

SRI LANKA - ESTABLISHMENT OF A NEW SCHEDULE VI

Extension of Time-Limit

Decision of 22 October 1997<sup>1</sup>

Considering that the CONTRACTING PARTIES to GATT 1947, by their Decision of 8 November 1988<sup>2</sup>, suspended the application of the provisions of Article II of GATT 1947 to the extent necessary to enable the Government of Sri Lanka to implement the Harmonized Commodity Description and Coding System (Harmonized System) on 1 January 1989 and carry out negotiations subsequently;

Taking into account that, by successive Decisions, the time-limit of the waiver granted to Sri Lanka has been extended until 31 October 1997<sup>3</sup>.

Considering that by a Decision of 31 January 1995<sup>4</sup> the General Council established a list of waivers existing at the entry into force of the WTO Agreement, which included the waiver granted to Sri Lanka for the establishment of a new Schedule VI;

Taking into account that the documentation relevant to the transposition of Sri Lanka's Schedule into the Harmonized System was circulated in document SECRET/HS/26 on 12 January 1990;

Considering that the Government of Sri Lanka has initiated Article XXVIII negotiations with four Members, but has been unable to conclude them because of the severe constraints in completing the preparatory work for further negotiations as a result of the security situation in the country which has consumed vast human and financial resources for safeguarding the territorial integrity of the country;

Considering that, in light of the above, the Government of Sri Lanka will find it difficult to conclude negotiations before 31 October 1997 and will require some more time to engage in consultations with all relevant agencies concerned with regard to the latest proposals received;

Noting that the Government of Sri Lanka has received counter proposals from two countries and that these proposals were being examined by the appropriate authorities;

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<sup>1</sup>Adopted in accordance with the Decision-Making Procedures under Articles IX and XII of the WTO Agreement agreed by the General Council (WT/L/93).

<sup>2</sup>BISD, 35S/22.

<sup>3</sup>WT/L/224.

<sup>4</sup>WT/L/3 + Corr.1.

Noting further that, in this context, a Commission on Trade and Tariff has been established in Sri Lanka with the responsibility of looking into any anomalies and changes concerning tariff matters which will need to be consulted on whatever recommendations concerning any future changes to the country's tariff structure arising out of these negotiations;

Considering that the Government of Sri Lanka has assured the countries concerned that the negotiations will be finalized to the satisfaction of all parties concerned within the stipulated time;

Considering that the Government of Sri Lanka, having fulfilled the requirements of paragraph 1 of the Understanding in Respect of Waivers of Obligations under the GATT 1994, has requested a further extension of the exemption of its obligations under Article II of GATT 1994<sup>5</sup>;

The General Council, acting pursuant to the provisions of Article IX of the WTO Agreement,

Decides, in view of the exceptional circumstances outlined above, to extend the waiver granted to Sri Lanka by the Decision of 8 November 1988, until 30 April 1998.

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<sup>5</sup>G/L/188.