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GENERAL AGREEMENT ON TARIFFS AND TRADE

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ARTICLE XVI - SUBSIDIES

Declaration Giving Effect to the Provisions of Paragraph 4

The following communication dated 15 November 1961 has been received from the Government of Japan:

"The Japanese Government has considered the possibility of accepting the Declaration "Giving Effect to the Provisions of Article XVI-4". Although it holds the view that it is not granting any form of subsidy on the export, subject to the provision of paragraph 4 of Article XVI of the General Agreement, the consistency of the Deduction for Export Income now in force in Japan with the paragraph referred to above may give rise to diversified interpretations on the part of some contracting parties. In view of this, the Japanese Government does not feel it appropriate to accept the Declaration at this time.

"However, the Japanese Government has no intention of extending the term of validity of this system which is due to expire on 31 March 1964. Therefore, it is expected that Japan will be able to sign the Declaration "Giving Effect to the Provisions of Article XVI-4" in due course, upon completion of the required domestic procedures."