

GENERAL AGREEMENT ON TARIFFS AND TRADE

Multilateral Trade NegotiationsGroup "Framework"NOTIFICATIONS REQUIRED FROM CONTRACTING PARTIESNote by the Secretariat

Under the provisions of the General Agreement and under special procedures established by the CONTRACTING PARTIES for the implementation of these provisions, the contracting parties are requested to submit notifications on a periodic basis or in connexion with certain trade policy actions, including actions for which prior approval by the CONTRACTING PARTIES is required. Furthermore, notification procedures have been established under certain special arrangements drawn up within the framework of the GATT and applicable only to contracting parties participating in such arrangements. Finally, certain notification procedures apply to particular contracting parties in accordance with their terms of accession or pursuant to certain waiver conditions.

In connexion with discussions in the Group "Framework", regarding notification, consultation, dispute settlement and surveillance, the question of the notifications required from contracting parties under various provisions of the General Agreement was raised. The present note is being circulated to facilitate discussions on this subject. The note is intended to give a comprehensive summary of the various notification procedures in force, as applicable to contracting parties generally, leaving aside notifications required under special arrangements or applicable to particular contracting parties only.

Article II:6(a) - Adjustment of specific duties

A contracting party wishing to adjust its specific duties under the provisions of Article II:6(a) is required to seek the concurrence of the CONTRACTING PARTIES pursuant to these provisions. Under current procedures the communication of the contracting party concerned is submitted to the Council for consideration. Since 1948, these procedures have been invoked ten times.

Article VI - Anti-dumping and countervailing duties

Article VI does not provide for the notification of specific anti-dumping or countervailing duty cases, although certain annual reports are required from the parties to the Agreement on Implementation of Article VI.

However, a contracting party wishing to impose an anti-dumping or countervailing duty for the purpose referred to in sub-paragraph 6(b) is required to seek the prior approval of the CONTRACTING PARTIES.

Article VI:6(c) requires that if in exceptional circumstances a contracting party levies a countervailing duty for the purpose referred to in sub-paragraph 6(b) of this Article without the prior approval of the CONTRACTING PARTIES such action shall be reported immediately to the CONTRACTING PARTIES.

The provisions of paragraphs 6(b) and 6(c) have, so far, not been invoked.

Article X - Publication of trade regulations

Under the provisions of Article X:1 contracting parties are required to publish promptly their trade regulations and matters relating thereto. In March 1964 the CONTRACTING PARTIES adopted a recommendation that contracting parties should forward promptly to the secretariat copies of the laws, regulations, decisions, rulings and agreements of the kind described in paragraph 1 of Article X (BISD 12S/49).

The response to this recommendation has been limited. The secretariat, however, does receive from a number of contracting parties copies of the national tariffs and amendments thereto.

At a meeting of the Council in November 1974 a representative referred to the serious deterioration of the international market for certain products and the need for rapid dissemination of information on developments in these markets and on the measures taken by governments. He considered it appropriate for contracting parties to make more use of the procedures for notification and information provided by GATT, independently of whether or not there was a formal obligation to provide such information. He referred in this connexion to the above-mentioned recommendation of 20 March 1964 (C/M/102).

There was no further response to this matter.

Quantitative restrictions

(a) Residual restrictions

Quantitative restrictions applied by eighteen developed contracting parties were examined by a Joint Working Group set up by the Council in January 1970. In June 1971 the Council decided that the data assembled by the Joint Working Group should be kept up to date and contracting parties should be invited to notify annually by 30 September any changes which should be made concerning restrictions contained in the consolidated document.

Every year the secretariat issues an airgram inviting contracting parties to communicate any necessary changes to the basic documentation (see L/4604 and Notes on individual import restrictions contained in COM.IND/W/67/Add.1 and MTN/3E/DOC/7). About half of the eighteen developed contracting parties concerned regularly respond to this invitation.

(b) Licensing

At their twenty-eighth session in November 1972 the CONTRACTING PARTIES decided that the data assembled on licensing systems should be kept up to date and that contracting parties should be invited to notify annually by 30 September any changes which should be made concerning the information contained in the consolidated document.

Every year the secretariat issues an airgram inviting contracting parties to communicate any necessary changes to the basic documentation (see L/4598 and COM.IND/W/55 - COM.AG/W/72). Since 1971 responses have been received from fifty-six contracting parties.

(c) Import restrictions applied for balance-of-payments purposes

(i) Articles XII:4(a) and XVIII:12(a)

Introduction or substantial intensification of import restrictions

A contracting party applying new restrictions or raising the general level of its existing restrictions by a substantial intensification of the measures applied under Articles XII or XVIII:B is required, pursuant to the provisions of Article XII:4(a) or Article XVIII:12(a), to enter into consultations with the CONTRACTING PARTIES.

In November 1960 the CONTRACTING PARTIES established procedures for the implementation of these provisions under which the contracting party concerned is required to furnish detailed information promptly for circulation to the contracting parties, after which the consultation is conducted by the Council (BISD, 9S/18).

The number of notifications under this procedure has been limited.

(ii) Consultations under Articles XII:4(b) and XVIII:12(b)

In accordance with the provisions of Articles XII:4(b) and XVIII:12(b) the Committee on Balance-of-Payments Restrictions conducts consultations with contracting parties. The consulting countries submit a basic document or a statement to the Committee.

A series of consultations is held twice or three times a year in accordance with a programme established in consultation with the consulting contracting parties concerned and with the International Monetary Fund.

Article XVI - Subsidies

Article XVI requires that contracting parties which maintain subsidies having the effects described in paragraph 1 of the Article, are to notify in writing the nature and extent of the subsidization. The CONTRACTING PARTIES established procedures for such notifications and adopted a questionnaire with a view to achieving a standardized reporting system.

Under current procedures (BISD, 11S/59) the contracting parties are invited to submit by the end of January every third year, new and full responses to the questionnaire on subsidies (BISD, 9S/193) and to notify changes to the basic notifications in the intervening years.

Every year the secretariat circulates a document inviting contracting parties to submit such a notification (see L/4622).

The number of responses to the last full notification, in 1975, was seventeen (L/4141 and addenda).

Article XVII - State trading

Article XVII requires that contracting parties which maintain State-trading enterprises, in the sense of paragraph 1 of that Article, shall notify the CONTRACTING PARTIES of the products imported into or exported from their territories by such enterprises. The CONTRACTING PARTIES established procedures for such notifications and adopted a questionnaire designed to achieve a standardized reporting system.

Under current procedures (BISD, 11S/59) the contracting parties are invited to submit by the end of January every third year new and full responses to the questionnaire (BISD, 9S/184) and to notify changes to the basic notifications in the intervening years.

Every year the secretariat circulates a document inviting contracting parties to submit such a notification (see L/4623).

The number of responses to the last full notification, in 1975, was seventeen (L/4140 and addenda).

Article XVIII:A - Modification of concessions

A contracting party wishing to modify or withdraw a concession pursuant to the provisions of Article XVIII:7(a), in order to promote the establishment of a particular industry, is required to notify the CONTRACTING PARTIES and to enter into negotiations in this regard.

These provisions have been invoked eight times.

Article XVIII:C

A contracting party wishing to have recourse to the provisions of Section C of Article XVIII and to provide governmental assistance to promote the establishment of a particular industry is required to notify the special difficulties it meets and to indicate the specific measure which it proposes to introduce. A questionnaire for the guidance of contracting parties was approved in 1958 (BISD, 7S/85).

Since 1957 when the revised provisions of Article XVIII:C entered into force, the provisions have been invoked by two contracting parties. Since 1966 the provisions have not been invoked.

Article XVIII:D

A contracting party wishing to have recourse to the provisions of Section D of Article XVIII is required to seek the approval of the CONTRACTING PARTIES for the introduction of the measure it desires to take to promote the establishment of a particular industry.

These provisions have not been invoked.

Article XIX - Emergency action

Article XIX:2 requires any contracting party, before taking emergency action pursuant to the provisions of Article XIX:1, to give notice in writing to the CONTRACTING PARTIES as far in advance as may be practicable. However, in critical circumstances action may be taken provisionally without prior consultation. In virtually all cases it has been this latter provision which has been applied.

Article XXII - Consultation

Procedures under Article XXII on questions affecting the interests of a number of contracting parties were adopted in 1958 (BISD, 7S/24). Under these procedures any contracting party seeking a consultation under Article XXII is required to inform the Director-General for the information of all contracting parties, so as to enable any other contracting party to express its desire to be joined in the consultation.

Article XXIV - Customs unions and free-trade areas; regional agreements

(a) Notifications

Article XXIV:7(a) requires that any contracting party deciding to enter into a customs union or free-trade area, or an interim agreement leading to the formation of such a union or area, shall promptly notify the CONTRACTING PARTIES.

At its meeting in October 1972 the Council established procedures for the examination of such agreements. The Council decided, without prejudice to the legal obligation to notify in pursuance of Article XXIV, to invite contracting parties that sign an agreement falling within the terms of Article XXIV, paragraphs 5 to 8, to inscribe the item on the agenda for the first meeting of the Council following such signature. This should allow the Council to determine the procedures for examination of the agreement (BISD, 19S/13).

(b) Progress reports

At their twenty-seventh session the CONTRACTING PARTIES discussed the question of periodic reports on progress under customs unions and free-trade areas notified under Article XXIV. The CONTRACTING PARTIES instructed the Council to establish a calendar fixing dates for the examination, every two years, of reports on developments under regional agreements submitted by the parties to the agreements (see L/4445).

Biennial reports under these procedures are regularly provided.

Article XXVIII - Modification of schedules

(a) Article XXVIII:1

A contracting party wishing to have recourse to the provisions of Article XXVIII:1 for the renegotiation or withdrawal of certain concessions in its schedule is required to notify the CONTRACTING PARTIES. Such notification is to take place not earlier than six months, nor later than three months before the termination date of the three-year period referred to in Article XXVIII:1 (see Notes and Supplementary provisions ad Article XXVIII). The current three-year period will terminate on 31 December 1978.

These provisions were invoked in 1966 by five, in 1969 by seven and in 1972 by four contracting parties. These provisions were not invoked in 1975.

(b) Article XXVIII:4

A contracting party intending to seek authorization of the CONTRACTING PARTIES to enter into negotiations for the modification or withdrawal of a concession under the provisions of Article XXVIII:4 should submit its request for consideration by the Council.

Since 1953 these provisions have been invoked fifty-six times.

(c) Article XXVIII:5

Any contracting party wishing to reserve the right for the duration of the three-year period envisaged in paragraph 1, to modify its schedule is required to notify the CONTRACTING PARTIES before the termination of the current three-year period. The current three-year period will terminate on 31 December 1978.

In the three-year period 1970-72 these provisions were invoked by nine contracting parties of which eventually four carried out negotiations. The number of invocations for the three-year periods 1973-75 and 1976-79 was twelve in both cases, of which five in 1973-75 and four in 1976-79 eventually led to renegotiations.

Article XXXVII:2(a) - Non-fulfilment of Article XXXVII:1

The provisions of Article XXXVII:1 contain certain commitments of developed contracting parties. Under the provisions of paragraph 2(a) of Article XXXVII any contracting party not giving effect to any of the provisions of paragraph 1, or any other interested contracting party, is required to report the matter to the CONTRACTING PARTIES.

Review of implementation of Part IV

In order to enable the Committee on Trade and Development to keep under continuous review the application of the provisions of Part IV, the Committee agreed, in March 1965, on reporting procedures (BISD, 13S/79). Guidelines for the submission of notifications, the preparation of reports and the carrying out of reviews on the implementation of Part IV which provide that notifications made by governments should be as exhaustive and comprehensive as possible, and should relate both to measures specifically mentioned in paragraphs 1 and 3, or paragraph 4, as the case may be of Article XXXVII, as well as to all steps and measures of interest to the CONTRACTING PARTIES in relation to the objectives and provisions of Part IV, were adopted by the Committee on Trade and Development (COM.TD/24, paragraph 10).

Every year the secretariat issues an airgram inviting contracting parties to make the relevant information available.

In November 1977 the Committee on Trade and Development was of the view that the existing reporting procedures were not being complied with to the fullest extent possible (BISD, 24S/55, paragraph 24).

Border tax adjustments

Based on the recommendations of the Working Party on Border Tax Adjustments, the Council, in December 1970, introduced a notification procedure, on a provisional basis, whereby contracting parties would report changes in their tax adjustments (BISD, 18S/108). The notifications are to relate to any major changes in tax adjustment legislation and practices involving international trade, and in particular at bringing periodically up to date the information contained in the consolidated document on contracting parties' practices (L/3389) on tax adjustments drawn up in the course of the Working Party's work.

Notifications under this procedure are currently distributed as addenda to document L/3518. Five contracting parties have submitted such notifications (see L/3518 and addenda 1-13).

Liquidation of strategic stocks

Under the Resolution of 4 March 1955 a contracting party intending to liquidate a substantial quantity of strategic stocks should give at least forty-five days' prior notice of such intention (BISD, 3S/51).

Since 1970 one contracting party has submitted a number of notifications under this procedure.

Marks of origin

In 1958 the CONTRACTING PARTIES adopted certain rules on marks of origin which elaborated the basic principles of Article IX in order to reduce the difficulties and inconveniences which marking regulations may cause to the commerce and industry of the exporting country (Recommendation of 21 November 1958, BISD 7S/30). The Recommendation also invites contracting parties to report, before 1 September each year, changes in their legislation, rules and regulations concerning marks of origin.

A number of contracting parties have complied with this invitation, but since 1961 no further submissions have been received (see L/478 and addenda 1-20).