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**CHINA – ANTI-DUMPING MEASURES ON IMPORTS OF CELLULOSE PULP
FROM CANADA**

**UNDERSTANDING BETWEEN CHINA AND CANADA
REGARDING PROCEDURES UNDER ARTICLES 21 AND 22 OF THE DSU**

The following communication, dated 2 May 2018, from the delegation of China and the delegation of Canada to the Chairperson of the Dispute Settlement Body, is circulated at the request of these delegations.

The People's Republic of China and Canada would like to inform the Dispute Settlement Body of the attached "Agreed Procedures under Articles 21 and 22 of the Dispute Settlement Understanding" in the context of the *China – Anti-Dumping Measures on Imports of Cellulose Pulp* (DS483) dispute.

We respectfully request that you circulate the attached agreement to Members of the Dispute Settlement Body.

Agreed Procedures under Articles 21 and 22 of the Dispute Settlement Understanding*China – Anti-Dumping Measures on Imports of Cellulose Pulp (WT/DS483)*

The Dispute Settlement Body ("DSB") adopted its recommendations and rulings in the *China – Anti-Dumping Measures on Imports of Cellulose Pulp* (WT/DS483) dispute on 22 May 2017.

On 1 June 2017, the People's Republic of China (China) and Canada informed the DSB that, pursuant to DSU Article 21.3(b), they had agreed that the reasonable period of time for China to implement the DSB recommendations and rulings would be 11 months from the date of the adoption of the Panel report (WT/483/6). The reasonable period of time expired on 22 April 2018.

Canada and China (the "Parties") have agreed on the following procedures for the exclusive purposes of this dispute. They are designed to facilitate the resolution of the dispute and reduce the scope for procedural disputes and are without prejudice to either Party's views on the correct interpretation of the DSU:

1. Should Canada consider that the situation described in Article 21.5 of the DSU exists, Canada will request that China enter into consultations with Canada. The Parties agree to hold such consultations within 15 days from the date of receipt of the request. After this 15-day period has elapsed, Canada may request the establishment of a panel pursuant to DSU Article 21.5 at any time.
2. At the first DSB meeting at which Canada's request for the establishment of an Article 21.5 panel appears on the agenda, China shall accept the establishment of that panel.
3. The Parties shall cooperate to enable the DSU Article 21.5 panel to circulate its report within 90 days of the panel's establishment, excluding such time during which the panel's work may be suspended pursuant to DSU Article 12.12.
4. Either Party may request the DSB to adopt the report of the DSU Article 21.5 panel at a DSB meeting held at least 20 days after the circulation of the report to Members unless either Party appeals the report to the Appellate Body.
5. In the event of an appeal of the DSU Article 21.5 panel report, the Parties shall cooperate to enable the Appellate Body to circulate its report to the Members within 90 days from the date of notification of the appeal to the DSB. Further, either Party may request the DSB to adopt the reports of the Appellate Body and of the DSU Article 21.5 panel (as modified or upheld by the Appellate Body report) at a DSB meeting held within 30 days of the circulation of the Appellate Body report to Members.
6. In the event that the DSB, following a proceeding under DSU Article 21.5, rules that a measure taken to comply does not exist or is inconsistent with a covered agreement, Canada may request authorization to suspend the application of concessions or other obligations under the covered agreements to China pursuant to DSU Article 22.2. China shall not assert that Canada is precluded from obtaining such DSB authorization on the ground that the request was made outside the 30-day time-period specified in DSU Article 22.6. This is without prejudice to the right of China to have the matter referred to arbitration in accordance with DSU Article 22.6.
7. If Canada requests authorization to suspend the application of concessions or other obligations under the covered agreements to China pursuant to DSU Article 22.2, China may object under DSU Article 22.6 to the level of suspension of concessions or other obligations and/or claim that the principles and procedures set forth in DSU Article 22.3 have not been followed. In the event of such an objection, the matter will be referred to arbitration pursuant to DSU Article 22.6.
8. The Parties will cooperate to enable the arbitrator under DSU Article 22.6 to circulate its decision within 60 days of the referral to arbitration.

9. If any of the original panelists is not available for either the DSU Article 21.5 panel or the Article 22.6 arbitration (or both), the Parties will promptly consult on a replacement, and either Party may request the Director-General of the WTO to appoint, within ten days of being so requested, a replacement for the proceeding or proceedings in which a replacement is required. If an original panelist is unavailable to serve in either of the proceedings, the Parties will further request that, in making this appointment, the Director-General seek a person who will be available to act in both proceedings.
10. The Parties will continue to cooperate in all matters related to these agreed procedures and agree not to raise any procedural objection to any of the steps set out herein. If, during the application of these procedures, the Parties consider that a procedural aspect has not been properly addressed in these procedures, they will endeavour to find a solution within the shortest time possible that will not affect the other aspects and steps agreed herein.
11. These agreed procedures in no way prejudice other rights of either Party to take any action or procedural step to protect its rights and interests, including recourse to the DSU.

Signed in Geneva, 2 May 2018

For the People's Republic of China

For Canada

(Signed)
H.E. Mr. ZHANG Xiangchen
Ambassador
Permanent Mission of
the People's Republic of China

(Signed)
H.E. Mr. Stephen DE BOER
Ambassador
Permanent Mission of
Canada
