Recalling their Decision of 15 March 1965 whereby Chile was authorized to continue to maintain until the entry into force of the new Customs Tariff or until 31 December 1966, whichever is the earlier, surcharges specified in the Decision of 27 May 1959, subject to certain terms and conditions;

Considering that the Government of Chile has notified the CONTRACTING PARTIES that it is carrying out a tariff reform which will involve the adoption of the Brussels Tariff Nomenclature and the incorporation in the customs duties of all charges, including surcharges, previously applied on importation;

Considering the assurances given by the Government of Chile that the level of duties and charges in the new tariff will, with few exceptions made necessary for technical reasons, be no higher than those applied on 25 April 1966;

Considering that the new tariff is designed to greatly simplify formalities connected with importation,

Considering that the new tariff is also designed to constitute a more appropriate instrument for the promotion of economic development;

Considering that negotiations under Article XXVIII of GATT cannot be completed by 31 December 1966, which is the date of expiry of the aforementioned Decision of 15 March 1965;

The CONTRACTING PARTIES, acting pursuant to the provisions of Article XXV:5 of the General Agreement and in accordance with the procedures adopted by them on 1 November 1956,
Decide, in view of the exceptional circumstances, to suspend the application of the provisions of Article II of the General Agreement to the extent necessary to enable the Government of Chile to put into force the rates of duty provided in its new tariff to be introduced on 1 January 1967 which may exceed those bound in Schedule VII, pending completion of negotiations for the modification or withdrawal of concessions in that Schedule on items to which the new rates apply, subject to the following conditions:

1. The Government of Chile will promptly enter into negotiations or consultations with interested contracting parties pursuant to paragraphs 1-3 of Article XXVIII.

2. Part IV of the General Agreement, including Article XXXVI:8, is applicable to the negotiations between contracting parties which have accepted the Protocol amending the General Agreement on Tariffs and Trade to Introduce a Part IV on Trade and Development; and other contracting parties, negotiating with Chile, likewise accept the principle enunciated in Article XXXVI:8 as applicable to the negotiations.

3. The negotiations and consultations mentioned above shall be related to the concessions to be offered by the Government of Chile as compensation for the modifications and withdrawals and to any requests made by interested contracting parties for other or additional compensation with a view to reaching a satisfactory adjustment consistent with the requirements of paragraph 2 of Article XXVIII and to the establishment of a new Schedule VII.

4. The negotiations or consultations mentioned above shall be completed before 31 December 1967.

5. Pending the entry into force of the results of the negotiations or consultations mentioned above, the other contracting parties will be free to suspend concessions initially negotiated with Chile to the extent that they consider that adequate compensation, bearing in mind the provisions of paragraph 2
of this Decision, is not offered within a reasonable time by the Government of Chile (subject to the right of any third contracting party having a principal supplying interest or a substantial interest therein to withdraw substantially equivalent concessions initially negotiated with such other contracting parties).

6. Except as may be otherwise provided in this Decision, the negotiations or consultations mentioned above shall be conducted in conformity with the relevant provisions of Article XXVIII.