UNDERSTANDING ON THE INTERPRETATION OF ARTICLE XXXV OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE 1947

The CONTRACTING PARTIES,

Having regard to the interlinked provisions of paragraph 1 of Article XXXV of the General Agreement on Tariffs and Trade 1947;

Noting that by invoking Article XXXV a contracting party on the one hand, or a government acceding to GATT 1947 on the other, declines to apply GATT 1947, or alternatively Article II of that Agreement, to the other party;

Desiring to ensure that tariff negotiations between contracting parties and a government acceding to GATT 1947 are not inhibited by unwillingness to accept an obligation to apply GATT 1947 as a consequence of entry into such negotiations;

Agree as follows:

A contracting party and a government acceding to GATT 1947 may engage in negotiations relating to the establishment of a GATT schedule of concessions by the acceding government without prejudice to the right of either to invoke Article XXXV in respect of the other.