

Measures approved by the CONTRACTING PARTIES to the General Agreement may remain in force when the Charter enters into force, subject to possible review by the Organization. In respect to other measures a Member must, within a month of becoming a Member of the Organization, submit a statement supporting maintenance of the measure. The Organization is required, as soon as possible, but not later than twelve months after the Member becomes a Member of the Organization, to give a decision on the matter.

The Article does not apply to items respecting which a Member has committed itself to another Member under negotiations.

*Article 15: Preferential Agreements for Economic Development and Reconstruction*

Article 15 provides an exception from the rule of most-favoured-nation treatment in Article 16 to the extent that it allows, in approved circumstances, of new preferential agreements between two or more countries in the interest of programmes of economic development or reconstruction of one or more of them.

A Member contemplating such an agreement is required to supply the Organization with full information thereon for examination by it, and for communication to all Members of the Organization.

After examination the Organization may, by a two-thirds majority of Members present and voting, approve of an exception to Article 16 to enable the agreement to be concluded. (Such provision for approval applies also to agreements with non-Members, *vide* paragraph 3 of Article 98.)

Apart from this provision, however, the Organization is required to give its approval respecting an agreement between Members if it finds that such an agreement could not cause substantial injury to the external trade of a Member not party to the agreement, and if the agreement fulfils the conditions and requirements set out in paragraph 4 of the Article, namely---

- (a) The territories of the parties must be contiguous or belong to the same economic region. (NOTE.—The Organization need not interpret the term “economic region” to require close geographical proximity if it is satisfied that a sufficient degree of economic integration exists between the countries concerned.)
- (b) Any preference provided must be necessary to secure an adequate market for a particular industry or branch of agriculture.
- (c) The parties must undertake to grant free entry for the products concerned or sufficiently low duties to ensure the objective.
- (d) Any compensation granted by one party to the other must, if it is a preferential concession, conform to the provisions of paragraph 4—*i.e.*, 4 (b).