PROCEDURES FOR THE CONDUCT OF THE CONSULTATIONS UNDER
ARTICLE XII:4(b)

Draft for inclusion in the Working Party Report

In order that the consultations may be as effective and meaningful as possible, the Working Party proposes that the following procedures and arrangements be adopted:

(a) On the basis of available information, including information supplied by the International Monetary Fund, data supplied by the contracting parties concerned and information gathered from other sources, the secretariat will compile a basic document in connexion with each of the consultations. As the financial aspects of the restrictions will be fully dealt with in the background papers supplied by the Fund, the secretariat paper will concentrate on the trade aspects of the restrictions giving, as far as possible, a precise and comprehensive description of the restrictive systems and their administration and an analysis of the effects of the restrictions on trade. In preparing these papers the secretariat will consult as fully as possible with the contracting parties concerned.

(b) When completed these papers will be circulated immediately to all contracting parties together with the background papers and other relevant documentation supplied by the International Monetary Fund.

(c) For the purpose of conducting the consultations, the CONTRACTING PARTIES will appoint a Consultations Committee, composed of representatives of [9] governments nominated by the CONTRACTING PARTIES at the present session. Contracting parties not members of the Committee will be entitled, in accordance with the practice of the CONTRACTING PARTIES, to be represented at the meetings of the Committee by observers who will have the right to participate in the discussions. The representative of the Fund will be invited to attend meetings of the Consultations Committee. The consultations will be held in Geneva.

(d) At the conclusion of each consultation the Committee will draw up a report which will be circulated to the contracting parties forthwith and transmitted to the CONTRACTING PARTIES at the Twelfth Session.
On the question of the size of the Consultations Committee the Working Party considered that, having regard to the nature of the work, a small group would be preferable to a large one similar to the present type of working party on balance-of-payments restrictions. On the other hand, it recognized that it would be difficult to encompass the diverse views and interests of countries in different external financial positions and with different types of economies, in a group of very limited size, such as was feasible in certain other organizations with a more homogeneous membership. Consequently the Working Party agreed to recommend that the Committee should comprise representatives of nine contracting parties.

In selecting the members of the Committee, the CONTRACTING PARTIES should have regard to the objective of ensuring that the Committee is representative, as far as possible, of the contracting parties in terms of their geographic location, external financial position, and stage and character of their economic development. Contracting parties which agree to be included in the Committee should be requested to assure that they would arrange to send persons of adequate qualifications and acquaintance with the problems to be dealt with by the Committee, and that insofar as possible they would ensure continuity by sending the same representatives to the meeting of the Committee so that full use could be made of the valuable experience they will have gained in conducting such consultations.

In order to ensure continuity the Working Party suggests that the Consultations Committee should continue to conduct such consultations after the opening of the Twelfth Session, and that for the sake of coordination it should be brought into relationship with the Balance-of-Payments Restrictions Working Party that may be appointed at that session, as a sub-committee thereof.

In order that the results of the consultations could be reviewed by the CONTRACTING PARTIES at the Twelfth Session with a view to drawing such general conclusions as seem appropriate, it is proposed that the bulk of the consultations should be concluded prior to the beginning of the Twelfth Session and that those of the consultations which are left over for the Twelfth Session should be conducted at as early a stage as possible of that Session.

The time schedule for the consultations will be drawn up in consultation with the countries concerned and with the International Monetary Fund. In the relevant section of the report, it might be stated that for the convenience of certain countries situated far away from Europe consultations with them might be scheduled to take place either during or immediately before the Twelfth Session.