

**BRAZIL – EXPORT FINANCING PROGRAMME FOR AIRCRAFT**

Request by Brazil for Arbitration under Article 22.6 of the DSU  
and Article 4.11 of the SCM Agreement

The following communication, dated 7 June 2000, from the Permanent Mission of Brazil to the Chairman of the Dispute Settlement Body, is circulated pursuant to Article 22.6 of the DSU and Article 4.11 of the SCM Agreement.

---

At the meeting of the Dispute Settlement Body (DSB) on 22 May 2000, Brazil pointed out that given the DSU inconsistencies concerning the sequence of Articles 21.5 and 22.6, Brazil was forced to request, pursuant to Article 22.6 of the DSU, that the matter discussed under the agenda item "Brazil – Export Financing Programme for Aircraft – Recourse by Canada to Article 4.10 of the SCM Agreement and Article 22.2 of the DSU (WT/DS46/16)" be referred to arbitration. Brazil also noted that the Article 21.5 panel report was not yet adopted by the DSB and that, in fact, Brazil had just appealed the findings contained in that report. At that time, therefore, there was no legal determination of nullification or impairment, if any, suffered by Canada as a result of the implementation measures adopted by Brazil. Consequently, Brazil had to object to the level of suspension of concessions proposed by Canada, which was entirely arbitrary.

Brazil hereby confirms the objection to the level of suspensions proposed by Canada; maintains that the principles and procedures set out in Article 22.3 have not been followed; and upholds the request made at the DSB meeting on 22 May 2000 that the matter at issue is referred to arbitration.

---