

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

C/165

9 May 1989

Limited Distribution

COUNCIL

EUROPEAN ECONOMIC COMMUNITY - REGULATION ON IMPORTS OF PARTS AND COMPONENTS

Recourse to Article XXIII:2 by Japan

Note by the Chairman

1. At its meeting on 19-20 October 1988, the Council agreed to establish a Panel to examine, under Article XXIII:2, the complaint by Japan (L/6410).
2. The Council Chairman was authorized, in consultation with the parties concerned, to draw up the terms of reference and to designate the Chairman and members of the Panel (C/M/226).
3. Agreement has been reached on the following terms of reference:

"To examine, in the light of the relevant provisions of the General Agreement, the matter referred to the CONTRACTING PARTIES by Japan in document L/6410 and to make such findings as will assist the CONTRACTING PARTIES in making the recommendations or in giving the rulings provided for in Article XXIII:2 of the General Agreement."

It is the understanding of the parties to the dispute that the standard terms of reference do not preclude any party from arguing before the Panel that Article VI of the GATT should be interpreted in light of the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade (BISD 26S/171), nor do they preclude other parties from arguing differently.

4. Agreement has also been reached on the following composition of the Panel:

Chairman: Mr. Joseph A. Greenwald

Members: Mr. Timothy Groser
Mr. Christopher Thomas