Termination of Negotiations Under Article XXIV:6

Note by the Chairman of the Tariff Negotiations Committee

The Tariff Negotiations Committee decided at its meeting of Friday, 12 May 1961, that the Chairman should submit to contracting parties for their examination a draft embodying procedures for the termination of negotiations under Article XXIV:6.

A draft note is accordingly attached hereto with the request that delegations transmit any comments to the secretariat by 6 p.m. on Monday, 15 May 1961.

1. The Representative of the Commission informed the Tariff Negotiations Committee on 5 May 1961, in the terms then stated, that they considered the negotiations under Article XXIV:6 to be terminated on 12 May 1961. Whether, therefore, these negotiations have resulted in (i) an unqualified agreement, (ii) or in an agreement with reservations, or (iii) that an agreement has not been reached with the parties concerned, the present Schedules of the Member States, after definitive approval by the Community of the concessions offered, will cease to have effect and the EEC will consider itself bound by the new obligations it will have incurred in the Common Tariff pursuant to these negotiations.

2. The parties to the negotiations mentioned above will, as is customary, jointly report the outcome of these negotiations to the secretariat.

3. In order to give contracting parties an overall picture of the obligations entered into by the Community, and to facilitate the forthcoming negotiations the Commission has undertaken to prepare a complete list of the results of its bilateral negotiations indicating:

   (i) the concessions which are to be considered bound by the Community under Article II of the General Agreement;
   (ii) the concessions granted by the Commission in negotiation with contracting parties which have entered reservations; and
   (iii) the offers of the Commission made in negotiation with contracting parties with which no agreement has been reached.

The offers in (iii) above will be maintained by the Community provided the other party does not, pursuant to paragraph 3 of Article XXVIII, withdraw from its own Schedule concessions which it initially negotiated with a Member State of the Community. If the other party does not withdraw concessions within the time-limit specified in the above Article or otherwise agreed to, the Community undertakes to bind these offers under the terms of Article II of the General Agreement.

4. Problems arise with respect to the special nature of bindings granted in the Common Tariff of the Community, e.g. the fact that the actual rates of duty bound by the Community will not in most cases be applied during the transitional period and that the alignment towards these Common Tariff rates
may not always follow the terms of Article 23 of the Rome Treaty. However, given the complications which might arise in this context in the forthcoming tariff negotiations, these problems might best be settled in connexion with the drafting of the Protocol which will embody all the results of the present Conference and which will also formally annex the Schedule of the Community to the General Agreement. Pending settlement of these problems the Member States of the Community will adhere to the statement (BISD, 8th Supp., page 113) made to Committee I by the representative of the Commission on the process of alignment of national duties with the common external tariff. In connexion with that statement it was recalled (BISD, 8th Supp., page 114) that "if a contracting party should feel that prejudice was caused to its interests as a result of accelerated adjustments of duties during the transitional period, that contracting parties could resort to the provisions of Articles XXII and XXIII of the Agreement".

5. Should the Community wish to modify obligations incurred by it on the Common Tariff pursuant to negotiations under Article XXIV:6 it will, in accordance with the provisions of the General Agreement, resort to Article XXVIII.