Tariff Negotiations Working Party

Working Group on Torquay Schedules

Draft Report

1. The Working Group set up by the Tariff Negotiations Working Party to examine the problems arising in connection with the inclusion of the results of negotiations under Article XXVIII in the Torquay Schedules met under the chairmanship of Mr. Ashford (United Kingdom) and submits the following recommendations:

2. It is suggested that so far as possible the results of negotiations under Article XXVIII should be shown in the Torquay Schedule in a uniform manner.

The following methods are proposed:

(i) Where an entire item is withdrawn

The item should be described in columns 1 and 2 of the Schedule and opposite it in column 3 there should be included the words "Concession withdrawn".

It is the Working Party's opinion, that in any cases in which a description is followed by the words "Concession withdrawn", the products covered by such description shall not be considered as described in the Schedule for the purposes of Article II and any other relevant provision of the General Agreement.

(ii) Where the rate is raised

The Schedule should show the text of the concession as it results from the negotiations at Torquay.

(iii) Where the description is modified in any manner so as to reduce the scope of the concession, with or without a change of rate

The Schedule should show the text of the concession as it results from the negotiations at Torquay, indicating that the remainder of the original concession has been withdrawn.

The Working Party agreed that where the description of an item is complex or technical it might be found desirable to withdraw the existing item entirely, as shown in method 1 and replace it by the item as it will remain bound after the conclusion of the Torquay negotiations (see example 4).

In cases (ii) and (iii), to draw attention to the fact that the item replaces the original concession, the item in the Torquay Schedule should be marked with a cross in the first column. This cross will be explained by a note in the Schedule in the following terms:

"Where an item in this Schedule is marked in column 1 by a cross (+) it is to be understood that the item replaces the item appearing under the same tariff reference in the Geneva or Annecy Schedule, or in both, as a result of negotiations under Article XXVIII of the General Agreement."
In the case of reduction in the rate or widening of the description of items previously bound, the Working Party does not recommend the adoption of this marking having regard to the terms of paragraph 3 (b) of the Torquay Protocol.

A delegation which is unable to identify a concession by its tariff reference in the terms of the proposed note would be able to use the method of entire withdrawal and replacement illustrated in example 4.

3. Certain delegations may wish to indicate the nature of the modification made in the course of the negotiations under Article XXVIII, but it is not intended that the scheme should be made obligatory. It is suggested that such delegations should use the system of annotation indicated below and insert the following note in their Schedule.

- indicates that the bound rate of duty has been raised
- - indicates that the rate of duty previously bound remains unaltered on that part of the original concession which is so marked
- - - indicates that the item is a compensatory adjustment being a reduction of a rate bound at Geneva or Annecy
- - - - indicates a compensatory concession on an item which was not bound at Geneva or Annecy.

4. The Annex contains some examples illustrating the use of these standard markings.
ANNEX

Examples of modifications

Original item as bound at Geneva (or Annecy)

Example 1. The entire item is withdrawn

- 52 Citrus fruit 15%

Example 2. The rate is raised

+ 52 Citrus fruit 20%

Example 3. The description is reduced in scope

(a) without change of rate

+ 52 Grapefruit 15%
Lemons 15%
Other citrus fruit Withdrawn

Although this is the formula which will normally be used, the following is an alternative which may be used by countries whose tariff classification is such that it does not lend itself to the first alternative.

Ex 52

<table>
<thead>
<tr>
<th>Oranges</th>
<th>Concession withdrawn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limes</td>
<td></td>
</tr>
</tbody>
</table>

(b) with change of rate

+ 52 Grapefruit 12%
Lemons 15%
Limes 20%
Other citrus fruit Concession withdrawn

Example 4.

Original item as bound at Geneva (or Annecy)

62 Wagons for use on railways not exceeding three feet in gauge, and parts of such wagons other than complete roller bearing and ball bearing axle boxes 33 1/3%

The description is reduced in scope

62 Wagons for use on railways not exceeding three feet in gauge, and parts of such wagons other than complete roller bearing and ball bearing axle boxes Item withdrawn

62 Wagons for use on railways not exceeding four feet in gauge, and parts of such wagons 33 1/3%
Example of optional asterisk method of showing the nature of the changes made at Torquay in negotiations under Article XXVIII

| + 52  | Grapefruit       | 12%  |
|       | Lemons           | 15%  |
|       | Lines            | 20%  |
|       | Other citrus fruit | Concession withdrawn |
|       |                  |      |
| 53    | Bananas          | 10%  |
|       |                  |      |
| 54    | Dates            | 15%  |