

**PREPARATORY COMMITTEE
FOR THE
WORLD TRADE ORGANIZATION**

RESTRICTED
PC/W/22
6SS/W/5
7 December 1994

(94-2706)

IMPLEMENTATION CONFERENCE
8 DECEMBER 1994

TRANSITIONAL ARRANGEMENTS

TRANSITIONAL CO-EXISTENCE OF THE AGREEMENT ON IMPLEMENTATION
OF ARTICLE VI OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE AND THE
MARRAKESH AGREEMENT ESTABLISHING THE WORLD TRADE ORGANIZATION

Draft Decision

The PREPARATORY COMMITTEE FOR THE WORLD TRADE ORGANIZATION

invites the Parties to the Agreement on Implementation of Article VI of the General Agreement of Tariffs and Trade to take the following decision:

The Parties to the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade (hereinafter referred to as "the Agreement"),

Noting that not all Parties to the Agreement meeting the conditions for original membership in the World Trade Organization (hereinafter referred to as the "WTO") will be able to accept the Marrakesh Agreement Establishing the WTO (hereinafter referred to as the "WTO Agreement") as of its date of entry into force, and that the stability of multilateral trade relations would therefore be furthered if the Agreement and the WTO Agreement were to co-exist for a limited period of time;

Considering that, during that period of co-existence, a Party to the Agreement which has become a Member of the WTO should have the right to act in accordance with the WTO Agreement notwithstanding its obligations under the Agreement;

Desiring to end the period of co-existence on a date agreed in advance so as to provide predictability for policy makers and facilitate an orderly termination of the institutional framework of the Agreement;

Decide as follows:

1. The Parties to the Agreement that are Members of the WTO may, notwithstanding the provisions of the Agreement, maintain or adopt any measure consistent with the provisions of the WTO Agreement.
2. The dispute settlement provisions of the Agreement shall not apply:
 - (a) to disputes brought against a Party to the Agreement which is a Member of the WTO if the dispute concerns a measure that is identified as a specific measure at issue in the request for the establishment of a panel made in accordance with Article 6 of the Understanding on Rules and Procedures Governing the Settlement of Disputes in Annex

./.

2 of the WTO Agreement and the dispute settlement proceedings following that request are being pursued or are completed; and

(b) in respect of measures covered by paragraph 1 above.

3. The Agreement is herewith terminated one year after the date of entry into force of the WTO Agreement. In the light of unforeseen circumstances, the Parties may decide to postpone the date of termination by no more than one year.