

ANNEX K

EXCEPTIONS TO THE RULE OF NON-DISCRIMINATION

(Applicable to Members who so elect, in accordance with paragraph 1 (d) of Article 23, in lieu of paragraphs 1 (b) and 1 (c) of Article 23.)

1. (a) A Member applying import restrictions under Article 21 may relax such restrictions in a manner which departs from the provisions of Article 22 to the extent necessary to obtain additional imports above the maximum total of imports which it could afford in the light of the requirements of paragraphs 3 (a) and 3 (b) of Article 21 if its restrictions were fully consistent with the provisions of Article 22; *Provided* that

- (i) Levels of delivered prices for products so imported are not established substantially higher than those ruling for comparable goods regularly available from other Member countries, and that any excess of such price levels for products so imported is progressively reduced over a reasonable period.
- (ii) The Member taking such action does not do so as part of any arrangement by which the gold or convertible currency which the Member currently receives directly or indirectly from its exports to other Members not party to the arrangement is appreciably reduced below the level it could otherwise have been reasonably expected to attain;
- (iii) Such action does not cause unnecessary damage to the commercial or economic interests of any other Member, including interests under Articles 3 and 9.

(b) Any Member taking action under this paragraph shall observe the principles of subparagraph (a). A Member shall desist from transactions which prove to be inconsistent with that subparagraph but the Member shall not be required to satisfy itself, when it is not practicable to do so, that the requirements of that subparagraph are fulfilled in respect of individual transactions.

2. Any Member taking action under paragraph 1 of this Annex shall keep the Organization regularly informed regarding such action and shall provide such available relevant information as the Organization may request.

3. If at any time the Organization finds that import restrictions are being applied by a Member in a discriminatory manner inconsistent with the exceptions provided for under paragraph 1 of this Annex, the Member shall, within sixty days, remove the discrimination or modify it as specified by the Organization: *Provided* that any action under paragraph 1 of this Annex, to the extent that it has been approved by the Organization at the request of a Member under a procedure analogous to that of paragraph 5 (c) of Article 21, shall not be open to challenge under this paragraph or under paragraph 5 (d) of Article 21 on the ground that it is inconsistent with the provisions of Article 22.