

**EUROPEAN COMMUNITIES – CUSTOMS CLASSIFICATION OF  
FROZEN BONELESS CHICKEN CUTS**

Status Report by the European Communities

The following communication, dated 8 June 2006, from the delegation of the European Communities to the Chairman of the Dispute Settlement Body, is circulated pursuant to Article 21.6 of the DSU.

Status Report Regarding Implementation of the  
DSB Recommendations and Rulings in the Dispute  
*European Communities – Customs Classification of Frozen Boneless Chicken Cuts*  
(WT/DS269, WT/DS286)

Under Article 21.6 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* ("DSU"), the European Communities has to submit a status report on this case as from 20 August 2006. However, in a spirit of full transparency, the European Communities submits this report much earlier than this date, without prejudice to its rights.

On 27 September 2005, the Dispute Settlement Body ("DSB") adopted the Appellate Body Report and the Panel Reports, as modified by the Appellate Body Report, in *European Communities – Customs Classification of Frozen Boneless Chicken Cuts*. At the DSB meeting of 18 October 2005, the European Communities confirmed its intention to implement the recommendations and rulings of the DSB in this dispute and stated that it would require a "reasonable period of time" in which to do so, pursuant to Article 21.3 of the DSU.

Following the failure of the parties to reach a mutual agreement on the reasonable period for implementation, Brazil and Thailand requested that such period be determined through binding arbitration, in accordance with Article 21.3 (c) of the DSU.

The arbitral award issued on 20 February 2006 determined that the reasonable period of time for the European Communities to implement the recommendations and rulings of the DSB in this dispute is nine months from the date of adoption of the Panel and Appellate Body Reports, and would therefore expire on 27 June 2006.

The European Communities is pleased to report that draft legislation under the form of a Commission Regulation amending Annex 1 to Council Regulation (EEC) No 2658/87 on the Tariff and Statistical Nomenclature and on the Common Customs Tariff, that would fully implement the DSB recommendations and rulings with respect to this dispute is now in the process of being adopted.

The European Commission works with the relevant Committees to enact this legislation at the latest by the expiry of the reasonable period of time for implementation.

The European Communities intends to present a more detailed status report as soon as such legislation is adopted and enters into force.

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