainty, it is considered that decisions taken by the Preparatory Committee should subsequently be endorsed by the General Council of the WTO.)

3. The staff of the GATT Secretariat is that of the ICITO, created in March 1948 to prepare administratively for the entry into force of the International Trade Organization. Rule 15 of the Rules of Procedure for the Sessions of the Contracting Parties states that:

"The usual duties of a secretariat shall, by agreement with the Interim Commission for the International Trade Organization, be performed by the Executive-Secretary of the Interim Commission on a reimburseable basis".

4. The ICITO is composed of 52 countries, not all of which are contracting parties. The ICITO has decided that an Executive Committee of 17 of its members, shall "exercise all the powers of the Interim Commission ...". See Annex 1 for membership of the Executive Committee.

¹ See CRP(94)39(Rev.2)(incorporating CRP(94)40) distributed on 30 November 1994 to the Committee on Budget, Finance and Administration.

Transfer of Assets and Liabilities

5. Assets used to administer the GATT are held variously by the Contracting Parties, the GATT (the Secretariat) and ICITO. For example, the contributions to the GATT budget are owed to the CONTRACTING PARTIES, whose assets therefore include the arrears in contributions. The official cars are registered to the GATT and library books are bought by the GATT. The funds of the GATT and the ICITO are deposited in bank accounts held in the name of ICITO/GATT. The financial assets and liabilities are detailed in the annual Financial Report by the Director-General.

6. In view of the various ownership of assets and liabilities, where appropriate the arrangements should provide for their global transfer and not the transfer of individual contracts.

Private law contracts

7. Contracts under private law, such as contracts for cleaning, maintenance or leasing equipment normally perish with the dissolution of the organization that has concluded them. Any claims for damage must be met from the property of the organization. Appropriate action will be taken to transfer them from ICITO/GATT to WTO. See Annex 2 for a list of the principal contracts.

Transfer of Contractual Rights and Obligations

8. Financial claims may be transferred without the consent of the debtor. The transfer of contractual rights and obligations may however require the consent of the other parties to the contract and may thus have to be negotiated. Agreements have been concluded in the name of the CONTRACTING PARTIES, the GATT and the ICITO, and in the ICITO/GATT. All such agreements have been examined with a view to determining whether, with the creation of the WTO, they should be denounced or renegotiated.

9. The principal personnel-related agreements are listed in Annex 3. For the most part, such agreements make no provision for the eventual dissolution of the organization and/or its replacement by another organization. In the majority of cases, the transition will be dealt with by an exchange of letters between the two signatories. In certain cases, it will be necessary to take a formal decision to extend agreements, on which further proposals will be submitted later.

GATT Secretariat

10. The GATT Secretariat is technically provided by the Interim Commission for the International Trade Organization (ICITO), with which all staff contracts have been concluded. Ideally, all aspects of the conditions of appointment of WTO staff should be determined before the establishment of the WTO Secretariat under Article VI:1 of the WTO Agreement. However, this will not be possible because the Preparatory Committee Sub-Committee on Budget, Finance and Administration wishes these issues to be considered in early 1995, in the context of the report of the external Management Review. This therefore requires transitional arrangements. This can be done by ICITO continuing to provide the duties of a Secretariat for a transitional period which would end as soon as the WTO has determined the terms and conditions of service for the staff of the WTO. The objective is the dissolution of ICITO on 30 June 1995, preceded by the offer of contracts to staff members under the provisions of Articles VI:3 and XVI:2 of the WTO Agreement.

WTO Secretariat Services for the GATT 1947: Director-General of the WTO as Director-General of the GATT 1947

11. With the transfer of the Secretariat to the WTO, GATT 1947 will no longer have a Secretariat of its own. There will be an agreement between the WTO and the CONTRACTING PARTIES on the servicing of the GATT 1947 (and the Tokyo Round Agreements) by the WTO Secretariat.

12. The records of the ICITO and the GATT will be held in custody by the WTO Secretariat until the termination of the GATT 1947 and then transferred to the WTO. Once transferred, the WTO will have the right to treat the records as its own property.

13. The Director-General of the GATT 1947 will continue to function as the depositary of legal instruments. The transfer agreement will therefore provide that the Director-General of the WTO will carry out the depositary functions of the Director-General to the GATT CONTRACTING PARTIES in the event of the termination of the GATT 1947.

Decision

14. It is for decision that a transfer agreement between the ICITO, GATT 1947 CONTRACTING PARTIES and the Preparatory Committee be concluded to provide, with effect from the entry into force of the WTO Agreement, for:

- (a) the global transfer to the WTO of all assets and liabilities of ICITO/GATT other than staff contracts;
- (b) as a transitional arrangement, the ICITO to perform the duties of a Secretariat on behalf of the WTO, on a reimbursable basis;
- (c) the dissolution of the ICITO on 30 June 1995 and the offer of contracts to staff members under the provisions of Article VI:3 and Article XVI:2 of the WTO Agreement, subject to agreement in the General Council by that date on the rules and regulations to govern the terms and conditions of service for the staff of the WTO;
- (d) the WTO Secretariat to provide Secretariat services to GATT 1947, under a common budget and common basis of assessment with a single payment from each Member or GATT 1947 Contracting Party (see PC/W/8 w.50/11);
- (e) the Director-General of GATT or the Director-General of the WTO to take appropriate action in respect of contractual arrangements, both financial and on personnel matters;
- (f) the Director-General of the WTO to perform depositary functions of the Director-General of the GATT 1947 when the GATT 1947 ceases to be applied provisionally.

ANNEX 1

INTERIM COMMISSION
OF THE INTERNATIONAL TRADE
ORGANIZATION
(ICITO)

Executive Secretary: Mr. Peter D. SUTHERLAND

EXECUTIVE COMMITTEE

Chairman: Elected at each meeting.

Membership:

Australia	Greece
Benelux	India
Brazil	Italy
Canada	Mexico
China	Norway
Colombia	Philippines
Egypt	United Kingdom
El Salvador	United States
France	

Terms of Reference:

To exercise all the powers of the Interim Commission including the power to replace the Executive Secretary if it should become necessary.

CONTRACTOR	TYPE OF CONTRACT	PERIOD OF CONTRACT	REGISTERED NAME
I. Premises and parking			
FIPOI	Lease	1.7.77 to 30.6.97	GATT
Régie Foncière	3 boxes underground parking	15.1.92 - 31.12.94	GATT
Travaux Publics/ABB Sécheron	Parking Les Mines	1.10.91 on a monthly basis	GATT
SDF	Parking RL80(20 Floor + 28 parking)	1.11.87-28.2.95	GATT
SDF	Offices RL80(60 Floor + 12 parking)	1.11.87-28.2.95	GATT
SDF	Offices (RL80)(40 Floor + 7 parking)	7.2.94-28.2.95	GATT
Régie Foncière	Offices Ch. des Mines(+ 2 places parking ext.)	1.8.92-28.2.95	GATT
CFF Parking	Parking Ch. Mines	Automatic renewal by month	GATT
Etat de Genève	Parking "Les Fougères"	1.7.1977-30.6.97	GATT
II. Leasing			
A + E Leasing	Laser Printers	1.4.94-31.12.96	ICITO/GATT
A + E Leasing	Philips Simultaneous Interpret.	1.3.93-28.2.98	ICITO/GATT
Digital Equipment	Computer software, hardware, admin.	1.6.90-1.6.96	ICITO/GATT
Rank Xerox	- 19 Photocopying machines corridors	1.7.90-30.6.95	GATT
	- 1 " " Library	1.7.91-1.6.96	GATT
III. Other contracts			
ONET	Cleaning	1.9.93- automat. renewal	ICITO/GATT
Manotel	Condition for trainees accommodation (signed 6.4.92)	Indefinite (can be broken with a 6 months written notice)	GATT
Reuters	News agency	6.6.89 automatic yearly renewal	GATT
Telecom PTT	Telephones, Natel, modems, switchboard		FIPOI
IV. Insurance			
Union Suisse Assurance	Building	expires 1.1.97	GATT
Union Suisse Assurance	Computer equipment	expires 1.1.97	GATT
Union Suisse Assurance	Accidents (temporary staff)	expires 31.12.98	GATT
Union Suisse Assurance	Accidents (travel by air)	expires 31.12.94	GATT
Union Suisse Assurance	"Responsabilité civile Personnel (responsabilité civile studios)	expires 31.12.98	GATT
Union Suisse Assurance	Official cars	valid for duration of course	GATT
Union Suisse Assurance	Removals	yearly from purchase of car	
Nationale Suisse Assurance	Accidents (SSAs)	15.3.95	
Nationale Suisse Assurance	Medical Insurance	31.12.94	
Van Breda	24-Accident insurance	1.5.93 - automat. renewal	ICITO/GATT
Willis Corroon		1.1.93-31.12.97(reconfirmed every 1 Jan.)	ICITO/GATT

CONTRACTOR	TYPE OF CONTRACT	PERIOD OF CONTRACT	REGISTERED NAME
V. Banks			
Swiss Bank Corporation	A/c No. CO-199.320.1	No time limitation	ICITO/GATT
Cash-Management Call	A/c No. CO-199.320.2	"	ICITO/GATT
US Dollars	A/c No. CO-199.320.4	"	ICITO/GATT
Temp. Staff Salary Advance	System de recouvrement direct (LCV)	Established on 16.3.94 with no time limitation	
Rental Guarantee	A/c No. CO-230.487.2	"	ICITO/GATT
Bank Scandinave	A/c No. 383023/0.01.11	"	ICITO/GATT
Banque Populaire Suisse	A/c No. 518.10.726912.8	"	ICITO/GATT
Lloyds Bank	A/c No. 0153282	"	ICITO
CCP	A/c No. 12-439-3	"	ICITO
VISA	Contract Phone/Mail order	Established on 7.10.93 automatic renewal	ICITO/GATT
VI. Maintenance contracts			
Digital Equipment Corporation SA	Switchboard Mvax 2	1.1.95-30.6.95	GATT
	Administration Computer M3400	1.1.95-30.6.95	"
	" M3100	1.1.95-30.6.95	"
	Usagee fees for 3 Sigagip software contracts		"
	Itek (Roneo)	1.1.94-31.12.95	"
Bigraph AG	Roneo equipment	Yearly renewal	"
Hunkeler AG	Photocopier IM40	1.1.95-31.12.95	"
Kodak SA	Photocopiers IM40 (2) & Sun Station	Renewal in 1995 but not yet confirmed by Roneo	"
Ducourrier	Franking machines (2)	Yearly renewal	"
Kardex SA	Rotating filing system Lektriver I	"	"
Riesen Roger	Coffe machine Cafina	"	"
TeleGenève SA	Cable TV (10 plots)	"	"
Walther Rentsch SA	Copier Canon 1020	"	"
Messerli AG	FAX Itachi 210	"	"
Xerox	Tele fax of switchboard 7033	"	"
	Docutech	"	"

CONTRACTOR	TYPE OF CONTRACT	PERIOD OF CONTRACT	REGISTERED NAME
VII. Sale contracts			
A) Sales Agents			
Van Schaik Bookstore PTY. (South Africa)	Sales Contracts	No time limitation	GATT
Alexander Horn (Germany)	"	"	"
R. Eisenschmidt GMBH (Germany)	"	"	"
Carlos Hirsch Srl. (Argentina)	"	"	"
Oficina Del Libro Internacional (Argentina)	"	"	"
D.A. Information Services (Australia)	"	"	"
Gerold & Co. (Austria)	"	"	"
China Financial & Economical (China)	"	"	"
Cyprus Chamber of Commerce (Cyprus)	"	"	"
Inversiones Michco Ltda.(Colombia)	"	"	"
Eulyoo Publishing Co. Ltd (Korea)	"	"	"
Pan Korea Book Corporation (Korea)	"	"	"
World Tariff (United States)	"	"	"
World Data International (France)	"	"	"
Asia 2000 Ltd (Hong Kong)	"	"	"
Bookwell (India)	"	"	"
Oxford Book & Stationery (India)	"	"	"
R.O.Y. International (Israel)	"	"	"
Libreria Scientifica AEIO (Italia)	"	"	"
Eastern Book Services (Japan)	"	"	"
Matano (Yoshihiko) (Japan)	"	"	"
Fondo de Cultura Economic (Mexico)	"	"	"
Infotec (Mexico)	"	"	"
GP Legislation Services (New Zealand)	"	"	"
Everest Media International (Nepal)	"	"	"
Tayyab M.S. Commercial SE (Pakistan)	"	"	"
De Lindeboom-Incr Publika (Netherlands)	"	"	"
I.J. Sagun Enterprises International (Philippines)	"	"	"
Jetsspeed Media Inc. (Philippines)	"	"	"
Libraria Rodrigues (Portugal)	"	"	"
Adeco (Switzerland)	"	"	"
Buchhandlung Heinemann (Switzerland)	"	"	"
Library Payot SA (Switzerland)	"	"	"
Index Book Promotion & SE (Thailand)	"	"	"

CONTRACTOR	TYPE OF CONTRACT	PERIOD OF CONTRACT	REGISTERED NAME
B. Accredited Sale Agents			
Uno-Verlag (Germany)	Sales contracts	No time limitation	GATT
Hunter Publications (Australia)	"	"	"
De Lannoy (Belgium)	"	"	"
Renouf Publishing Co. Ltd (Canada)	"	"	"
Munksgaard Book & Subscription (Denmark)	"	"	"
The Middle East Observer (Egypt)	"	"	"
Mundi-Prensa Libros S.A. (Spain)	"	"	"
Unipub (United States)	"	"	"
Akateeminen Kirjakauppa (Finland)	"	"	"
Editions A. Pedone (France)	"	"	"
Librairie du Commerce International (France)	"	"	"
Gouvernement Supplies Agency (Ireland)	"	"	"
Licosa S.P.A. (Italia)	"	"	"
Jipro Co. Ltd (Japan)	"	"	"
Narvesen Info Center (Norway)	"	"	"
Martinus Nijhoff International (Netherlands)	"	"	"
HMSO Publications Centre (United Kingdom)	"	"	"
Microinfo Ltd. (United Kingdom)	"	"	"
Office du Livre Olf S.A. (Switzerland)	"	"	"
Fritzes Information Centre (Sweden)	"	"	"
Systematics Studies Unit. (Trinidad, West Indies)	"	"	"

ANNEX 3

Principal personnel-related agreements

- (a) agreement between ICITO and the United Nations Joint Staff Pension Fund (UNJSPF);
- (b) agreement extending the jurisdiction of the United Nations Administrative Tribunal (UNAT) to ICITO/GATT with respect to applications by staff members of ICITO/GATT alleging non-observance of United Nations Joint Staff Pension Fund Regulations;
- (c) agreement between the Executive Secretary of ICITO and the Administrative Tribunal of the ILO (ILOAT) concerning appeals by staff members of ICITO alleging non-observance, in substance or in form, of the terms of their appointment;
- (d) agreement on a joint medical service (JMS) for United Nations and specialized agencies at Geneva;
- (e) group medical insurance contracts between ICITO/GATT and Van Breda (on behalf of "Assurances Générales de France");
- (f) 24-hour accident insurance policy with Willis Corroon on behalf of ICITO/GATT;
- (g) agreement between the Consultative Committee on Administrative Questions (CCAQ) and the "Association internationale des traducteurs de conférence" (AITC);
- (h) agreement between CCAQ and the "Association internationale des interprètes de conférence" (AIC);
- (i) certain other agreements for the provision of life, medical and accident insurance to staff members or their dependents on a voluntary basis.