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Committee on Market Access

ESTABLISHMENT OF CONSOLIDATED LOOSE-LEAF SCHEDULES

Note by the Chairman

Revision

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. **The following revised text results from the Chairman's consultations.**

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Objective, and legal implications

1. 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 **except with respect to historical INRs**. The schedules therefore should contain all necessary information in order to reflect the exact situation of each concession.

Coverage of unbound items

2. 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. For those unbound items, "U" (unbound) should be indicated in column 3 "Rate of duty".

3. 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%

4. 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.

5. 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**

6. 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**

7. 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. **Supplementary information on staging** 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)**

8. 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**

9. 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. Tariff and agricultural commitments (tariff quotas and the domestic support and export subsidy commitments) would follow the same format as in the Uruguay Round schedules.

### **Initial negotiating rights (INRs)**

10. Each Member's schedule should include all **current INRs (i.e. INRs at the current bound rate)**. It would be open to other Members to request the inclusion of any INR that had been granted to them. **Historical INRs (i.e. INRs at rates above the current bound rate) not specifically identified would remain valid should a Member modify its concession above the rate at which the INR was granted.**

**Date of first instrument including a concession**

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

**Verification**

12. 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. **With the exception of historical INRs**, Members would then have 90 days to **register any objection with respect to the proposed loose-leaf schedule.**