Arrangement Concerning Certain Dairy Products

MANAGEMENT COMMITTEE

Possible Termination of the Arrangement Concerning Certain Dairy Products

Introduction

1. This note has been drawn up in response to the request made by the Management Committee at its meeting on 20 February 1978, on the question of a possible termination of the Arrangement Concerning Certain Dairy Products. In this note, an attempt has been made to present the provisions of the Arrangement concerning duration, amendments and withdrawal, and to suggest the legal approach which might be followed with a view to a possible termination of the Arrangement, if a broader arrangement concerning dairy products, including skimmed milk powder, was entered into.

Alternative 1

2. Article VIII of the Arrangement, entitled 'Final provisions', provides in paragraph 2 that the Arrangement shall remain in force for one year and that the duration of the Arrangement shall be extended for further periods of one year at a time, unless the Management Committee, at least eighty days prior to each date of expiry, decides otherwise. In conformity with this provision, the duration of the Arrangement has been tacitly extended for a period of one year as from 14 May 1978.

3. Article VIII:3 of the Arrangement provides that the provisions of the Arrangement may be amended by the Management Committee. If it proves necessary to terminate the Arrangement before a date of expiry, the Management Committee may therefore amend the provisions of the Arrangement, including the final provisions, by introducing a new provision which would be inserted at the end of paragraph 2 of Article VIII and could read as follows: "However, this Arrangement may, by a decision of the Management Committee, be declared to have lapsed if, before a date of expiry, a broader arrangement concerning dairy products, including skimmed milk powder, entered into force".
4. Article VIII:6 of the Arrangement provides that a participating country may withdraw from the Arrangement upon the expiry of sixty days from the day on which written notice of such withdrawal is received by the Director-General to the CONTRACTING PARTIES. If, in pursuance of this provision, all participants notify the Director-General to the CONTRACTING PARTIES of their intention to withdraw and if such written notifications are received by the Director-General to the CONTRACTING PARTIES by the same date, the Arrangement may, upon the expiry of sixty days from that day, be considered to have been terminated, withdrawal by all participants having then become effective in conformity with Article VIII:6 of the Arrangement. In the specific case that a broader new arrangement concerning dairy products, including skimmed milk powder, entered into force at a given date, it would be sufficient if notifications of withdrawal by all participants were received sixty days prior to that date by the Director-General to the CONTRACTING PARTIES for this Arrangement to be considered to have been terminated upon the entry into force of the new arrangement.

Applicability of Protocol relating to milk fat

5. The Protocol relating to milk fat contains provisions similar to those of the Arrangement as regards duration, validity, amendments and withdrawal. If it proved necessary to terminate the Protocol before a date of expiry, a procedure similar to that outlined in the foregoing paragraphs might be followed.