

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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CONTRACTING PARTIES  
Ninth Session

Original: English

Working Party 4 on Balance-of-Payments  
Restrictions

## ARTICLE XV:6

### Draft Decision proposed by Czechoslovakia

The following draft decision has been submitted by the delegation of Czechoslovakia for consideration by the CONTRACTING PARTIES:

"HAVING RECEIVED from the Government of Czechoslovakia a request to be relieved from the requirements 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 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, the application of the provisions of paragraph 6 of Article XV to Czechoslovakia would raise a number of legal and practical difficulties,

"HAVING HEARD the explanation that Czechoslovakia as a contracting party which has a complete state monopoly of its foreign trade cannot by any alteration of rate of exchange of its currency affect international commercial transactions, and

"NOTING the assurances given by Czechoslovakia that it will continue to act in exchange matters in a manner fully consistent with the principles of the special exchange agreement as adopted by the CONTRACTING PARTIES in their resolution of 20 June 1949 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 Czechoslovakia shall be relieved from the provisions of paragraph 6 of Article XV, provided that it 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 principles of the special exchange agreement and in accordance with the intent of the General Agreement;

"(2) Czechoslovakia 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 Czechoslovakia signed the special exchange agreement;

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

"(4) If as a result of the consultations referred to in paragraphs 2 and 3, the CONTRACTING PARTIES find that Czechoslovakia has taken exchange action contrary to the intent of the General Agreement they may determine that the present decision shall cease to apply and Czechoslovakia will thereafter be bound by the provisions of paragraph 6 of Article XV of the General Agreement."