GENERAL AGREEMENT ON

TARIFFS AND TRADE

L/6614 6 December 1989 Limited Distribution

CHILE - ESTABLISHMENT OF A NEW SCHEDULE VII

Decision of 5 December 1989

Considering that the Government of Chile has notified the CONTRACTING PARTIES that it has decided to implement the Harmonized Commodity Description and Coding System (Harmonized System) as from 1 January 1990;

Considering that the Government of Chile has stated that the process of transposing its Customs Tariff into the Harmonized System is terminated, and that its Harmonized System documentation required under the procedures of Article XXVIII is being prepared and will be circulated to contracting parties as soon as possible;

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

Considering that the Government of Chile has requested a waiver from its obligations under Article II of the General Agreement until 30 April 1991;

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

<u>Decide</u>, 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 Chile to implement, on 1 January 1990, the Harmonized Commodity Description and Coding System, subject to the following conditions:

- 1. The Government of Chile 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 30 April 1991.
- 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 the Government of Chile to the extent that they consider that adequate compensation is not offered by Chile.