

DRAFT CHARTER

PROPOSED AMENDMENT BY THE DELEGATION OF COSTA RICA

The delegation of Costa Rica proposes the following amendments to the Draft Charter:

I

Add the following paragraph 4 to Article 12:

"4. The Members of the Organization are agreed that in order to stimulate investment and to avoid double taxation, which is so detrimental to investment policy, the profits derived from industrial or agricultural enterprises shall not be subjected to taxes other than those imposed, in accordance with the principle of equality of treatment, by the State in which such enterprises are developing their production activity; the Members also agree that the profits or dividends accruing to the proprietors or shareholders shall not be taxed by any State other than that in which the capital concerned has actually been invested."

II

In Article 14, paragraph (b), replace the phrase "on that day, prior to their signature" by the phrase "before this Charter is finally ratified by the appropriate organs in accordance with the Member's own political constitution," and replace the word "signed" in paragraph (c) by the term "ratified."

III

Insert in paragraph (d) of Article 16 an additional Annex G, as follows:

ANNEX G

List of territories to which the preferential arrangements referred to in paragraph 2 (d) of Article 16 apply:

Costa Rica  
El Salvador  
Guatemala  
Honduras  
Nicaragua

/IV Add the

IV

Add the following sentence to paragraph 1 of Article 18:

"In all these cases it is to be understood that the equality of treatment clause shall apply when the tax levied on the merchandise is maintained or established on an ad valorem basis, provided that as regards the scale of taxation no distinction is made between national and foreign products on grounds of origin alone."

V

Add the following paragraph to Article 32:

"8. Livestock which has to graze for more than \_\_\_\_\_ days in the territory of a State before proceeding to its final destination shall not be considered as being in transit."

VI

In paragraph 1, Article 62, replace the words "a period of not more than five years" by the words "fixed periods," and the phrase "a period not exceeding five years" by "a term equal to the initial period."

-----