

GENERAL AGREEMENT ON

RESTRICTED

TARIFFS AND TRADE

W.44/2

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Limited Distribution

CONTRACTING PARTIES
Forty-Fourth Session

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BRAZIL - ESTABLISHMENT OF A NEW SCHEDULE III

Communication from Brazil

The following communication dated 20 October 1988 has been received from the Permanent Mission of Brazil with the request that it be circulated to the contracting parties and considered by the CONTRACTING PARTIES at their forty-fourth session.

I have the honour to inform you that, taking into account the decision of the Customs Co-operation Council to replace the CCCN by the Harmonized Commodity Description and Coding System, the Brazilian Government has decided to implement the Harmonized System on 1 January 1989.

The Brazilian authorities have just finished the conversion of its tariffs and are prepared to enter into negotiations and consultations with any interested contracting parties under the procedures of Article XXVIII of the General Agreement. In this sense, the necessary documentation will be circulated to the contracting parties in a near future.

In view of the time constraint, it will not be possible to complete negotiations and consultations with the interested parties before the scheduled date of implementation. In order to enable Brazil to implement the Harmonized System on 1 January 1989, Brazil therefore requests a temporary exemption from its obligations under Articles II of the General Agreement until 31 December 1989.

To facilitate consideration of this matter, the text of a draft decision is annexed.

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ANNEX

BRAZIL - ESTABLISHMENT OF A NEW SCHEDULE III

Draft Decision

Considering that the Government of Brazil has notified the CONTRACTING PARTIES that it had terminated the transposition of its Customs Tariff from the CCCN to the Harmonized Commodity Description and Coding System (Harmonized System) and that the Government of Brazil has decided to implement the Harmonized System on 1 January 1989;

Noting that the relevant Harmonized System documentation required for the negotiations and consultations under Article XXVIII will be submitted to the secretariat for distribution to contracting parties in the near future;

Recognizing that in view of the time constraint, it will not be possible for the Government of Brazil to complete the negotiations and consultations under the procedures of Article XXVIII of the General Agreement before the scheduled date of implementation;

The CONTRACTING PARTIES, acting pursuant to the provisions of Article XXV:5 of the General Agreement,

Decide, in view of the exceptional circumstances, to suspend the application of the provisions of Article II of the General Agreement to enable the Government of Brazil to implement on 1 January 1989, the Harmonized Commodity Description and Coding System, subject to the following conditions:

1. The Government of Brazil will promptly enter into negotiations and consultations with interested contracting parties pursuant to paragraphs 1-3 of Article XXVIII;
2. The negotiations and consultations mentioned above shall be completed not later than 31 December 1989;
3. Pending the entry into force of the results of the negotiations or consultations mentioned above, the other contracting parties will be free to suspend concessions initially negotiated with Brazil to the extent that they consider that adequate compensation is not offered by the Government of Brazil.