

GENERAL AGREEMENT ON TARIFFS AND TRADE

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SCHEDULE LXII - ICELAND

Twenty Per Cent Temporary Levy on Imports

By letter of 16 September 1968 the Government of Iceland has notified the Director-General of the entry into force on 3 September 1968 of a Provisional Law which will remain valid until 30 November 1968.

The text of the notification is reproduced hereunder.

Because of adverse foreign market developments and small herring catches so far this year, the financial position of the fishing industry and export earnings have been seriously affected. As a result the foreign exchange position has deteriorated more than expected, while, at the same time, the Government has had to take on additional burdens in support of the industries. These difficulties will only be met by co-ordinated and commonly agreed measures which will warrant a thorough study and implementation by the Althing. However, it is absolutely necessary that immediate measures be taken to reduce purchases of foreign exchange and to reduce the budget deficit. To that effect the Government considers it to be of the greatest urgency to introduce immediately temporary measures in the form of a 20 per cent levy on the c.i.f. value of all merchandise imports and a commensurate tax on expenditure for foreign travel. At the same time the Government has decided to limit, as far as it is possible, all transfers for invisible expenditures abroad.

For this purpose, a Provisional Law is to be enacted with the following provisions.

Article 1

A levy of 20 per cent shall be collected on the c.i.f. value of all merchandise imports which shall accrue to the Treasury.

The import levy shall be collected on all merchandise imports which are customs cleared after this Law takes effect, except in those instances where necessary documents have been submitted for customs clearance prior to 3 September 1968.

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Article 2

The Government is authorized to pay compensation for price increases resulting from the import levy on the following goods: fuel oil and packaging for the fishing industry, fishing gear not produced domestically, and fodder for animal husbandry.

Article 3

Prices may not be raised on import stocks on which an import levy has not been paid and on domestic products using imported raw material on which an import levy has not been paid.

Article 4

In those circumstances where an import levy has been paid on merchandise imported against supplier's credit as authorized by the proper authorities, the Government shall be authorized to reimburse the levy collected or part thereof in so far as the debit so incurred rises in terms of Icelandic krónur as the result of measures taken by Icelandic authorities. The Ministry of Finance shall decide on regulations for such reimbursements.

Article 5

The Government is authorized to impose a levy up to 20 per cent on expenditure for travel abroad. Necessary regulations on procedure and form of collection of the levy will be decided upon later.

Article 6

This Law becomes effective immediately (3 September 1968) and will expire on 30 November 1968.