

Committee on Market Access

**ESTABLISHMENT OF CONSOLIDATED LOOSE-LEAF SCHEDULES
OF TARIFF CONCESSIONS**

Draft Decision

Members,

Having regard to Articles XI, XII and XIV of the *Agreement Establishing the WTO*, Articles II and XXVIII of *GATT 1994*, and the *Decision on Measures in Favour of Least-Developed Countries*;

Recalling the proposal by the Director-General adopted by the CONTRACTING PARTIES of GATT 1947 on 26 March 1980¹ concerning the *Introduction of a Loose-Leaf System for the Schedules of Tariff Concessions* (BISD 27S/22);

Recalling further the modifications proposed by the Director-General adopted by the CONTRACTING PARTIES of GATT 1947 on 6 November 1986² (BISD 33S/135);

Considering the developments which took place in the context of the introduction of the *International Convention on the Harmonized Commodity Description and Coding System* by the World Customs Organization and its subsequent changes;³

Noting that the Committee on Market Access, at its meeting of 22 November 1995, has accepted the revised proposals by the Chairman with regard to the preparation of consolidated schedules in loose-leaf format as included in document G/MA/TAR/W/4/Rev.2;

Agree as follows:

Objectives

1. The loose-leaf schedules of tariff concessions as described in the Annex to this Decision shall 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 Initial Negotiating Rights (INRs). The schedules therefore shall contain all necessary information in order to reflect the exact situation in respect of each tariff concessions.

¹ C/107/Rev.1 and L/4821 + Add.1-2.

² C/107/Rev.1/Add.1 and C/M/204.

³ L/6905 and L/5470/Rev.1.

Coverage of Unbound Items

2. It is understood that WTO schedules do not create obligations with respect to unbound items, and that Members are not required to include unbound items in their schedules.
3. Notwithstanding paragraph 2, with a view to ensuring the complete coverage of all tariff items, Members may include all items in their loose-leaf schedule, including any unbound items.
4. Where a Member decides to include unbound items, "U" (unbound) shall be indicated in column 3 "Rate of duty". No obligations shall thereby be created with respect to such unbound items.

Description of bound items

5. In the case of concessions that have been bound on the basis of "ex-out" items, a complete description of the concession shall be provided. Where necessary, in order to provide a complete description of a bound item, a Member shall include in the description any relevant unbound items. In the case where only a sub-item is bound, the description provided in column 2 shall ensure that as many elements of the description as necessary are provided as described in paragraphs 3 and 4 of Document G/MA/TAR/W/4/Rev.2.

Ad valorem, specific and mixed duties

6. Where both ad valorem and specific duties are shown in a Member's schedule, both shall be indicated in the loose-leaf schedule. In that case, specific rates may be shown in brackets. However, it is preferable to indicate both rates in an identical manner. Where necessary, Members shall indicate how ad valorem, specific and mixed rates are to be applied. Members may do so, *inter alia*, through a headnote.

Base and final tariff rates and staging

7. With a view to reflecting fully Members' Uruguay Round schedules, the loose-leaf schedule shall contain in column 3 both base and final Uruguay Round rates, along with any necessary information on staging. Supplementary information on staging may be provided in the schedules or in an annex to the schedules. The schedule shall also 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 shall be shown.

Other duties and charges (ODCs)

8. Members shall indicate ODCs in column 8 of their loose-leaf schedule. Where a Member's schedule does not contain any ODCs, it may so indicate at the beginning of its schedule and dispense with column 8. Members whose ODCs cover a limited number of products,⁴ and Members that apply

⁴ It is understood that a "limited number of products" shall mean 10 to 20 tariff lines under the Harmonized System.

a common ODC to all products, may provide such information either through a headnote or appropriate footnotes to their schedule.

Treatment of agriculture

9. Any Member whose Uruguay Round schedule contains specific commitments in agriculture shall indicate such commitments in its loose-leaf schedule. Agricultural tariffs shall be indicated separately from those of non-agricultural products. Tariff and agricultural commitments (i.e. tariff quotas and the domestic support and export subsidy commitments) shall follow the same format as in the Uruguay Round schedules.

Initial negotiating rights (INRs)

10. Each Member shall include in its schedule all INRs at the current bound rate. Other Members may request the inclusion of any INR that had been granted to them. Historical INRs different from the current bound rate not specifically identified shall remain valid where a Member modifies its concession at a rate different from the rate at which the INR was granted.

Date of first instrument including a concession

11. Members shall include in column 6 of their loose-leaf schedule the date of the legal instrument by means of which the concession was first incorporated in a GATT schedule.

Verification

12. (a) Each Member shall submit its loose-leaf schedule within one year from the date of this Decision.

[option 1: With the exception of historical INRs, Members shall notify the Secretariat of any objection with respect to the submitted loose-leaf schedule within 90 days of the date of its submission.

comment: Option 1 is consistent with the practice under GATT 1947 and current practice under GATT 1994.]

[option 2: With the exception of historical INRs, Members shall notify the Secretariat of any objection with respect to the submitted loose-leaf schedule within one year of the date of its submission.

comment: Under option 2, the period for the registration of objections is longer than under current GATT practice.]

[option 3: Loose-leaf schedules shall in no case provide treatment for any product that is less favourable than was provided for such product in the Schedules of GATT 1947 and GATT 1994 prior to the entry into force of these schedules.

comment: Option 3 entails no limitation of the time period within which objections to loose-leaf schedules need to be registered. This would deviate from the practice under GATT 1947 and current practice under GATT 1994. Furthermore, it would be inconsistent with the legal principle as laid down by the *Agreement Establishing the WTO* and *GATT 1994* that schedules constitute integral parts of the Final Act having the same binding effect as the covered agreements. The rationale of this principle is to guarantee that the fundamental GATT principles of legal certainty and predictability of trade rules (i.e. including tariff commitments) are being observed.]

(b) If an objection to a loose-leaf schedule is notified to the Secretariat within the time period specified in subparagraph 12(a), the loose-leaf schedule concerned shall not be deemed verified until the withdrawal of the objection is notified with the Secretariat.

Surveillance of this Decision

13. The Committee on Market Access shall review the finalization of the loose-leaf schedule verification process 90 days prior to the expiry of the period of one year provided for their submission.

Modification and Rectification

14. With respect to modifications and rectifications of loose-leaf schedules, the *Procedures for Modification and Rectification of Schedules of Tariff Concessions*⁵ shall apply. [A request for the correction of minor clerical errors that have occurred in the transposition of existing schedules into loose-leaf schedules through these *Procedures* may be submitted at any time.]

⁵ Decision of 26 March 1980, GATT Document L/4962 (BISD 27S/25).

ANNEX

SCHEDULE (number - country)

Date of loose leaf

This schedule is authentic only in ...

Part I/II

Most-favoured-nation tariff/Preferential tariff

Tariff item number	Description of product	Rate of duty		Present concession established	Initial negotiating right (INR) on the concession	Concession first incorporated in a GATT Schedule	INRs on earlier concession	Other duties and charges (ODCs)
		Base rate	Bound rate					
1	2	3		4	5	6	7	8