WAIVER OF THE PROVISIONS OF ARTICLE XV:6 REQUESTED
BY CZECHOSLOVAKIA

Report by Working Party 4 on Balance-of-Payments Restrictions

In accordance with the Decision of the CONTRACTING PARTIES at their thirty-fourth meeting on 16 February 1955 (SR. 9/34), the Working Party has examined the request by Czechoslovakia for a waiver from the requirements of paragraph 6 of Article XV and recommends that the CONTRACTING PARTIES adopt the following Decision:

"HAVING RECEIVED from the Government of Czechoslovakia a request to be relieved from the requirements prescribed in paragraph 6 of Article XV of the General Agreement that any contracting party which is not a member of the International Monetary Fund shall become a member of the Fund or failing that enter into a special exchange agreement with the CONTRACTING PARTIES,

"NOTING that, owing to special circumstances, the application of the provisions of paragraph 6 of Article XV to Czechoslovakia would raise a number of legal and practical difficulties,

"NOTING the assurances given by Czechoslovakia that it will act in exchange matters in a manner fully consistent with the principles of the special exchange agreement as adopted by the CONTRACTING PARTIES in their resolution of 20 June 1949 and in accordance with the intent of the General Agreement,

"The CONTRACTING PARTIES, acting in pursuance of paragraph 5(a) of Article XXV

"DECIDE that:

"(1) Without derogation from any other provisions of Article XV Czechoslovakia shall be relieved from the provisions of paragraph 6 of Article XV, for such time as Czechoslovakia satisfies the CONTRACTING PARTIES by means of annual consultations and such other consultations as may be held pursuant to this decision, together with the information required therefor, that its action in exchange matters is fully consistent with the principles of the special exchange agreement and in accordance with the intent of the General Agreement;
"(2) Czechoslovakia shall report to and consult with the CONTRACTING PARTIES annually on any action taken by it during the preceding year which would have been required to be reported to the CONTRACTING PARTIES had Czechoslovakia signed the special exchange agreement;

"(3) Czechoslovakia shall consult at any time, subject to thirty days' notice, with the CONTRACTING PARTIES at the request of any contracting party which considers that Czechoslovakia has taken exchange action which has frustrated the intent of the provisions of the General Agreement; and

"(4) If as a result of the consultations referred to in paragraphs 2 and 3, the CONTRACTING PARTIES find that Czechoslovakia has taken exchange action contrary to the intent of the General Agreement they may determine that the present Decision shall cease to apply and Czechoslovakia will thereafter be bound by the provisions of paragraph 6 of Article XV of the General Agreement."