SCM Agreement - Article 10 (Practice)

1 ARTICLE 10 OF THE AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES	. 1
1.1 Text of Article 10	1
1.2 Implemented-Related Issues and Concerns	1
1 ARTICLE 10 OF THE AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES	

1.1 Text of Article 10

Article 10

Application of Article VI of GATT 1994³⁵

(footnote original) 35 The provisions of Part II or III may be invoked in parallel with the provisions of Part V; however, with regard to the effects of a particular subsidy in the domestic market of the importing Member, only one form of relief (either a countervailing duty, if the requirements of Part V are met, or a countermeasure under Articles 4 or 7) shall be available. The provisions of Parts III and V shall not be invoked regarding measures considered non-actionable in accordance with the provisions of Part IV. However, measures referred to in paragraph 1(a) of Article 8 may be investigated in order to determine whether or not they are specific within the meaning of Article 2. In addition, in the case of a subsidy referred to in paragraph 2 of Article 8 conferred pursuant to a programme which has not been notified in accordance with paragraph 3 of Article 8, the provisions of Part III or V may be invoked, but such subsidy shall be treated as non-actionable if it is found to conform to the standards set forth in paragraph 2 of Article 8.

Members shall take all necessary steps to ensure that the imposition of a countervailing duty³⁶ on any product of the territory of any Member imported into the territory of another Member is in accordance with the provisions of Article VI of GATT 1994 and the terms of this Agreement. Countervailing duties may only be imposed pursuant to investigations initiated³⁷ and conducted in accordance with the provisions of this Agreement and the Agreement on Agriculture.

(footnote original) 36 The term "countervailing duty" shall be understood to mean a special duty levied for the purpose of offsetting any subsidy bestowed directly or indirectly upon the manufacture, production or export of any merchandise, as provided for in paragraph 3 of Article VI of GATT 1994.

(footnote original) 37 The term "initiated" as used hereinafter means procedural action by which a Member formally commences an investigation as provided in Article 11.

1.2 Implemented-Related Issues and Concerns

- Paragraph 10.3 of the Doha Ministerial Decision on Implementation-Related Issues and Concerns¹ mandates the Committee on Subsidies and Countervailing Measures (SCM Committee) to continue the review of the countervailing duty provisions of the Agreement on Subsidies and Countervailing Measures (SCM Agreement). Paragraph 10.3 also requests that the SCM Committee report to the General Council by 31 July 2002. As regards the requirement to report to the General Council, the Chairman of the SCM Committee submitted a report on 30 July 2002.2 The General Council took note of the report at its meeting on 8 and 31 July 2002.³
- At its regular meetings of 26 April and 25 October 2016, the SCM Committee discussed a proposal from Brazil⁴ regarding the establishment of a Working Group on Implementation.⁵
- At its regular meeting of 27 October 2023, the SCM Committee discussed a proposal from Canada, the Republic of Korea, Japan, New Zealand, Norway, the United Kingdom, and the

¹ WT/MIN(01)/17.

² <u>G/SCM/45</u>. See also prior Chairman's reports in <u>G/SCM/36</u> and <u>G/SCM/38</u>.

³ WT/GC/M/75, item 16.

⁴ <u>G/SCM/W/567-G/SG/W/236</u> and <u>G/SCM/W/568-G/SG/W/237</u>.

⁵ G/SCM/M/97, paras. 147-180; and G/SCM/M/99, paras. 116-140.

WTO ANALYTICAL INDEX

SCM Agreement - Article 10 (Practice)

United States 6 regarding the formation of an informal technical discussion group on items under the SCM Agreement. 7

Current as of: June 2024

 ⁶ RD/SCM/63/Rev.2
⁷ G/SCM/M/125, paras.150-185.