

GENERAL AGREEMENT
ON TARIFFS AND
TRADE

RESTRICTED

L/306

15 January 1955

Limited Distribution

CONTRACTING PARTIES

Ninth Session

WAIVER OF THE PROVISIONS OF ARTICLE XV:6 REQUESTED

BY NEW ZEALAND

Report by Working Party 4 on Balance-of-Payments Restrictions

In accordance with the decision of the CONTRACTING PARTIES at their twenty-eighth meeting on 10 January 1955 (SR.9/28), the Working Party has examined the request by New Zealand for a waiver from the requirements of paragraph 6 of Article XV (L/300) and recommends that the CONTRACTING PARTIES adopt the following decision:

"Having received from the Government of New Zealand a request to be relieved temporarily from the requirement prescribed in paragraph 6 of Article XV of the General Agreement that any contracting party which is not a member of the International Monetary Fund shall either become a member of the Fund or failing that enter into a special exchange agreement with the CONTRACTING PARTIES,

"Noting that, owing to special circumstances, New Zealand has not joined the Fund or signed a special exchange agreement in terms of the text adopted by the CONTRACTING PARTIES in their resolution of 20 June 1949,

"Noting, however, that New Zealand, in conformity with the provisions of paragraph 4 of Article XV, has taken no exchange action which has frustrated the intent of the General Agreement, and

"Noting, furthermore, the assurances given by New Zealand that it will continue to act in exchange matters in a manner fully consistent with the Fund's principles and in accordance with the intent of the General Agreement,

"The CONTRACTING PARTIES, acting in pursuance of paragraph 5(a) of Article XXV

"DECIDE that:

"1. Without derogation from any other provisions of Article XV New Zealand shall be relieved from the provisions of paragraph 6 of Article XV for such limited period of time as New Zealand satisfies the CONTRACTING PARTIES by means of annual consultations and such other consultations as may be held pursuant to this decision, together with the information required therefor, that its action in exchange matters continues to be fully consistent with the Fund's principles and with the intent of the provisions of the General Agreement;

"2. notwithstanding the provisions of paragraph 1(f) of Article XIV New Zealand may take action under paragraph 1 of that Article for such time and to such extent as such action would be available if New Zealand had joined the Fund or signed the special exchange agreement;

"3. New Zealand shall report to and consult with the CONTRACTING PARTIES annually on any action taken by it during the preceding year which would have been required to be reported to the CONTRACTING PARTIES had New Zealand signed the special exchange agreement;

"4. New Zealand shall consult at any time, subject to thirty days' notice, with the CONTRACTING PARTIES at the request of any contracting party which considers that New Zealand has taken exchange action which has frustrated the intent of the provisions of the General Agreement; and

"5. if as a result of the consultations referred to in paragraphs 3 and 4 above, the CONTRACTING PARTIES find that New Zealand has taken exchange action contrary to the intent of the General Agreement they may determine that the present waiver shall cease to apply and New Zealand will thereafter be bound by the provisions of paragraph 6 of Article XV of the General Agreement."