

**WTO RULES AND TRADE POLICY
OF A MEMBER STATE**

CUSTOMS	
<p>TARIFF SCHEDULE (Can be affected by:)</p>	<ul style="list-style-type: none"> • Most Favored Nation Art. I (non-discrimination regarding trading partners). • Tariff Bindings Art. II (Country negotiates lowering/binding of tariffs for at least 3 year period – subject to Art. XXVIII negotiations and compensation). • Prohibition on Quantitative Restrictions Art. XI (Preference for tariffs over quotas; Exception allowed for Balance of Payments; If Q.R. applied it must be non-discriminatory [Arts. XIII, XIV]). • Art. XXIV Free Trade Areas and Custom Unions: <ol style="list-style-type: none"> 1. FTA: Lowering of internal barriers to trade on <u>substantially all</u> trade. 2. CU: Lowering of internal barriers and formation of common external tariff.
<p>IMPORT RELIEF</p>	<ul style="list-style-type: none"> • Safeguards Art. XIX (Allows an escape from GATT obligations under certain circumstances). • Antidumping (GATT rules on how a country disciplines a trading partner for dumping). • Subsidies (GATT rules on what is an allowable subsidy/what is not; rules on how countervailing duties are to be applied).
COMMERCIAL POLICY	
<p>COMMERCIAL POLICY (Can be affected by:)</p>	<ul style="list-style-type: none"> • In establishing rules/regulations on: <ol style="list-style-type: none"> 1. Products (for example, standards) the GATT imposes the National Treatment obligation: Imported like products are to be treated the same as domestic goods (Art. III.). 2. The National Treatment obligation also extends to requirement that indirect taxes <u>not</u> be discriminatory (rationale: such taxes are a replacement for the at the border, the tariffs a country is supposed to lower). • Exceptions – Art. XX and XXI. Health, safety, environment, national security provide exceptions to GATT obligations but are narrowly construed. • Intellectual Property – TRIPs Agreement. Country promises to adopt certain level of protection (minimum standards) and also to enforce. • Services – GATS Agreement. Country promises to lower regulatory barriers to carrying out of services industries; allow temporary entry of people for purposes of providing services. • Trade Related Investment Measure — TRIMs Agreement. Country promises not to take certain types of GATT — violative measures to limit foreign direct investment into country. • Country adopts rules on transparency and openness in Government Procurement and Trade in Civil Aircraft (plurilateral agreements).