

GENERAL AGREEMENT ON TARIFFS AND TRADE

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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 submitted to the National Congress draft law no. 483-50, a translation of which is attached to this document. In accordance with paragraph 17 of the Report in question this bill 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 supplementary measure, the Brazilian Government reserves the right to incorporate into the customs duties, the margin of discrimination which existed prior to 30 October 1947 in the form of internal taxes, between domestic and imported products.

DRAFT LAW NO. 483 - 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).

I

Article 16 - Chapter III of the General Provisions of Decree 26,149 of 5 January 1949 is deleted.

II

The "Note" to paragraph 11 "Arms, munitions and fireworks" in Schedule A of the "Consolidation" mentioned above shall be redrafted as follows:

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

III

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

- 2 -

- watches and clocks of any kind, which indicate the hours, with or without cases, which have not been made with materials specified under item 1. The 6% tax shall be paid by the importer or by the manufacturer, in accordance with notes 7 and 8.

IV

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

V

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

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

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\$50,00 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

VI

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

VII

Item 3 of paragraph XIX - Beverages - in 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 indicated by the manufacturer or the importer is:

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\$10,00 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\$50,00 per 0,50 L (half bottle) ..	4,00
45,00 per 0,50 L (half litre) ...	6,00
60,00 per 0,60 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 0,50 L (half bottle) ..	8,00
75,00 per 0,50 L (half litre) ...	12,00
100,00 per 0,60 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 0,50 L (half bottle) ..	12,00
105,00 per 0,50 L (half litre) ...	18,00
140,00 per 0,60 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 0,50 L (half bottle) ..	14,00
per 0,50 L (half litre) ...	21,00
per 0,60 L (bottle)	28,00
per 1,00 L (litre)	42,00

VIII

Note 3 to paragraph XIX - Beverages - in Schedule C of the Consolidation mentioned above is replaced by the following:

- 3 -

the provisions of the preceding note do not apply, in cases provided for in paragraphs 1, 2(c) and 3, to products imported from producing countries that are contracting parties to the General Agreement on Tariffs and Trade.

IX

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

- 5 -

The retail sales price, which shall be the basis for calculating the tax to be levied, by means of a stamp, on the beverages mentioned in paragraphs 2(c) and 3, when the price of the beverage does not exceed Cr\$210,00 per litre, shall be clearly marked in indelible ink on the labels. In this marking, the letters shall be at least 4 (four) millimetres high and the figures at least 6 (six) millimetres high. They shall be printed on the labels by the manufacturers; the importers may indicate the price on the labels themselves or by means of a label stuck 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 these provisions.

X

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

XI

The following notes are added to paragraph XXIV - Tobacco - in Schedule D of the existing Consolidation:

- 18 -

The products mentioned in paragraph 2, imported from manufacturing countries that are contracting parties to the GATT, shall be subject to the same taxes as those of domestic origin.

- 19 -

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 on a label the retail sales price, in accordance with the procedure established by Note 6, letter B, and remain subject to the same penalties.

XII

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

- 21 -

Linen articles, imported from manufacturing countries that are contracting parties shall, as regards the 30% or 50% rebates provided for under Note 2 to this paragraph, receive the same treatment as those domestically produced in the factories that manufacture the materials.

Article 2 - Paragraph 2 of article 3 of law no. 494 of 26 November 1948 and, consequently, article 3 of the Regulations concerning the application of exemptions, approved by virtue of Decree no. 26.149 of 5 January 1949, are deleted.

Article 3 - The expression of "domestic production" in the first part of article 2 of the Regulations concerning the application of exemptions, approved by virtue of decree no. 26.149 of 5 January 1949, is deleted.

Article 4 - All provisions to the contrary are abrogated.