

*ad Article VII*

*Paragraph 1*

Consideration was given to the desirability of replacing the words "at the earliest practicable date" by a definite date or, alternatively, by a provision for a specified limited period to be fixed later. It was appreciated that it would not be possible for all contracting parties to give effect to these principles by a fixed time, but it was nevertheless understood that a majority of the contracting parties would give effect to them at the time the Agreement enters into force.

*Paragraph 2*

It would be in conformity with Article VII to presume that "actual value" may be represented by the invoice price, plus any non-included charges for legitimate costs which are proper elements of "actual value" and plus any abnormal discount or other reduction from the ordinary competitive price.

It would be in conformity with Article VII, paragraph 2 (b), for a contracting party to construe the phrase "in the ordinary course of trade," read in conjunction with "under fully competitive conditions," as excluding any transaction wherein the buyer and seller are not independent of each other and price is not the sole consideration.

The prescribed standard of "fully competitive conditions" permits contracting parties to exclude from consideration distributors' prices which involve special discounts limited to exclusive agents.

The wording of subparagraphs (a) and (b) permits a contracting party to assess duty uniformly either (1) on the basis of a particular exporter's prices of the imported merchandise, or (2) on the basis of the general price level of like merchandise.

*ad Article VIII*

While Article VIII does not cover the use of multiple rates of exchange as such, paragraphs 1 and 4 condemn the use of exchange taxes or fees as a device for implementing multiple currency practices; if, however, a contracting party is using multiple currency exchange fees for balance-of-payments reasons with the approval of the International Monetary Fund, the provisions of paragraph 2 fully safeguard its position since that paragraph merely requires that the fees be eliminated at the earliest practicable date.

*ad Article XI*

*Paragraph 2 (c)*

The term "in any form" in this paragraph covers the same products when in an early stage of processing and still perishable, which compete directly with the fresh product and if freely imported would tend to make the restriction on the fresh product ineffective.

*Paragraph 2, last subparagraph*

The term "special factors" includes changes in relative productive efficiency as between domestic and foreign producers, or as between different foreign producers, but not changes artificially brought about by means not permitted under the Agreement.

*ad Article XII*

*Paragraph 3 (b) (i)*

The phrase "notwithstanding the provisions of paragraph 2 of this Article" has been included in the text to make it quite clear that a contracting party's import restrictions otherwise "necessary" within the meaning of paragraph 2 (a) shall not be considered unnecessary on the ground that a change in domestic policies