

## MARGINS OF PREFERENCE

*Decision of 9 August 1949  
II/11*

The CONTRACTING PARTIES

*Decide:*

1. The determination of rights and obligations between governments arising under a bilateral agreement is not a matter within the competence of the CONTRACTING PARTIES;<sup>1</sup>
2. The reduction of the rate of duty on a product, provided for in a schedule to the General Agreement, below the rate set forth therein, does not require unanimous consent of the CONTRACTING PARTIES in accordance with the provisions of Article XXX;
3. A margin of preference, on an item included in either or both parts of a schedule, is not bound against decrease by the provisions of the General Agreement.

This decision does not preclude the possibility of resort to Article XXIII.

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<sup>1</sup>This Decision by its terms clearly refers only to the determination of the rights and obligations as between the parties to the bilateral agreement and arising from that agreement. It is, however, within the competence of the CONTRACTING PARTIES to determine whether action under such a bilateral agreement would or would not conflict with the provisions of the General Agreement.