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**Council for Trade in Goods**

**INTRODUCTION OF HARMONIZED SYSTEM 1996 CHANGES  
INTO WTO SCHEDULES OF TARIFF CONCESSIONS**

Malaysia – Schedule XXXIX

*Draft Waiver Decision*

The General Council,

*Considering* that the Members of the WTO, by their Decisions of 13 December 1995, 18 July 1996, 24 April 1997, 22 October 1997, 24 April 1998, 14 October 1998, 15 June 1999, 4 November 1999, 3 May 2000, 8 December 2000, 8 May 2001 and 13 May 2002<sup>1</sup>, acting pursuant to the provisions of paragraph 3 of Article IX of the WTO Agreement, suspended the application of the provisions of Article II of GATT 1994 until 30 April 2003, for the purpose of enabling the Members listed in the Annex to implement the recommended amendments to the Harmonized System nomenclature;

*Considering* that by their decision of 8 May 2001, Members of the WTO also agreed that it would be the last time that an extension of the HS96 waiver would be granted on a collective basis, but that this would not, however, preclude Members from requesting waivers on an individual basis;

*Noting* that Malaysia has requested a waiver for the reasons explained in its request<sup>2</sup>;

*Considering* that Malaysia would need more time to notify the WTO Secretariat of the corrections to its schedule,

*Acting* pursuant to the provisions of paragraph 3 of Article IX of the WTO Agreement,

*Decides*, in view of the exceptional circumstances, to suspend the application of the provisions of Article II of GATT 1994, until 30 April 2004, for the purpose of enabling Malaysia to implement the recommended amendments to the Harmonized System nomenclature, subject to the following conditions:

- (i) Malaysia shall, where necessary, promptly enter into negotiations and consultations with interested Members pursuant to paragraphs 1-3 of Article XXVIII of GATT 1994;
- (ii) the negotiations and consultations mentioned above shall be completed not later than 30 April 2004;

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<sup>1</sup>WT/L/124+Corr.1, WT/L/173, WT/L/216, WT/L/243, WT/L/268, WT/L/281, WT/L/303, WT/L/338, WT/L/351, WT/L/379, WT/L/400 and WT/L/465.

<sup>2</sup> G/L/615.

- (iii) Pending entry into force of the results of the negotiations or consultations mentioned above, the other Members will be free, pursuant to Article XXVIII:3, to suspend concessions initially negotiated with Malaysia to the extent that they consider that adequate compensation is not offered by Malaysia.
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