

ANNEX J

EXCEPTIONS TO THE RULE OF NON-DISCRIMINATION

(Applicable to contracting parties who so elect, in accordance with paragraph

1 (d) of Article XIV, in lieu of paragraphs 1 (b) and 1 (c) of Article XIV).

1. (a) A contracting party applying import restrictions under Article XII may relax such restrictions in a manner which departs from the provisions of Article XIII to the extent necessary to obtain additional imports above the maximum total of imports which it could afford in the light of the requirements of paragraphs 3 (a) and 3 (b) of Article XII if its restrictions were fully consistent with the provisions of Article XIII; *Provided* that

(i) levels of delivered prices for products so imported are not established substantially higher than those ruling for comparable goods regularly available from other contracting parties, and that any excess of such price levels for products so imported is progressively reduced over a reasonable period;

(ii) the contracting party taking such action does not do so as part of any arrangement by which the gold or convertible currency which the contracting party currently receives directly or indirectly from its exports to other contracting parties not party to the arrangement is appreciably reduced below the level it could otherwise have been reasonably expected to attain;

(iii) such action does not cause unnecessary damage to the commercial or economic interests of any other contracting party;

(b) Any contracting party taking action under this paragraph shall observe the principles of sub-paragraph (a). A contracting party shall desist from transactions which prove to be inconsistent with that sub-paragraph but the contracting party shall not be required to satisfy itself, when it is not practicable to do so, that the requirements of that sub-paragraph are fulfilled in respect of individual transactions.

2. Any contracting party taking action under paragraph 1 of this Annex shall keep the CONTRACTING PARTIES regularly informed regarding such action and shall provide such available relevant information as the CONTRACTING PARTIES may request.

3. If at any time the CONTRACTING PARTIES find that import restrictions are being applied by a contracting party in a discriminatory manner inconsistent with the exceptions provided for under paragraph 1 of this Annex, the contracting party shall, within sixty days, remove the discrimination or modify it as specified by the CONTRACTING PARTIES; *Provided* that any action under paragraph 1 of this Annex, to the extent that it has been approved by the CONTRACTING PARTIES at the request of a contracting party under a procedure analagous to that of paragraph 4 (c) of Article XII, shall not be open to challenge under this paragraph or under paragraph 4 (d) of Article XII on the ground that it is inconsistent with the provisions of Article XIII.