

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

MTN.GNG/NG7/W/56

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Group of Negotiations on Goods (GATT)

Negotiating Group on GATT Articles

ARTICLE II:1(B)

Statement by the Delegation of India

The following statement was made by the delegation of India at the October meeting of the GATT Articles Group, with the request that it be circulated to all participants.

1. Briefly stated, Article II:1(b) requires that imported products shall be exempted from:

- i) ordinary customs duties in excess of those set forth in the Schedule; and
- ii) all other duties or charges of any kind imposed on or in connection with importation in excess of those imposed on the dates of the concession.

2. Having regard to the provisions of paragraph 2 of Article II, it is clear that the term "other duties and charges" does not include internal taxes, anti-dumping or countervailing duties, and fees or other charges commensurate with the cost of services rendered. From the viewpoint of transparency, however, Article II:1(b) has an important shortcoming in respect of "other duties and charges". While the customs duties are recorded in the tariff schedules, it is not immediately obvious as to what is the level of binding of the "other duties and charges". In order to ascertain this it is necessary to go back to each Protocol, determine the reference date, and find out what other duties and charges existed on that date. India, therefore, recognises in principle the need to establish the practice of recording other duties and charges in the tariff schedules. As pointed out by the secretariat in the GATT document MTN.GNG/NG7/W/53 dated 2 October 1989, such recording of other duties and charges would not raise the level of substantive legal obligation; it would only make existing obligations transparent.

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3. However, in determining the applicable date and the coverage of the requirement to inscribe other duties and charges, we have to bear in mind that the additional administrative burden imposed by it should be commensurate with the practical value of the new arrangement. Furthermore, it is important that the technical complexity of the entries is minimised.

4. Taking into consideration the above-mentioned aspects, India is willing to support the following:

- i) the date of the Uruguay Round Protocol should be the applicable date;
- ii) all the "other duties and charges" should be bound at the levels in force on the date of the Uruguay Round Protocol, provided that those levels are not themselves in breach of earlier bindings; and
- iii) for a period of three years following the date of the aforesaid Protocol there should be the possibility of challenging the recorded "other duties and charges" on the basis of their consistency with earlier bindings.