

2. Unless they are justified under the provisions of the GATT (including its Annexes and Protocols), all unilateral quantitative restrictions and any other quantitative measures which have a restrictive effect and which are notified in accordance with paragraph 1 above shall be terminated within one year of the entry into force of this Arrangement, unless they are the subject of one of the following procedures to bring them into conformity with the provisions of this Arrangement:

- (i) inclusion in a programme, which should be adopted and notified to the Textiles Surveillance Body within one year from the date of coming into force of this Arrangement, designed to eliminate existing restrictions in stages within a maximum period of three years from the entry into force of this Arrangement and taking account of any bilateral agreement either concluded or in course of being negotiated as provided for in (ii) below; it being understood that a major effort will be made in the first year, covering both a substantial elimination of restrictions and a substantial increase in the remaining quotas;
- (ii) inclusion, within a period of one year from the entry into force of this Arrangement, in bilateral agreements negotiated, or in course of negotiation, pursuant to the provisions of Article 4; if, for exceptional reasons, any such bilateral agreement is not concluded within the period of one year, this period, following consultations by the participating countries concerned and with the concurrence of the Textiles Surveillance Body, may be extended by not more than one year;
- (iii) inclusion in agreements negotiated or measures adopted pursuant to the provisions of Article 3.

3. Unless justified under the provisions of the GATT (including its Annexes and Protocols), all existing bilateral agreements notified in accordance with paragraph 1 of this Article shall, within one year of the entry into force of this Arrangement, either be terminated or justified under the provisions of this Arrangement or modified to conform therewith.

4. For the purposes of paragraphs 2 and 3 above the participating countries shall afford full opportunity for bilateral consultation and negotiation aimed at arriving at mutually acceptable solutions in accordance with Articles 3 and 4 of this Arrangement and permitting from the first year of the acceptance of this Arrangement the elimination as complete as possible of the existing restrictions. They shall report specifically to the Textiles Surveillance Body within one year of the entry into force of this Arrangement on the status of any such actions taken or negotiations undertaken pursuant to this Article.