

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/532

21 September 1956

Limited Distribution

VOTES REQUIRED FOR GRANTING WAIVERS

Report by the Intersessional Committee

At the Tenth Session the representative of Cuba put forward his Government's objections to the CONTRACTING PARTIES having recourse to the provisions of Article XXV:5(a) to grant waivers from obligations of Part I of the Agreement. The Committee was instructed to consider this question in the light of the Cuban statement (L/459) and of the analysis by the Executive Secretary (L/403) and to report to the Eleventh Session "as to whether a sufficient foundation exists for the CONTRACTING PARTIES to go into the matter thoroughly at that time"(SR.10/18).

The Committee considered the statement by the delegate for Cuba at the Tenth Session. They considered that this statement had served a useful purpose in underlining the importance of great restraint in the use of the waiver provisions of Article XXV, particularly when they affect the obligations contained in Part I of the Agreement. They considered that it would be difficult and unwise to try to lay down special criteria for voting in respect of waivers affecting these obligations, particularly as similar caution would also be appropriate in dealing with waivers of other fundamental obligations such as those embodied in Articles XI and XIII. They recommend, however, that the CONTRACTING PARTIES, taking into account the important considerations advanced by the Government of Cuba, should affirm their intention to proceed with caution in considering requests for waivers of obligations in Part I, or from other important obligations of the Agreement, and in particular to take appropriate measures to safeguard the interests of contracting parties in the following ways:

- (a) applications for such waivers should be considered only if submitted with at least thirty days' notice. It was recognized, however, that in exceptional cases calling for urgent action this requirement might, by general agreement, be relaxed;
- (b) in the interval afforded by such notice, the applicant contracting party should give full consideration to representations made to it by other contracting parties and engage in full consultation with them;

- (c) the CONTRACTING PARTIES when examining an application should give careful consideration to any representations that such consultations had proved unsatisfactory, and in general should not grant an application in cases where they are not satisfied that the legitimate interests of other contracting parties are adequately safeguarded;
- (d) the decision should include procedures for future consultation on specific action taken under the waiver and, where appropriate, arbitration procedures;
- (e) the decision should also provide for an annual report and, where appropriate, for an annual review of the operation of the waiver.