

Committee on Market Access

ESTABLISHMENT OF CONSOLIDATED LOOSE-LEAF SCHEDULES

Note by the Chairman

Following consultations with Members of the Committee, the Chairman is submitting, for discussion by the Committee on Market Access, the following proposals with regard to the preparation of consolidated schedules in loose-leaf format.

Objective, and legal implications

The loose-leaf schedules would be binding instruments, replacing all previous schedules for all purposes relating to a Member's rights and obligations under the WTO. The schedules therefore should contain all necessary information in order to reflect the exact situation of each concession.

Coverage of unbound items

WTO schedules cannot create obligations with respect to unbound items, nor can Members be required to include unbound items in their schedules. Nevertheless, in order to ensure the complete coverage of all tariff items, Members may wish to include all items in their loose-leaf schedule, including any unbound items.

Where necessary in order to provide a complete description of a bound item, members should include in the description any relevant unbound items. For example, in the case where only a sub-item is bound, the description provided should ensure that as many elements of the description as necessary are provided. For example, Members may elect to describe the item from which the sub-item is derived:

3501	CASEIN, CASEINATES AND OTHER CASEIN DERIVATIVES: CASEIN GLUES
3501.90	- Other
3501.90.10	-- Caseinates and other casein derivatives....15.0%

The above full description should be provided; the inclusion only of sub-item 3501.90.10 in the schedule would not be sufficient to provide the necessary details on the concession.

In the case of concessions that have been bound on the basis of "ex-out" items, a complete description of the concession should be provided.

Ad valorem, specific and mixed duties

Where both ad valorem and specific duties are shown in a Member's schedule, both should be indicated in the loose-leaf schedule. It has been proposed to show specific rates in brackets: however, this might give rise to interpretations as to whether one or the other rate has greater validity. In order to prevent such occurrences, it is preferable to indicate both rates in an identical manner. Where necessary, members should indicate, for example through a headnote, how these rates are to be applied.

Rates and staging

In order to fully reflect Members' Uruguay Round schedules, the loose-leaf schedule should contain both base and final Uruguay Round rates, along with any necessary information on staging. Such information could be provided in the schedules or in an annex to the schedules. The schedule would also have to include unbound base rates for products that have been bound in a Member's Uruguay Round schedule, and that will be subject to staging. In the case of final bound rates that entered into effect on January 1, 1995, and that are not subject to staging, only the final bound rate would need to be shown.

Other duties and charges (ODCs)

Normally, Members would indicate these in column 8. Where a Member's schedule does not contain any ODCs, it could so indicate at the beginning of its schedule and dispense with column 8. Similarly, Members whose ODCs cover a limited number of products (say 10-20), as well as Members that apply a common ODC to all products, could provide such information either through a headnote or appropriate footnotes.

Treatment of agriculture

Members' Uruguay Round schedules contain specific commitments in agriculture which would have to be reflected in their loose-leaf schedules. The Uruguay Round schedules separated agricultural tariffs from those of non-agricultural products, thus severing the hitherto sequential order of the schedules. The rationale for the separation stems from the different negotiating modalities in the agricultural sector which resulted in different staging periods and the addition of a column for the special safeguard, etc. For practical reasons, it could be preferable, therefore, to maintain the separateness of the agricultural tariffs in the loose leaf schedules. The other "new" agricultural commitments (tariff quotas and the domestic support and export subsidy commitments) could be shown as they are in the Uruguay Round schedules.

Initial negotiating rights (INRs)

In order for the loose-leaf schedule to replace all existing schedules, it must adequately safeguard INRs acquired by Members.

Each Member's schedule should include all existing INRs in their schedule. It would be open to other Members to request the inclusion of any historical INR that had been granted to them.

In the case of agricultural products that were subject to tariffication in the Uruguay Round, existing and historical INRs on the products would be converted into INRs on the in-quota rate and the applicable quota level as well as on the ex-quota rate.

Date of first inclusion of a concession

Members would include in column 6 the date on which an item was first incorporated in a GATT schedule.

Verification

In order to provide a finite time frame for the conclusion of this exercise, Members would have one year from the date of the Decision on the content of the loose leaf schedules to table their schedules. Members would then have 180 days to contest any element of those schedules, including the omission of any historical INRs. Any Member commenting on another Member's loose-leaf schedule would have to provide specific comments, a general reservation would not be sufficient to enter a reserve in respect of the loose-leaf schedule (this issue would have to be reviewed in light of Members' intentions with respect to the implementation of the HS 1996 in conjunction with their loose-leaf schedules).