

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/3183

5 March 1969

Limited Distribution

## WORKING PARTY ON BORDER TAX ADJUSTMENTS

### Meeting of 10 to 15 February 1969

#### Note by the Secretariat

1. The Working Party held its sixth meeting from 10 to 15 February 1969.
2. At its fourth meeting, from 8 to 11 October 1968, the Working Party started its examination of the practices of contracting parties in relation to border tax adjustments under point 1(b) of its Terms of Reference. This examination was conducted on the basis of the outline adopted by the Working Party at that meeting and reproduced in the annex to the note on the meeting (L/3125). During its fifth meeting from 11 to 14 November 1968, the Working Party dealt with questions relating to cascade taxes, general single-stage taxes and value-added taxes. A draft note by the secretariat summarizing the discussion at the meeting is contained in document Spec(69)5. At the sixth meeting held from 10 to 15 February 1969, the Working Party examined selective excise taxes, overlapping indirect tax systems, changes on border tax adjustments, and other miscellaneous questions, thereby completing its examination of point 1(b) of its Terms of Reference.
3. The Working Party agreed that the secretariat should draw up a consolidated document summarizing the discussion on point 1(b) of its Terms of Reference. This document would contain, in addition to the information reproduced in L/3125 and Spec(69)5, a summary of the discussion at the sixth meeting. It would be circulated before Easter. Members of the Working Party who wished to complete their own submissions or to reply to specific questions put to them during the sixth meeting were requested to transmit this information to the secretariat as soon as possible for inclusion in the consolidated document.
4. The Working Party agreed that it should start its next meeting by taking up any remaining points which delegations wished to raise in connexion with the exercise under point 1(b). It was understood that discussion on points 1(a) and (b) was not closed and that the Working Party might return to these points at a later stage, and indeed that it would, in some cases, be necessary for the Working Party to do so.
5. The Working Party would, at its next meeting, take up point 1(c) of its Terms of Reference - the trade effects of border tax adjustments. It was agreed that the presence of officials with responsibility for trade policy matters was desirable during this meeting, and that it was important that delegations would come to the meeting prepared to discuss all aspects of the supposed effect of border tax adjustments on trade in general, and on the trade of their own country in particular. The Working Party expressed its thanks to observers who had taken part in its deliberations and expressed the hope that they would continue to do so during the remaining meetings.

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6. The Working Party agreed that the examination of trade effects should start with general statements bringing out the main points which should be discussed. These general statements might perhaps occupy one day. The Working Party would then pause briefly to study these statements and to consider how the work should be organized during the rest of the meeting which would be programmed to last for one week.

7. It was agreed that it would be useful if delegations could provide written documentation to the secretariat through their permanent delegations, in advance of the next meeting. This might give an indication of governments' views on the trade effects of border tax adjustments, on tax-shifting and of their probable policies and intentions regarding changes in tax systems and rates of border tax adjustments.

8. The Working Party agreed to set the next meeting tentatively for 21 April 1969, beginning at 3 p.m., the exact date to be confirmed after consultation with delegations.

9. It did not appear possible to fix the date of the following (eighth) meeting definitively but in considering its calendar of meetings, the Working Party would bear in mind the desirability of having another meeting before the summer to consider proposals which delegations might wish to make if findings and conclusions were to be made to the CONTRACTING PARTIES at their twenty-sixth session.