

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Trade Negotiations Committee

COMMUNICATION FROM THE CHAIRMAN

The following draft text of a Decision on the Establishment of the Preparatory Committee for the World Trade Organization will be proposed for formal adoption by the Trade Negotiations Committee at its meeting on 30 March as the Decision that would be forwarded to the Ministers for adoption at Marrakesh.

**Decision on the Establishment of the Preparatory Committee
for the World Trade Organization**

Ministers,

Having regard to the Agreement Establishing the World Trade Organization (hereinafter referred to as "WTO Agreement" and "WTO"), and

Mindful of the desirability of ensuring an orderly transition to the WTO and the efficient operation of the WTO as of the date of entry into force,

hereby *agree* as follows:

1. A Preparatory Committee for the WTO (hereinafter referred to as "Committee") is hereby established. Mr. P.D. Sutherland in his personal capacity is appointed Chairman of the Committee.
2. The Committee shall be open for membership to all Signatories of the Final Act of the Uruguay Round of Multilateral Trade Negotiations and to any contracting party eligible to become an original member of the WTO in accordance with Article XI of the WTO Agreement.
3. A Sub-Committee on Budget, Finance and Administration, to be chaired by the Chairman of the GATT CONTRACTING PARTIES, and a Sub-Committee on Services responsible for preparatory work on GATS matters are also established. The Committee may establish additional sub-committees as appropriate. Membership of the Sub-Committees shall be open to all members of the Committee. The Committee shall establish its own procedures and those of its sub-committees.
4. The Committee will make all its decisions by consensus.
5. Only those members of the Committee that are GATT contracting parties eligible to become original Members of the WTO in accordance with Articles XI and XIV of the WTO Agreement may participate in the decision-making of the Committee.

GATT SECRETARIAT

6. The Committee and its sub-committees shall be serviced by the GATT Secretariat.
7. The Committee shall cease to exist upon the entry into force of the WTO Agreement, at which time it will forward its records and recommendations to the WTO.
8. The Committee shall perform such functions as may be necessary to ensure the efficient operation of the WTO immediately as of the date of its establishment, including the functions set out below:

(a) Administrative, budgetary and financial matters:

To prepare recommendations for the consideration of the competent body of the WTO, or, to the extent necessary, take decisions or, as appropriate, provisional decisions in advance of the establishment of the WTO, with respect to the recommendations submitted to it by the Chairman of the Sub-Committee on Budget, Finance and Administration referred to in paragraph 3 above, in cooperation with the Chairman of the GATT Committee on Budget, Finance and Administration, assisted by proposals from the Secretariat on:

- (i) the headquarters agreement provided for in Article VIII:5 of the WTO Agreement;
- (ii) financial regulations, including guidelines for the assessment of WTO members' budget contributions, in accordance with the criteria set out in Article VII of the WTO Agreement;
- (iii) the budget estimates for the first year of operation of the WTO;
- (iv) the transfer of the property, including financial assets, of the ICITO/GATT to the WTO;
- (v) the transfer and the terms and conditions of the transfer of the GATT staff to the WTO Secretariat; and
- (vi) the relationship between the International Trade Centre and the WTO.

(b) Institutional, procedural and legal matters:

- (i) To carry out the examination of and approve the schedules submitted to it in accordance with the "Decision on Acceptance of and Accession to the Agreement Establishing the World Trade Organization" and to propose terms of accession in accordance with paragraph 2 of that Decision;
- (ii) To make proposals concerning terms of reference for the bodies of the WTO, in particular those established in Article IV of the WTO Agreement, and the rules of procedure which they are called upon to establish for themselves, bearing in mind paragraph 1 of Article XVI;
- (iii) To make recommendations to the General Council of the WTO concerning the appropriate arrangements with respect to relations with other organizations referred to in Article V of the WTO Agreement; and
- (iv) To prepare and submit a report on its activities to the WTO.

- (c) Matters related to the entry into force of the WTO Agreement and to the activities of the WTO:
- (i) To convene and prepare the Implementation Conference;
 - (ii) To initiate the work programme arising from the Uruguay Round results as set out in the Final Act, such as overseeing, in the Sub-Committee on Services referred to in paragraph 3 above, negotiations in specific services sectors, and also to undertake work resulting from Decisions of the Marrakesh meeting;
 - [(iii) To discuss suggestions for the inclusion of additional items on the agenda of the WTO's work programme;]
 - (iv) To make proposals concerning the composition of the Textiles Monitoring Body in accordance with the criteria set out in Article 8 of the Agreement on Textiles and Clothing; and
 - (v) To convene the first meeting of the Ministerial Conference or the General Council of the WTO, whichever meets first, and to prepare the provisional agenda thereof.