WORLD TRADE ORGANIZATION

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TECHNICAL COOPERATION HANDBOOK ON NOTIFICATION REQUIREMENTS

Tariffs and Non-Tariff Measures

1. This section of the Handbook on Notification Requirements covers the notification obligations related to tariffs and non-tariff measures (MA). It consists of the following five parts:

Part I: Overview of notification requirements

Part II: Listing of the notification obligations

Part III: Document(s) concerning guidelines and formats

Part IV: "Mock" examples of notifications

Part V: Text of the legal provisions

2. For acceding countries, the deadlines for the submission of their notifications will be governed by their respective Protocols of Accession.

Note: The Handbook on Notification Requirements does not constitute a legal interpretation of the notification obligations under the respective Agreement(s). It has been prepared by the Secretariat to assist Members in complying with their notification obligations.

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DECISIONS ON NOTIFICATION PROCEDURES IN THE AREA OF MARKET ACCESS

OVERVIEW OF NOTIFICATION OBLIGATIONS

OVERVIEW OF NOTIFICATION REQUIREMENTS RELATED TO TARIFFS AND NON-TARIFF MEASURES

1. Tariffs

Bound tariff rates can only be increased (or withdrawn) under certain rules, which are specified in Article XXVIII. The basic principle of modifications of tariff concessions (paragraph 2) is that a compensatory adjustment should be made with respect to other products, and that "(…) the members concerned shall endeavour to maintain a general level of reciprocal and mutually advantageous concessions", thus preserving at least the same favourable trade environment. The provisions of Article XXVIII relate to:

- the period to negotiate a withdrawal or a modification of a concession;
- the members that are involved in negotiations and/or consultations;
- the actions that should be taken after the negotiations, whether an agreement is reached or not among the interested members.

This Article also foresees that negotiations and consultations should be conducted with "(…) the greatest possible secrecy in order to avoid premature disclosure of details of prospective tariff changes (Ad. Article XXVIII), and that only the results of these negotiations need to be communicated to the WTO Members.

a) Procedures for Notification and Renegotiation

The original Article XXVIII provided that on 1 January 1951 or thereafter, any member could renegotiate its concessions according to certain rules. This provision, which made the schedules and the renegotiation rights temporary, was extended two more times. In 1955, at the GATT Review Session, a new Article XXVIII and an Article XXVIIIbis were adopted giving the schedules an indefinite application, and establishing fixed periods for renegotiations, while the latter settles rules for multilateral rounds of tariff negotiations.

Periods of three years, the first period beginning on 1.1.1958, constitute the legal time-frame to renegotiate modifications of schedules. Members can also renegotiate at any other time requesting authorization from the Council. In practice, a Member wanting to withdraw or modify its Schedule should, according to:

- "**Article XXVIII, para.1 (Ad.Article XXVIII)**, notify the Members of its intention not earlier than six months, nor later than three months prior to the termination date of a legal period (for example, between 1.7.87 and 30.9.87 before a three-year period starts, i.e. 1 January), or,
- **Article XXVIII, para.4**, request an authorization to the Members to enter into negotiations at any other time than the legal period; or,
- **Article XXVIII, para.5**, reserves its right to do so in the next legal period by a notification to the Members before the end of a three-year period (for the last period that started on 1.1.94, thirty-seven contracting parties reserved their rights)."

The **notification** should indicate the item and the tariff line number for which modifications are envisaged in bound tariffs, and the countries that have initial negotiating rights regarding this product. It should be indicated whether the intention is to withdraw or modify a concession. If a concession is to be modified, the proposed modification should be also stated in the notification (or circulated as soon as possible to the concerned contracting parties). Statistics regarding the imports by origin of the product for the last three years for which statistics are available should be annexed to the notification, as the countries to be involved in negotiations and/or consultations should be identified through import data.

(If relevant import statistics cannot be supplied by the applicant contracting party, it shall give due consideration to export statistics provided by contracting parties claiming an interest in the concession concerned.) Also, if specific or mixed duties are affected, both values and quantities should be indicated, if possible. From the date of circulation of statistics, other countries have ninety days to notify their interest to renegotiate.

Paragraph 1 of this Article indicates that the applicant member should (a) negotiate with members that have **initial negotiating rights (INRs)** and with those that have a "principal supplying interest", this group being called "contracting parties primarily concerned" and (b) enter into consultation with any other member that has a "substantial interest" on the concession. The definitions of these expressions are as follows:

- **Initial negotiating rights** are generally the results of bilateral negotiations - thus being determined be reference to negotiation records - and should be specified in the Schedules - as well as to multilateral negotiations (floating INRs). In the latter case, when the question arises, the member deemed to have initial negotiator rights shall be the one that had, during a representative period prior to the time when the question arises, a principal supplying interest in the product concerned. (A period of three years is considered to be a "representative" or a "reasonable" period of time).

- A member has a **principal supplying interest** in a concession if it has had, over a reasonable period of time prior to the negotiations, a larger share in the market of the applicant member than another party with which the concession was initially negotiated, or would have had it in the absence of discriminatory quantitative restrictions. The Members can exceptionally determine that an additional supplying country can be recognized to be a principal supplier if to this contracting party the concession in question affects trade which constitutes a major part of the total exports of such party (Paragraph 7 of Ad. Article XXVIII p.74)

- A member has a **substantial interest** in a concession only if it has, or could be expected to have in the absence of discriminatory quantitative restrictions, a significant share in the market of the applicant contracting party. In the GATT, a 10 per cent share rule has been generally applied for the definition of a "substantial supplier".

Any member which considers that it has a principal or a substantial interest in the concession in question and wanting to negotiate or consult under Article XXVIII should, in a period of ninety days following the circulation of the statistics, communicate its claim in writing to the applicant contracting party and inform the GATT secretariat. If the claim is accepted by the applicant member, the parties involved in the Article XXVIII negotiations are determined, otherwise the member making the claim may refer the matter to the Council.

Regarding the results of the negotiations, different cases could occur:

(1) The members primarily concerned and the members having a substantial interest reach an agreement: the Members are then informed of the conclusions and the Schedules are modified. The negotiations under Article XXVIII need to be concluded before the new rates can be implemented.

(2) The members primarily concerned reach an agreement, but the parties having a substantial interest are not satisfied; the latter are then free, not later than six months after the conclusion of the agreement, to retaliate by withdrawing "(…) substantially equivalent concessions initially negotiated with the applicant contracting party" (Article XXVIII:3(b)).

(3) The members primarily concerned cannot reach an agreement before the expiry of the legal period for renegotiation (under para.1); the applicant member is nevertheless free to withdraw or modify its concession, but all other members that were involved in the negotiations and/or consultations

are also allowed, not later than six months after the action is taken, to respond by the withdrawal of "(…) substantially equivalent concessions initially negotiated with the applicant contracting party" (Article XXVIII:3(a)).

b) Understanding on the interpretation of Article XXVIII of the GATT 1994

Some new provisions and/or clarifications of Article XXVIII were discussed in the GATT Articles Group in the Uruguay Round. They refer to (a) the additional definition of members having a principal supplying interest, (b) the basis of trade between the affected members, (c) the modifications of concessions relating to new products, (d) the replacement of a tariff concession by a tariff rate quota, and (e) the granting of initial negotiating rights. Agreement was reached in all the following items:

(i) **Additional principal supplying interest** - An additional principal supplying interest is accorded to the Member which has the highest ratio of exports affected by the concession (i.e. exports of the product to the market of the Member modifying or withdrawing the concession) to its total exports if it does not already have an initial negotiating right or a principal supplying interest as provided for in paragraph 2 of Article XXVIII. The objective of this "supplementary" right is to allow access to negotiating rights for a wider range of countries, particularly the small and medium-sized exporting contracting parties.

(ii) **MFN trade** - only trade on a MFN basis should be taken into account in the determination of countries with a principal supplying interest. This provision should not apply if, at the time of the renegotiation, the trade between concerned members (a) has ceased to benefit from preferential treatment or (b) will do so by its conclusion.

(iii) **New products** - when a tariff concession is modified or withdrawn on a product for which three years' trade statistics are not available, initial negotiating rights should be given the country that had it when the previous classification was used: some clarification is also given in order to establish countries having principal supplying and substantial interests in the concession.

(iv) **Tariff rate quota** - when a tariff is replaced by a tariff rate quota, the amount of compensation should exceed the amount of trade actually affected by this replacement, but it should not exceed the amount of compensation entailed by complete withdrawal of the concession.

(v) **New initial negotiating rights** - a member having a principal supplying interest in a concession which is modified or withdrawn shall be accorded an initial negotiating right in the compensatory concessions, unless some other kind of compensation is agreed between the members involved.

2. Quantitative Restrictions

At its meeting on 1 December 1995, the Council for Trade in Goods adopted the" Decision on Notification Procedures for Quantitative Restrictions" contained in document G/L/59. This Decision was transmitted to the Council for Trade in Goods from the Committee on Market Access which has a mandate "to conduct the updating and analysis of the documentation on quantitative restrictions and other non-tariff measures, in accordance with the timetable and procedures agreed by the CONTRACTING PARTIES in 1984 and 1985."

The Decision on QRs requires WTO Members to notify, by 31 January 1996, QRs which they maintain and any changes to their QRs as and when these changes occur. They shall make such notifications at two-yearly intervals thereafter. The notifications must contain the following information:

- a full description of the products and tariff lines (or parts of tariff lines) affected and the relevant heading or sub-heading in the Harmonised System nomenclature,

- a precise indication of the type of restriction, using the symbols agreed in the annex to the Decision;

- an indication of the grounds and WTO justification for the measures, including citation of the precise provisions for justification;

- a statement on the trade effects of the measure, including information on the quantity of permissible imports, on the degree of quota utilization (in the case of existing quotas) and, on the level of production or consumption where available.

With respect to the last item, the notification should include a description of the administrative mechanism associated with the measure, unless the mechanism has been notified under another WTO Agreement. With respect to notifications of QRs made under other WTO provisions (such as the Agreement on Import Licensing Procedures or the GATT Technical Group on QRs and Other Non-Tariff Measures) which are up-to-date, Members must notify this fact to the Market Access Division so that the Secretariat will input such notifications into the QR data base. This data base will be newly created, identical to the existing QR data base which officially ceased to exist when the GATT 1947 was terminated. However, on request, the Secretariat can provide extracts from the old data base pertaining to Members' own restrictions to assist them in preparing their notifications. Members are also allowed to make reverse notifications, in other words, notifications of third party QRs, where they deem appropriate.

According to the Decision, the Secretariat will publish periodically a document listing the WTO Members having made a notification. Members are free to request from the Secretariat at any time detailed extracts, either printouts or on disk, of the QR data base, and the notifications will be available for consultation in the Secretariat. The Committee on Market Access will, at two-yearly intervals after receipt of the complete notifications, review them on the basis of summaries to be prepared by the Secretariat.

3. Reverse Notification of Non-Tariff Measures

At its meeting on 1 December 1995, the Council for Trade in Goods adopted the "Decision on Reverse Notification of Non-Tariff Measures" contained in document G/L/60. This Decision was transmitted to the Council for Trade in Goods from the Committee on Market Access which has a mandate "to conduct the updating and analysis of the documentation on quantitative restrictions and other non-tariff measures, in accordance with the timetable and procedures agreed by the CONTRACTING PARTIES in 1984 and 1985."

This Decision allows WTO Members the possibility of making notifications of non-tariff measures maintained by other Members in so far as such measures are neither subject to any existing WTO notification obligations nor to any other reverse notification possibilities under the WTO Agreement. This differs from the Decision on QRs which requires Members to notify their own QRs and allows them the possibility to make reverse notifications where they deem appropriate. Here, provision is made for only reverse notification procedures.

The reverse notifications shall contain the following information:

- an indication of the precise nature of the measures;
- where applicable, a full description of the products affected, including the corresponding HS headings or sub-headings;
- where appropriate, a reference to the relevant WTO provisions; and
- a statement on the trade effects of the measure.

The Member maintaining the measures is required to comment on each point contained in the notification. These comments and the notification will be included in a new Inventory of Non-Tariff Measures which will replace the existing Inventory of NTMs which ceased to exist when the GATT 1947 was terminated. It is important to note that the new Inventory will cover all non-tariff measures relating to all products (chapters 1-97 of the HS nomenclature) whereas the old Inventory related only to industrial products. In cases where the inclusion or the contents of the notification is challenged, further information will be sought from the notifying Member. In these cases, the Members concerned might hold bilateral consultations with the aim of verifying the existence of the measure and its precise and complete description. The result of these consultations shall be transmitted to the Secretariat to inform whether or not to include the information in the Inventory.

Additionally, when a measure which has been the subject of a reverse notification is notified by the maintaining Member under another WTO provision, the maintaining Member shall so notify the Secretariat. Upon receipt of such notification, the Secretariat, satisfied that the subject of the two notifications is the same, delete the reverse notification from the Inventory and inform Members of the action taken.

The Inventory of NTMs will be made available to WTO Members in a loose-leaf format in the three WTO languages and amendments will be circulated to all Members by the Secretariat. The Committee on Market Access shall, at two-yearly intervals on the occasion of the review of the notifications of QRs, review the reverse notifications of NTMs received, on the basis of Secretariat analyses similar to those prepared for the GATT Technical Group on QRs and Other NTMs.

MA-II

DECISIONS ON NOTIFICATION PROCEDURES IN THE AREA OF MARKET ACCESS

NOTIFICATION OBLIGATIONS

TARIFFS AND NON-TARIFF MEASURES

NOTIFICATION OBLIGATIONS

Item	Notification requirement	Type of Measure	Periodicity	Format	Members notifying	To Whom
1.	Tariffs - waivers GATT 1994, Art.XXV:5	Any	*Ad hoc*	NO	WTO Members - *ad hoc*	Council for Trade in Goods
2.	Tariffs GATT 1994, Art.XXVIII:1	Modification of schedules (modification or withdrawal of a concession)	*Ad hoc*	NO	WTO Members - *ad hoc*	WTO Secretariat
3.	Tariffs GATT 1994, Art.XXVIII:3	Modification of schedules (modification or withdrawal of a concession as a retaliatory measure)	*Ad hoc*	NO	WTO Members - *ad hoc*	WTO Secretariat
4.	Tariffs GATT 1994, Art.XXVIII:4	Modification of schedules (modification or withdrawal of a concession - request for authorization)	*Ad hoc*	NO	WTO Members - *ad hoc*	WTO Secretariat
5.	Tariffs GATT 1994, Art.XXVIII:5	Modification of schedules (reservation of the right to modify schedules for a 3 year period)	*Ad hoc*	NO	WTO Members - *ad hoc*	WTO Secretariat
6.	Decisions on Notification Procedures for Quantitative Restrictions	Quantitative Restrictions and other non-tariff measures	Every second year (first done by 31 January 1996)	NO	WTO Members	Committee on Market Access

TARIFFS AND NON-TARIFF MEASURES

NOTIFICATION OBLIGATIONS

Item	Notification requirement	Type of Measure	Periodicity	Format	Members notifying	To Whom
7.	Decision on Notification Procedures for Quantitative Restrictions (G/L/59)	Quantitative Restrictions and other non-tariff measures (changes)	*Ad hoc*	NO	WTO Members - *ad hoc*	Committee on Market Access
8.	Decision on Reverse Notification of Non-Tariff Measures (G/L/60)	Non-tariff Measures maintained by other Members[1]	*Ad hoc*	NO	WTO Members - *ad hoc*	Committee on Market Access

[1]Only if such measures are neither subject to any existing WTO notification obligations nor to any other reverse notification possibilities under the WTO Agreement

MA-III

DECISIONS ON NOTIFICATION PROCEDURES IN THE AREA OF MARKET ACCESS

DOCUMENT(S)
BISD, 27S/26

PROCEDURES FOR NEGOTIATIONS UNDER ARTICLE XXVIII

Guidelines adopted on 10 November 1980
(C/113 and Corr.1)

1. A contracting party intending to negotiate for the modification or withdrawal of concessions in accordance with the procedures of Article XXVIII, paragraph 1 - which are also applicable to negotiations under paragraph 5 of that Article - should transmit a notification to that effect to the secretariat which will distribute the notification to all other contracting parties in a secret document.[1] In the case of negotiations under paragraph 4 of Article XXVIII the request for authority to enter into negotiations should be transmitted to the secretariat to be circulated in a secret document and included in the agenda of the next meeting of the Council.

2. The notification or request should include a list of items, with corresponding tariff line numbers, which it is intended to modify or withdraw indicating for each item the contracting parties, if any, with which the item was initially negotiated. It should be indicated whether the intention is to modify a concession or withdraw it, in whole or in part, from the schedule. If a concession is to be modified, the proposed modification should be stated in the notification or circulated as soon as possible thereafter to those contracting parties with which the concession was originally negotiated and those which are recognized, in accordance with paragraph 4 below, to have a principal or a substantial supplying interest. The notification or request should be accompanied by statistics of imports of the products involved, by country of origin, for the last three years for which statistics are available. If specific or mixed duties are affected, both values and quantities should be indicated, if possible.

3. At the same time as the notification is transmitted to the secretariat or when the authorization to enter into negotiations has been granted by the Council - or as soon as possible thereafter - the contracting party referred to in paragraph 1 above should communicate to those contracting parties, with which concessions were initially negotiated, and those which have a principal supplying interest, the compensatory adjustments which it is prepared to offer.

4. Any contracting party which considers that it has a principal or a substantial supplying interest in a concession which is to be the subject of negotiation and consultation under Article XXVIII should communicate its claim in writing to the contracting party referred to in paragraph 1 above and at the same time inform the secretariat. If the contracting party referred to in paragraph 1 above recognizes the claim, the recognition will constitute a determination by the CONTRACTING PARTIES of interest in the sense of Article XXVIII:1.[2] If a claim of interest is not recognized, the contracting party making the claim may refer the matter to the Council. Claims of interest should be made within ninety days following the circulation of the import statistics referred to in paragraph 2 above.

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[1] The date for submission of a notification for negotiation under Article XXVIII, paragraph 1, shall comply with the provisions of interpretative note 3 to paragraph 1 of Article XXVIII.

[2] If, in exceptional circumstances, the contracting party referred to in paragraph 1 above is not in a position to supply relevant import statistics, it shall give due consideration to export statistics provided by contracting parties claiming an interest in the concession or concessions concerned.

5. Upon completion of each bilateral negotiation the contracting party referred to in paragraph 1 above should send to the secretariat a joint letter on the lines of the model in Annex A[3] attached hereto signed by both parties. To this letter shall be attached a report on the lines of the model in Annex B[3] attached hereto. The report should be initialled by both parties. The secretariat will distribute the letter and the report to all contracting parties in a secret document.

6. Upon completion of all its negotiations the contracting party referred to in paragraph 1 above should send to the secretariat, for distribution in a secret document, a final report on the lines of the model in Annex C attached hereto.[3]

7. Contracting parties will be free to give effect to the changes agreed upon in the negotiations as from the first day of the period referred to in Article XXVIII:1, or, in the case of negotiations under paragraph 4 or 5 of Article XXVIII, as from the date on which the conclusion of all the negotiations have been notified as set out in paragraph 6 above. A notification shall be submitted to the secretariat, for circulation to contracting parties, of the date on which these changes will come into force.

8. Formal effect will be given to the changes in the schedules by means of Certifications in accordance with the Decision of the CONTRACTING PARTIES of 26 March 1980.[4]

9. The secretariat will be available at all stages to assist the governments involved in the negotiations and consultations.

10. These procedures are in relevant parts also valid for renegotiations under Article XVIII, paragraph 7, and Article XXIV, paragraph 6.

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[3] The Annexes are not reproduced.

[4] See page 25.

MA-IV

DECISIONS ON NOTIFICATION PROCEDURES IN THE AREA OF MARKET ACCESS

EXAMPLES

RE: Notification under the Decision on Notification Procedures for Quantitative Restrictions

In accordance with the Decision on Notification Procedures for Quantitative Restrictions, I have the honour to provide the Secretariat with the following information on quantitative restrictions maintained by the Government of [Member's name].

[The information should be prepared in tabular form and shall include the following:

- a full description of the products and tariff lines (or parts of tariff lines) affected and the relevant heading of sub-heading in the Harmonized System nomenclature;

- a precise indication of the type of restriction, using the symbols agreed in the annex to the Decision;

- an indication of the grounds and WTO justification for the measures, including citation of the precise provisions for justification;

- a statement on the trade effects of the measure, including information on the quantity of permissible imports, on the degree of quota utilization (in the case of existing quotas) and, on the level of production or consumption where available.

With respect to this last item, the notification should include a description of the administrative mechanism associated with the measure, unless the mechanism has been notified under another WTO Agreement. With respect to notifications of QRs made under other WTO provisions (such as the Agreement on Import Licensing Procedures, the GATT Technical Group on QRs and Other Non-Tariff Measures, the Agreement on Agriculture, or the Agreement on Textiles, which are up-to-date, Members must notify this fact to the Market Access Division.]

[If the Member does not maintain any QRs, the above paragraph should be used and changed as follows "… honour to inform the Secretariat that the Government of [Member's name] does not maintain any quantitative restrictions."]

RE: Notification under the Decision on Reverse Notification on Non-Tariff Measures

In accordance with the Decision on Reverse Notification of Non-Tariff Measures, I have the honour to provide the Secretariat with the following information on non-tariff measures maintained by the Government of [name of Member maintaining the non-tariff measure].

[It should be noted that the non-tariff measure being notified must not be subject to any existing WTO notification obligations not to any other reverse notification possibilities under the WTO Agreement. The notification shall contain the following information:

- an indication of the precise nature of the measures;
- where applicable, a full description of the products affected, including the corresponding HS headings or sub-headings;
- where appropriate, a reference to the relevant WTO provisions; and
- a statement on the trade effects of the measure.]

MA-V

DECISIONS ON NOTIFICATION PROCEDURES IN THE AREA OF MARKET ACCESS

TEXTS OF THE LEGAL PROVISIONS

UNDERSTANDING ON THE INTERPRETATION OF ARTICLE XXVIII OF GATT 1994

G/L/59
G/L/60

UNDERSTANDING ON THE INTERPRETATION OF ARTICLE XXVIII OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE 1994

Members hereby *agree* as follows:

1. For the purposes of modification or withdrawal of a concession, the Member which has the highest ratio of exports affected by the concession (i.e. exports of the product to the market of the Member modifying or withdrawing the concession) to its total exports shall be deemed to have a principal supplying interest if it does not already have an initial negotiating right or a principal supplying interest as provided for in paragraph 1 of Article XXVIII. It is however agreed that this paragraph will be reviewed by the Council for Trade in Goods five years from the date of entry into force of the WTO Agreement with a view to deciding whether this criterion has worked satisfactorily in securing a redistribution of negotiating rights in favour of small and medium-sized exporting Members. If this is not the case, consideration will be given to possible improvements, including, in the light of the availability of adequate data, the adoption of a criterion based on the ratio of exports affected by the concession to exports to all markets of the product in question.

2. Where a Member considers that it has a principal supplying interest in terms of paragraph 1, it should communicate its claim in writing, with supporting evidence, to the Member proposing to modify or withdraw a concession, and at the same time inform the Secretariat. Paragraph 4 of the "Procedures for Negotiations under Article XXVIII" adopted on 10 November 1980 (BISD 27S/26-28) shall apply in these cases.

3. In the determination of which Members have a principal supplying interest (whether as provided for in paragraph 1 above or in paragraph 1 of Article XXVIII) or substantial interest, only trade in the affected product which has taken place on an MFN basis shall be taken into consideration. However, trade in the affected product which has taken place under non-contractual preferences shall also be taken into account if the trade in question has ceased to benefit from such preferential treatment, thus becoming MFN trade, at the time of the negotiation for the modification or withdrawal of the concession, or will do so by the conclusion of that negotiation.

4. When a tariff concession is modified or withdrawn on a new product (i.e. a product for which three years' trade statistics are not available) the Member possessing initial negotiating rights on the tariff line where the product is or was formerly classified shall be deemed to have an initial negotiating right in the concession in question. The determination of principal supplying and substantial interests and the calculation of compensation shall take into account, *inter alia,* production capacity and investment in the affected product in the exporting Member and estimates of export growth, as well as forecasts of demand for the product in the importing Member. For the purposes of this paragraph, "new product" is understood to include a tariff item created by means of a breakout from an existing tariff line.

5. Where a Member considers that it has a principal supplying or a substantial interest in terms of paragraph 4, it should communicate its claim in writing, with supporting evidence, to the Member proposing to modify or withdraw a concession, and at the same time inform the Secretariat. Paragraph 4 of the above-mentioned "Procedures for Negotiations under Article XXVIII" shall apply in these cases.

6. When an unlimited tariff concession is replaced by a tariff rate quota, the amount of compensation provided should exceed the amount of the trade actually affected by the modification of the concession. The basis for the calculation of compensation should be the amount by which future trade prospects exceed the level of the quota. It is understood that the calculation of future trade prospects should be based on the greater of:

(a) the average annual trade in the most recent representative three-year period, increased by the average annual growth rate of imports in that same period, or by 10 per cent, whichever is the greater; or

(b) trade in the most recent year increased by 10 per cent.

In no case shall a Member's liability for compensation exceed that which would be entailed by complete withdrawal of the concession.

7. Any Member having a principal supplying interest, whether as provided for in paragraph 1 above or in paragraph 1 of Article XXVIII, in a concession which is modified or withdrawn shall be accorded an initial negotiating right in the compensatory concessions, unless another form of compensation is agreed by the Members concerned.

WORLD TRADE ORGANIZATION

G/L/59
10 January 1996

(96-0072)

DECISION ON NOTIFICATION PROCEDURES FOR QUANTITATIVE RESTRICTIONS

Adopted by the Council for Trade in Goods on 1 December 1995

The Committee, in pursuance of its mandate (paragraph (d) of document WT/L/47[2]), agrees that:

- Members shall make complete notifications of the quantitative restrictions which they maintain by 31 January 1996 and at two-yearly intervals thereafter, and shall notify changes to their quantitative restrictions as and when these changes occur;

- such notifications shall contain:

  - a full description of the products and tariff lines (or parts of tariff lines) affected together with the relevant heading or sub-heading in the Harmonised System nomenclature;

  - a precise indication of the type of restriction, using the agreed symbols (BISD 32S/108) as annexed;

  - an indication of the grounds and WTO justification for the measures maintained, including the precise provisions which they cite as a justification;

  - a statement on the trade effects of the measure; in order to ensure full transparency, the notification should include a description of the administrative mechanism associated with the measure, unless this mechanism has been notified under the Agreement on Import Licensing Procedures or another WTO Agreement. Also under trade effects, the notification should include information on the quantity of permissible imports, on the degree of quota utilization (in the case of exiting quotas) and, where available, on the level of production or consumption.

- Members which have made, under other WTO provisions, notifications of quantitative restrictions (including notifications to the GATT Technical Committee on Quantitative Restrictions and Other Non-Tariff Measures) which fulfil the requirements for quantitative restrictions notifications under the 1984 and 1985 decisions and which are up-to-date, shall notify the fact; thereupon, the Secretariat shall input such notifications into the quantitative restrictions data base;

- it will be open to Members to make reverse notifications where they deem appropriate;

[2]The statement or understanding contained in document PC/IPL/M/9, paragraphs 6, 7 and 8 applies also to this Decision.

- the Secretariat shall provide, to assist delegations in the preparation of their notifications, on request, the extract of the quantitative restrictions data base pertaining to its own restrictions;

- the notifications shall be stored in a new data base, identical to the existing quantitative restrictions data base. The latter shall cease to exist when the GATT 1947 is terminated;

- the Secretariat shall publish periodically a document listing the WTO Members having made a notification. The Secretariat shall make available to Members, as and when requested, on paper or computer tape, detailed extracts of the quantitative restrictions data base. The notifications themselves shall be available for consultation in the Secretariat;

- the Committee shall, at two-yearly intervals after receipt of the complete notifications, review the notifications received, on the basis of Secretariat summaries similar to the summaries prepared for the GATT Technical Group on Quantitative Restrictions and Other Non-Tariff Measures.

ANNEX TO THE DECISION ON NOTIFICATION OF QUANTITATIVE RESTRICTIONS

Symbols to be used in notifications of quantitative restrictions[3]

P	Prohibition
CP	Prohibition except under defined conditions
GQ	Global quota
GQC	Global quota allocated by country
BQ	Bilateral quota (i.e. anything less than a global quota)
AL	Automatic licensing
NAL	Non-automatic licensing
STR	Quantitative restriction made effective through state-trading operations
MXR	Mixing regulation
MPR	Minimum price, triggering a quantitative restriction
VER	"Voluntary" export restraint

add the following suffixes to the above as appropriate:

-S	Seasonal restriction
-X	Export restriction

[3]BISD 32S/108

WORLD TRADE ORGANIZATION

G/L/60

10 January 1996

(96-0073)

DECISION ON REVERSE NOTIFICATION OF NON-TARIFF MEASURES

Adopted by the Council for Trade in Goods on 1 December 1995

The Committee, in pursuance of its mandate (paragraph (d) of document WT/L/47[4]), agrees that:

- Members shall have the possibility of making notifications of non-tariff measures maintained by other Members in so far as such measures are neither subject to any existing WTO notification obligations nor to any other reverse notification possibilities under the WTO Agreement;

- such notifications shall contain:

  - an indication of the precise nature of the measure;

  - where applicable, a full description of the products affected, including the corresponding HS headings or sub-headings;

  - where appropriate, a reference to the relevant WTO provisions;

  - a statement on the trade effects of the measure;

- the Member maintaining the measures shall comment on each of these points; such comments shall be included in the Inventory together with the notification;

- in cases where the inclusion or the contents of the notification is challenged, further information will be sought from the notifying Member. In these cases, the Members concerned might hold bilateral consultations with the aim of verifying the existence of the measure and its precise and complete description. The result of these consultations shall be transmitted to the Secretariat for appropriate action (that is, whether or not to include the notification in the Inventory);

- the new Inventory of Non-Tariff Measures shall be open for notification as from the date of this Decision. The existing Inventory of Non-Tariff Measures (Industrial Products) shall cease to exist when the GATT 1947 is terminated;

- the Inventory of Non-Tariff Measures shall cover all non-tariff measures relating to all products (Chapters 1-97 of the HS nomenclature);

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[4]The statement or understanding contained in document PC/IPL/M/9, paragraphs 6, 7 and 8 applies also to this Decision

- the Inventory shall be made available to Members in a loose-leaf format in the 3 WTO languages; amendments to the Inventory (including additions and deletions) shall be circulated to all Members by the Secretariat;

- when a measure which has been the subject of a reverse notification is notified by the maintaining Member under another WTO provision, the maintaining Member shall so notify the Secretariat. Upon receipt of such notification, the Secretariat shall, having satisfied itself that the subject of the two notifications is the same, delete the reverse notification from the Inventory and inform Members of the action taken;

- the Committee shall, at two-yearly intervals on the occasion of the review of the notifications of quantitative restrictions, review the reverse notifications of non-tariff measures received, on the basis of Secretariat analyses similar to the analyses prepared for the GATT Technical Group on Quantitative Restrictions and Other Non-Tariff Measures.