CHAPTER IV.—COMMERCIAL POLICY

SECTION A. — TARIFFS, PREFERENCES, AND INTERNAL TAXATION AND REGULATION

Article 16

General Most-favoured-nation Treatment

1. With respect to customs duties and charges of any kind imposed on or in connection with importation or exportation or imposed on the international transfer of payments for imports or exports, and with respect to the method of levying such duties and charges, and with respect to all rules and formalities in connection with importation and exportation, and with respect to all matters referred to in paragraphs 1 and 2 of Article 18, any advantage, favour, privilege or immunity granted by any Member to any product originating in or destined for any other country, shall be accorded immediately and unconditionally to the like product originating in or destined for all other Member countries respectively.

2. The provisions of paragraph 1 of this Article shall not require the elimination, except as provided in Article 17, of any preferences in respect of import duties or charges which do not exceed the levels provided for in paragraph 3 of this Article and which fall within the following descriptions :

(*a*) Preferences in force exclusively between two or more of the territories listed in Annex A to this Charter, subject to the conditions set forth therein :

(*b*) Preferences in force exclusively between two or more territories which on 1 July 1939 were connected by common sovereignty or relations of protection or suzerainty and which are listed in Annexes B, C, D and .. of this Charter, subject to the conditions set forth therein ;

Article 16.

The following kinds of customs action, taken in accordance with established uniform procedures, would not be contrary to a general binding of margins of preference :

(i) The re-application to an imported product of a tariff classification or rate of duty, properly applicable to such product, in cases in which the application of such classification or rate to such product was temporarily suspended or inoperative on 10 April 1947 ; and

(ii) The application to a particular commodity of a tariff item other than that which was actually applied to importations of that commodity on 10 April 1947, in cases in which the tariff law clearly contemplates that such commodity may be classified under more than one tariff item.

The Delegations of Chile and Lebanon reserved their position on this Article.

Paragraph 2.

The Delegation of Cuba reserved its position in relation to preferences accorded by differential internal taxes.