

WORLD TRADE ORGANIZATION

RESTRICTED

G/L/36

22 November 1995

(95-3690)

REPORT (1995) OF THE COMMITTEE ON RULES OF ORIGIN TO THE COUNCIL FOR TRADE IN GOODS

1. The Agreement on Rules of Origin entered into force on 1 January 1995.
2. During the period under consideration, the Committee has held three formal meetings, on 4 April 1995 (G/RO/M/1), 27 June 1995 (G/RO/M/2) and 16 November 1995 (G/RO/M/3 - to be issued). The Committee elected Mr. C. Osakwe (Nigeria) as Chairman and Mrs. A. Ivanka (Hungary) as Vice-Chairperson for 1995.
3. Participation in the Committee is open to all WTO Members. Certain non-WTO Members participated in the work of the Committee in accordance with the Decision of the WTO General Council of 31 January 1995 on "Participation in Meetings of WTO Bodies by Certain Signatories of the Final Act Eligible to Become Original Members of the WTO" (WT/L/27). In addition, the Committee agreed that Governments granted observer status by the WTO General Council would be allowed to attend meetings of the Committee as observers, without prejudice to the possibility of holding closed sessions without the presence of observers.
4. Representatives of UNCTAD and the World Customs Organization (WCO) were invited to attend the first meeting of the Committee in an observer capacity, following a decision by the Council for Trade in Goods (G/C/M/1, paragraph 13.4). In accordance with interim procedures agreed upon by the General Council in April regarding the participation of international intergovernmental organizations in meetings of WTO bodies (WT/GC/M/3, page 3), representatives of the World Bank, IMF, OECD, UNCTAD and WCO were invited to attend the second and third meetings of the Committee as observers.
5. At its meeting of 16 November 1995, the Committee adopted its rules of procedure (G/RO/W/6), subject to approval by the Council for Trade in Goods.
6. At its meeting of 4 April 1995, the Committee agreed that, if a notification were to be made in a language other than one of the WTO working languages, such notification should be accompanied by a summary in one of the WTO working languages (G/RO/1).
7. At its meeting of 27 June 1995, the Committee:
 - agreed that the request to the WCO Technical Committee on Rules of Origin to launch the Harmonization Work Programme be sent by the Chairman on 20 July 1995, emphasising also the need to submit results of its work to the WTO Committee on Rules of Origin at least on a quarterly basis, in accordance with the provisions of the Agreement on Rules of Origin (G/RO/W/4);
 - set up a Drafting Group to elaborate a definition of the term "country" for the purposes of the Agreement on Rules of Origin (G/RO/W/5);

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- requested the Secretariat to send reminders to those Members that have not yet complied with their notification obligations; and
- noted that the World Customs Organization has agreed to make the appropriate arrangements for the use of the three WTO working languages in the Technical Committee on Rules of Origin.

8. At its meeting of 16 November 1995, the Committee started its review of the First Report to the Committee on the Results of the First Phase of the Rules of Origin Harmonization Work Programme (G/RO/2), and:

(a) agreed to adopt the following recommendation from the Drafting Group:

- the Committee requests the Technical Committee to fully proceed with its Harmonization Work Programme in the absence of an abstractly constructed definition of the term "country"; and to forward to it unresolved issues relating to the definition of the term "country", for a final determination; and
- the Committee may request the Drafting Group to address particular issues relating to the definition of the term "country" and, in that connection, to offer clarification that may enhance the work of the Technical Committee;

(b) agreed, as concerns the process of reviewing the reports submitted to the Committee by the Technical Committee on Rules of Origin in Brussels:

- to request the Technical Committee to forward a general format establishing the overall architectural design within which the results of the different phases of the Harmonization Work Programme will be finalized, as provided for in Article 9.4;
- to consider the interpretations and opinions contained in the reports of the Technical Committee on the different phases of the Harmonized Work Programme when forwarded by the Technical Committee, with a view to endorsing them; and
- to establish an open-ended Working Group to deal with bracketed interpretations and opinions of the Technical Committee, and consequently forward appropriate recommendations to the Committee for a final consideration and decision. The Working Group would have the following terms of reference:
 - to consider bracketed language that may be included in the interpretation and opinions presented by the Technical Committee to the Committee on Rules of Origin in order to make recommendations to the Committee on Rules of Origin; and
 - for this purpose the Working Group shall include in its consideration all the information contained in the documents circulated by the Secretariat of the Technical Committee on Rules of Origin;

(c) agreed that the Chairman would hold informal consultations with Members on the issue of the binding or non-binding nature of the Explanatory Notes which form part of the definitions elaborated by the Technical Committee under the first phase of the Harmonization Work Programme.

(d) agreed to continue its review of the First Report at its next meeting.