THIRD COMMITTEE: COMMERCIAL POLICY

TEXT OF ARTICLE 28 OF NEW YORK DRAFT CHARTER

(Referred to by delegation of Czechoslovakia in comment on Article 23 in Annotated Agenda for Chapter IV, Section "B" - Document E/CONF.2/C.3/7).

Article 28

Exceptions to the Rule of Non-Discrimination

1. The provisions of this Section shall not preclude

(a) restrictions with equivalent effect to exchange restrictions authorized under section 3 (b) of Article VII of the Articles of Agreement of the International Monetary Fund;

(b) prohibitions or restrictions in accordance with paragraphs 2 (a) (i) or 2 (d) of Article 25;

(c) conditions attaching to exports which are necessary to ensure that an exporting Member country receives for its exports its own currency or the currency of any member of the International Monetary Fund specified by the exporting Member country;

(d) restrictions in accordance with Article 25 which either (1) are applied against imports from other countries, but not as between themselves, by a group of territories having a common quota in the International Monetary Fund, provided that such restrictions are in all other respects consistent with Article 27, or, (ii) assist in the period until 31 December 1951, by measures not involving substantial departure from the provisions of Article 27, a country whose economy has been disrupted by war;

(e) restrictions in accordance with Article 25 which both (1) provide a Member with additional imports above the maximum total of imports which it could afford in the light of the requirements of paragraph 2 of Article 26, if its restrictions were consistent with Article 27, and (ii) have equivalent effect to exchange restrictions which are permitted to that Member under the Articles of Agreement of the International Monetary Fund or under the terms of any special exchange agreement which may have been made between the Member and /the Organization
the Organization under Article 29, provided that a Member which
is not applying restrictions on payments and transfers for current
International transactions, may apply import restrictions under (i)
of this sub-paragraph in special circumstances and only with the
prior approval of the Organization in agreement with the International
Monetary Fund.

2. If the Organization finds, after consultation with the International
Monetary Fund on matters within the competence of the Fund, that import
restrictions or exchange restrictions on payments and transfers in connection
with imports are being applied by a Member in a discriminatory manner
inconsistent with the exceptions provided under this Article or in a manner
which discriminates unnecessarily against the trade of another Member country,
the Member shall within sixty days remove the discrimination or modify it
as specified by the Organization, provided that a Member may, if it so desires,
consult with the Organization to obtain its prior approval for such
discrimination, under the procedure set forth in paragraph 3 (c) of Article 26,
and to the extent that such approval is given, the discrimination shall not
be open to challenge under this paragraph.

3. When three-quarters of the Members of the Organizations have accepted
the obligations of Sections 2, 3 and 4 of Article VIII of the Articles of
Agreement of the International Monetary Fund, but in any event before
31 December 1951, the Organization shall review the operation of this Article,
in consultation with the International Monetary Fund, with a view to the
earliest possible elimination of any discrimination, under paragraphs 1 (e)
(i) and (ii) of this Article, which restricts the expansion of world trade.