

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

SCM/W/5

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Special Distribution

Committee on Subsidies and
Countervailing Measures

OUTLINE FOR ANNUAL REVIEWS OF THE OPERATION
OF THE AGREEMENT

Note by the Secretariat

1. Article 19:6 of the Agreement states:

"The Committee shall review annually the implementation and operation of this Agreement taking into account the objectives thereof. The Committee shall annually inform the CONTRACTING PARTIES to the GATT of developments during the period covered by such reviews."

A. Review

2. The main objectives of the Agreement that would need to be taken into account by the Committee are those listed in the Preamble. The annual review of the Committee should cover action by Parties to ensure proper implementation and operation of the Agreement in the light of these objectives and of their specific obligations under other provisions of the Agreement, as well as the operation of the Agreement as a whole.

3. It is suggested that the operation of the following main provisions might be given particular attention:

- (a) national legislation (Article 19:5) - examination by the Committee of the conformity of signatories' laws, regulations and administrative procedures with the provisions of the Agreement;
- (b) semi-annual reports on all countervailing duty actions (Article 2:16);
- (c) notifications of subsidies (Article 7) - notifications under Article XVI:1 of the General Agreement and notifications "on request" under Article 7;
- (d) "second track" actions (Articles 12 and 13);
- (e) developing countries (Article 14) - actions under, inter alia, Articles 14:5, 14:8 and 14:9;
- (f) conciliation and dispute settlement (Articles 17 and 18).

4. In order to facilitate the conduct of the review the secretariat will prepare a short report setting out all information available on actions taken by signatories under the Agreement. For this purpose, it is suggested that signatories should submit written statements about the action taken by them under the items listed in paragraph 3 above to the extent that this has not already been done in the normal course of the Committee's work.

B. Annual report to the CONTRACTING PARTIES

5. The report referred to in the second sentence of Article 19:6 would cover all aspects of the work of the Committee. It is suggested that a procedure be used similar to that adopted in other GATT bodies. Accordingly, the secretariat would present a draft report to the Committee for examination and adoption. This would normally take place at the end of the meeting which conducts the annual review.