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authorise interim measures to safeguard the position of the Member State in question. Such measures shall not continue for longer than is necessary for the procedure under paragraph 2 above to take place, and for not more than two months, unless, in exceptional cases, the Council, by majority decision, authorises an extension of this period by not more than two months.

4. A Member State which is considering the reduction of the effective level of its duties or charges on any product not eligible for Area tariff treatment shall, as far as may be practicable, notify the Council not less than thirty days before such reduction comes into effect, and shall consider any representations by other Member States that the reduction is likely to lead to a deflection of trade. Information received under this paragraph shall not be disclosed to any person outside the service of the Association or the Government of any Member State.

5. When considering changes in their duties or charges on any product not eligible for Area tariff treatment, Member States shall have due regard to the desirability of avoiding consequential deflections of trade. In such cases, any Member State which considers that trade is being deflected may refer the matter to the Council in accordance with Article 31.

6. If, in the consideration of any complaint in accordance with Article 31, reference is made to a difference in the level of duties or charges on any product not eligible for Area tariff treatment, that difference shall be taken into account only if the Council finds by majority vote that there is a deflection of trade.

7. The Council shall review from time to time the provisions of this Article and may decide to amend those provisions.

ARTICLE 6

Revenue duties and internal taxation

1. Member States shall not

(a) apply directly or indirectly to imported goods any fiscal charges in excess of those applied directly or indirectly to like domestic goods, nor otherwise apply such charges so as to afford effective protection to like domestic goods, or

(b) apply fiscal charges to imported goods of a kind which they do not produce, or which they do not produce in substantial quantities, in such a way as to afford effective protection to the domestic production of goods of a different kind which are substitutable for the imported goods, which enter into direct competition with them and which do not bear directly or indirectly, in the country of importation, fiscal charges of equivalent incidence,

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and shall give effect to these obligations in the manner laid down in paragraphs 2 and 3 of this Article.

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2. Member States shall not introduce new fiscal charges which are inconsistent with paragraph 1 of this Article, and shall not vary an existing fiscal charge in such a way as to increase, above the level in force on the date by reference to which the basic duty is determined in accordance with paragraph 3 of Article 3, any effective protective element in the fiscal charge, that is to say, the extent to which that charge is inconsistent with

paragraph 1 of this Article.

3. (a) In the case of any internal tax or other internal charge, Member States shall eliminate any effective protective element on or before 1st January, 1962 ¹.

(b) In the case of any revenue duty, Member States shall either

(i) progressively eliminate any effective protective element in the duty by successive reductions corresponding to those prescribed for import duties in Article 3, or

(ii) eliminate any effective protective element in the duty on or before 1st January, 1965 ².

(c) Each Member State shall, on or before 1st July, 1960 ³, notify to the Council any duty to which it will apply the provisions of subparagraph (b)(ii) of this paragraph.

4. Each Member State shall notify to the Council all fiscal charges applied by it where the rates of charge, or the conditions governing the imposition or collection of the charge, are not identical in relation to the imported goods and to the like domestic goods, as soon as the Member State applying the charge considers that the charge is, or has been made, consistent with sub-paragraph (a) of paragraph 1 of this Article. Each Member State shall, at the request of any other Member State, supply information about the application of paragraphs 1, 2 and 3 of this Article.

5. Each Member State shall notify to the Council the revenue duties to which it intends to apply the provisions of this Article.

6. For the purposes of this Article:

(a) "fiscal charges" means revenue duties, internal taxes and other internal charges on goods;

(b) "revenue duties" means customs duties and other similar charges applied primarily for the purpose of raising revenue;

¹ In the case of Iceland: 1st January, 1972; see paragraph 5(a) of Council Decision No. 17 of 1969 (page 1c/3).

² In the case of Iceland: 1st January, 1975; see paragraph 5(b) of Council Decision No. 17 of 1969 (page 1c/3).

³ In the case of Iceland: 1st July, 1970; see paragraph 5(c) of Council Decision No. 17 of 1969 (page 1c/3).

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(c) "imported goods" means goods which are accepted as being eligible for Area tariff treatment in accordance with the provisions of Article 4.

ARTICLE 7

Drawback

1. The provisions on drawback are contained in Annex B.

2. In applying this Article each Member State shall accord the same treatment to imports from the territories of all Member States.

3. The Council may decide to amend the provisions of this Article or of Annex B, and may decide that further or different provisions relating to drawback shall be applied either generally or to certain goods or in certain circumstances.

ARTICLE 8

Prohibition of export duties