SECOND SESSION OF THE PREPARATORY COMMITTEE OF THE UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT.

Article 14

Preferential Arrangements

Paragraphs 2 and 3 of Article 14 concerning the maintenance of preferential arrangements have been drafted by the Sub-Committee on Articles 14, 15 and 24. The proposed draft is reproduced below and, in anticipation of its adoption by the Preparatory Committee, the Sub-Committee wishes to obtain from delegations any lists of preferential arrangements which are to appear in Annexures to the Charter in terms of paragraph 2 (b) and (d).

It would be appreciated if delegations which have such lists but have not yet submitted them to the Secretariat would inform the Executive Secretary, not later than Monday next, 21st July, of their intention to provide lists for inclusion in the Annexures.

Article 14 - provisional text:

Para. 2. The provisions of paragraph 1 of this Article shall not be construed to require the elimination, except as provided in Article 24, of any preferences in respect of import duties or charges which do not exceed the levels provided for in paragraph 3 and which fall within the following descriptions:

(a) Preferences in force exclusively between two or more of the territories listed in Annexure A to this Charter, subject to the conditions set forth therein;

(b) Preferences in force exclusively between two or more territories which on 1 July 1939 were connected by common sovereignty or relations of protection or suzerainty and which are listed in Annexures B, C, D ... of this Charter;

(c) Preferences in force exclusively between the United States of America and the Republic of Cuba;

(d) Preferences in force exclusively between neighbouring countries listed in Annexures ...... and ...... of this Charter.
Para. 3. The margin of preference on any product in respect of which a preference is permitted under paragraph 2 of this Article shall not exceed (a) the maximum margin provided for under the General Agreement on Tariffs and Trade or any subsequent operative agreement, resulting from negotiations under Article 24, or (b) if not provided for under such agreements, the margin existing either on 10 April, 1947, or on such earlier date as may have been established for a Member as a basis for negotiating the General Agreement on Tariffs and Trade, at the option of such Member.