

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED
LIMITED B
GATT/CP.6/25
19 September 1951
ORIGINAL: ENGLISH

CONTRACTING PARTIES
Sixth Session

Item 20 - Belgian Tax (Allocation familiale)

Memorandum submitted by the Norwegian Delegation

Pursuant to a law dated 4th August 1930, subsequently amended and modified by administrative action, imports to Belgium are on certain conditions subject to a special charge of 6% of the cost price when purchased for use by the Belgian State or by Belgian provinces or municipalities. This charge is instituted in order to compensate the obligations imposed on Belgian employers to contribute in respect of all members of their personnel to a compensatory fund for family allowances (allocations familiales), and thus to bring national and foreign producers on the same competitive level.

According to Article 132 of the said law the Belgian Administration is authorized to exempt from this charge products originating in countries where employers are obliged to contribute to social insurance schemes to at least the same extent as employers in Belgium.

The Norwegian Government in September 1949 requested that products originating in Norway be exempt from taxation, stating that the Norwegian social legislation was very extensive and aimed especially at favouring families. For this reason the Norwegian employers are subject to economic burdens which are of the same magnitude as those imposed on Belgian employers.

In this connection the Norwegian Government pointed out that exemption had already been granted to products from France, Italy, Netherlands and the United Kingdom and that the continued application of this charge to Norwegian products was discriminatory and inconsistent with the treaty on commerce and navigation between Norway and Belgium as well as with the provisions of the General Agreement on Tariffs and Trade both of which provide for most-favoured-nation treatment.

In connection with the conclusion of a trade agreement between Belgium and Sweden, in September 1950, exemption from the charge was granted also to products of Swedish origin. Repeated efforts on the part of the Norwegian Government to obtain exemption from this charge have however been unsuccessful.

As it has not been possible to reach a satisfactory solution on a bilateral basis, the Norwegian Government has found it necessary to ask the Contracting Parties to consider the matter at their Sixth Session. Reference should be made to Articles I and III of the General Agreement.