



Decision of the Council on
Conflicting Requirements being
imposed on Multinational
Enterprises

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Background Information

The Decision on Conflicting Requirements being imposed on Multinational Enterprises was adopted by the OECD Council on the 5 June 1991 on the proposal of the Committee on International Investment and Multinational Enterprises (succeeded by today's Investment Committee). The Decision is one of the procedural complements to the 1976 Declaration on International Investment and Multinational Enterprises. This Decision relates specifically to the implementation of the section on Conflicting Requirements. It establishes a consultation mechanism for situations in which Adherents impose legal requirements with extraterritorial reach that conflict with legislation or policies in other countries.

THE COUNCIL,

HAVING REGARD to the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960 and, in particular, to Articles 2 d), 3 and 5 a) thereof;

HAVING REGARD to the Resolution of the Council of 28 November 1979, on the Terms of Reference of the Committee on International Investment and Multinational Enterprises and, in particular, to paragraph 2 thereof [C(79)210(Final)];

RECALLING that the Council at Ministerial level endorsed the Conclusions and Recommendations of the Report on the Second Review of the 1976 Declaration and Decisions on International Investment and Multinational Enterprises [C/MIN(84)5(Final)], and in particular the section in that Report on conflicting requirements;

TAKING NOTE of the Declaration by the Governments of OECD Member countries of 21 June 1976 (Revised 31st May 1990) in which they jointly recommend to Member countries to co-operate with a view to avoiding or minimising conflicting requirements being imposed on multinational enterprises;

RECOGNISING the desirability of maintaining procedures by which consultations may take place on matters related to conflicting requirements;

RECOGNISING that, while bilateral and multilateral co-operation should be strengthened when multinational enterprises are made subject to conflicting requirements, effective co-operation on problems arising therefrom may best be pursued in most circumstances on a bilateral level, although there may be cases where the multilateral approach would be more effective;

On the proposal of the Committee on International Investment and Multinational Enterprises;**DECIDES:**

1. Member countries may request that consultations be held in the Committee on any problem arising from the fact that multinational enterprises are made subject to conflicting requirements. The Member countries concerned shall give prompt and sympathetic consideration to requests by Member countries for consultations in the Committee or through other mutually acceptable arrangements, it being understood that such consultations would be facilitated by notification at the earliest stage practicable. Member countries concerned will co-operate in good faith with a view to resolving such problems, either within the Committee or through other mutually acceptable arrangements.
2. The Committee will continue to serve as a forum for consideration of the question of conflicting requirements, including, as appropriate, the national and international legal principles involved.
3. Member countries shall assist the Committee in its periodic reviews of experience on matters relating to conflicting requirements.
4. The Committee shall periodically invite the Business and Industry Advisory Committee to the OECD (BIAC) and the Trade Union Advisory Committee to the OECD (TUAC) to express their views on matters relating to conflicting requirements.
5. This Decision shall be reviewed at the latest in 1997. The Committee shall make proposals for this purpose as appropriate.
6. Paragraphs 7 to 10 of the Decision on the Guidelines for Multinational Enterprises [C(84)90] are repealed.

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