

GENERAL AGREEMENT ON TARIFFS AND TRADE

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LIMITED C
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CONTRACTING PARTIES
Fifth Session

WORKING PARTY "E" ON BRAZILIAN INTERNAL TAXES

Statement by the Brazilian Delegation concerning the elimination of Brazilian discriminatory internal taxes

1. At Annecy, the Contracting Parties, upon the request of France, examined the Brazilian laws which were put into effect after 30 October 1947, and which imposed discriminatory internal taxes on certain products of foreign origin. Following this examination the Report of Working Party 7 of the Third Session (GATT/CP.3/42 of 27 June 1949) was drawn up. This report was approved at the meeting on 30 June 1949 (GATT/CP.3/SR.30).
2. In June 1950 the Brazilian Government presented to the National Congress draft law no. 483-50, a translation of which is attached. In accordance with paragraph 17 of the Report in question this draft law brings into conformity with Article III of the General Agreement the laws providing for different levels of taxation with respect to domestic and imported products.
3. As a complementary measure, the Brazilian Government reserves the right to incorporate into the customs duties, the margin of discrimination which existed before 30 October 1947, in the form of internal taxes, between domestic products and those of foreign origin.

DRAFT LAW NO. 485 - 50

MODIFYING THE LEGISLATION ON CONSUMPTION TAXES

The President of the Republic of the United States of Brazil proclaims that he approves the following law, which was decreed by the National Congress:

Article I - The following modifications will be made to Law 494 of 26 November 1948 and in the Consolidation of laws on consumption taxes (Decree No. 26.149 of 5 January, 1949).

First

Article 16 - Chapter III of the General Provisions of Decree 26.149 of 5 January 1949 is deleted.

Second

The "Note" of paragraph II "Arms, munitions and fireworks" in Schedule A of the "Consolidation" mentioned above shall be redrafted thus:

- side arms (dagger, sword, tuck, foil, poniard, sabre and others similar) are subject to a tax of 12%.

Third

Item 2 of paragraph X - Jewels etc. - of Schedule A of the said Consolidation shall be described as follows:

- 2 -

- watches and clocks of any kind, which tell the time, with or without cases, which have not been made with materials specified under item I. The tax of 6% will be paid by the importer or by the manufacturer, in accordance with notes 7 and 8.

Fourth

Note 15 of paragraph X - Jewels etc. - from Schedule A of the Consolidation mentioned above is deleted.

Fifth

Sub-item g of item 2 of paragraph XIX - Beverages - of Schedule C shall in future read as follows:

c) beverages designated armagnac, arrack, brandy, cognac, juniper, gin, guestch, kirch, korch, rum, ron, whisky, vodka and others internationally known which could be considered similar, of any alcoholic degree, as well as those which have organoleptic properties and analytical indications characteristic of such beverages; also those obtained by distillation of fermented sugar cane juice, to which has been added aromatic or medicinal substances and which are called "conhaque de alcatraz", "conhaque de mel", "conhaque de gengibre" and others similar, and of which the retail sales price, previously marked by the manufacturer or importer increases:

I - up to Cr\$ 36.00 per litre, i.e. up to

Cr\$ 12,00 per 0,33 L (half bottle) ..	Cr\$1,20
18,00 per 0,50 L (half litre) ...	1,80
24,00 per 0,66 L (bottle)	2,40
36,00 per 1,00 L (litre)	3,60

II - Over Cr\$ 36,00 up to Cr\$ 54,00 per litre, i.e. up to

Cr\$ 18,00 per 0,33 L (half bottle) ..	Cr\$ 2,00
27,00 per 0,50 L (half litre) ...	3,00
36,00 per 0,66 L (bottle)	4,00
54,00 per 1,00 L (litre)	6,00

III - Over Cr\$ 54,00 up to Cr\$ 90,00 per litre, i.e. up to

Cr\$ 30,00 per 0,33 L (half bottle) ..	4,00
45,00 per 0,50 L (half litre) ...	6,00
60,00 per 0,66 L (bottle)	8,00
90,00 per 1,00 L (litre)	12,00

IV - Over Cr\$ 90,00 up to Cr\$ 150,00 per litre, i.e. up to

Cr\$ 50,00 per 0,33 L (half bottle) ..	8,00
75,00 per 0,50 L (half litre) ...	12,00
100,00 per 0,66 L (bottle)	16,00
150,00 per 1,00 L (litre)	24,00

V - Over Cr\$ 150,00 up to Cr\$ 210,00 per litre, i.e. up to

Cr\$ 70,00 per 0,33 L (half bottle) ..	12,00
105,00 per 0,50 L (half litre) ...	18,00
140,00 per 0,66 L (bottle)	24,00
210,00 per 1,00 L (litre)	36,00

VI - Over Cr\$ 210,00 per litre, or with no price marked

per 0,33 L (half bottle) ..	14,00
per 0,50 L (half litre) ...	21,00
per 0,66 L (bottle)	28,00
per 1,00 L (litre)	42,00

Sixth

Sub-item d of item 2 of paragraph XIX - Beverages - of Schedule C of the Consolidation is deleted.

Seventh

Item 3 of paragraph XIX - Beverages - of Schedule C, of the Consolidation mentioned above, shall read as follows:

- aperitifs and like beverages: bitter aperitifs, bitters, fernets, vermouths, wines containing quinine, "ferro-quina", containing eggs or "guarana" and liqueurs, the retail sales price of which as shown by the manufacturer or the importer

I - increases to Cr\$ 36,00, per litre, i.e. up to

Cr\$ 12,00 per 0,33 L (half bottle) ..	Cr\$ 1,20
18,00 per 0,50 L (half litre) ...	1,80
24,00 per 0,66 L (bottle)	2,40
36,00 per 1,00 L (litre)	3,60

II - Over Cr\$ 36,00 up to Cr\$ 54,00, per litre, i.e. up to

Cr\$ 18,00 per 0,33 L (half bottle) ..	2,00
27,00 per 0,50 L (half litre) ...	3,00
36,00 per 0,66 L (bottle)	4,00
54,00 per 1,00 L (litre)	6,00

III - Over Cr\$ 54,00 up to Cr\$ 90,00, per litre, i.e. up to

Cr\$ 30,00 per 0,33 L (half bottle) ..	4,00
45,00 per 0,50 L (half litre) ...	6,00
60,00 per 0,66 L (bottle)	8,00
90,00 per 1,00 L (litre)	12,00

IV - Over Cr\$ 90,00 up to Cr\$ 150,00, per litre, i.e. up to

Cr\$ 50,00 per 0,33 L (half bottle) ..	Cr\$ 8,00
75,00 per 0,50 L (half litre) ...	12,00
100,00 per 0,66 L (bottle)	16,00
150,00 per 1,00 L (litre)	24,00

V - Over Cr\$ 150,00 up to Cr\$ 210,00, per litre, i.e. up to

Cr\$ 70,00 per 0,33 L (half bottle) ..	12,00
105,00 per 0,50 L (half litre) ...	18,00
140,00 per 0,66 L (bottle)	24,00
210,00 per 1,00 L (litre)	36,00

VI - Over Cr\$ 210,00 per litre, or with no price marked

per 0,33 L (half bottle) ..	14,00
per 0,50 L (half litre) ...	21,00
per 0,66 L (bottle)	28,00
per 1,00 L (litre)	42,00

Eighth

The third note of paragraph XIX - beverages in Schedule C of the Consolidation mentioned above is replaced by the following:

- 5 -

The provisions of the preceding note do not apply, in the cases foreseen by paragraphs 1, 2(c) and 3, to products imported from the producing country where those countries are contracting parties to the General Agreement on Tariffs and Trade.

Ninth

The following note is added to paragraph XIX - Beverages - of the Consolidation in force:

5th

The retail sales price, which should be the basis for calculating the tax to be applied in the form of stamp-duty to the beverages mentioned in paragraphs 2(a) and 3, when the price of the beverage does not exceed Cr\$210,00 per litre, shall be clearly shown in indelible ink on the labels. Any letters in this marking shall be at least 4 (four) millimetres high and any figures at least 6 (six) millimetres high. The price must be printed on the labels by the manufacturers; the importers may indicate the price on the labels themselves or by means of a label attached above or below the original label. The product shall not be sold or shown for sale at a price above that which is thus marked. The price shall be based on the size of the container which shall also be indicated together with the price. A fine of from Cr\$ 10.000,00 to Cr\$ 20.000,00 will be imposed for any infringement of this rule.

Tenth

The model 29 as well as notes 30 and 31 of paragraph XIX - Beverages - of Schedule C of the Consolidation in force are deleted.

Eleventh

The following notes are added to paragraph XIX - Tobacco - of Schedule D of the present Consolidation:

12th

The products mentioned in paragraph 2, originating in countries which manufacture them and are contracting parties to the GATT, shall be taxed in the same manner as those produced domestically.

19th

Importers of the products mentioned in paragraph 2 and in Note 18 (above), in addition to other obligations applicable to them, are also required to indicate by means of a label the retail sales price, in accordance with the procedure established by Note 6, letter B, and subject to the same penalties.

Twelfth

The following note is added to paragraph XXIX - materials, articles etc.

21st

Articles of linen, originating in countries which manufacture them and are contracting parties to the GATT, shall have the same treatment as concerns the reductions of 30 or 50% provided under 2. Note to this paragraph, only those produced locally in the same factories which produce the material.

- Article 2 - The 2nd paragraph of article 3 of law no. 494 of 26 November 1948 and, in consequence, article 3 of the Rule on the application of exemptions, approved by decree no. 26.149, of 5 January 1949, are deleted.
- Article 3 - The expression "of domestic production" which appears in the first part of article 2 of the Rule on the application of exemptions, approved by decree no. 26.149 of 5 January 1949 is deleted.
- Article 4 - All provisions to the contrary are deleted.

