

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/3246

27 August 1969

Limited Distribution

TURKEY - STAMP DUTY

Extension of Decision of 11 November 1967

Decision of 24 August 1969^{1/}

Considering that the CONTRACTING PARTIES decided on 20 July 1963^{2/} to waive, subject to specified terms and conditions, the provisions of paragraph 1 of Article II of the General Agreement to the extent necessary to allow the Government of Turkey to maintain, as a temporary measure, the Stamp Duty of 5 per cent ad valorem imposed by Law 185 on all imports into Turkey of products included in Schedule XXXVII;

Considering that the CONTRACTING PARTIES decided on 11 November 1967^{3/} to waive, subject to specified terms and conditions, the provisions of paragraph 1 of Article II of the General Agreement to the extent necessary to allow the Government of Turkey to maintain as a temporary measure, the Stamp Duty the rate of which was not to exceed 15 per cent ad valorem imposed by Law 828 on all imports into Turkey of products included in Schedule XXXVII;

Considering that the Government of Turkey has informed the CONTRACTING PARTIES that, pursuant to Law 1137 of 27 March 1969, which amends the aforementioned Law 828, the maximum rate of Stamp Duty chargeable is increased from 15 per cent ad valorem to 25 per cent ad valorem;

Considering that the Stamp Duty is inconsistent with the provisions of Article II of the General Agreement in so far as it applies to products with respect to which Turkey has assumed obligations under that Article which are specified in Schedule XXXVII annexed to the General Agreement;

Considering that the Stamp Duty is designed to meet an emergency situation and is specifically designed to safeguard Turkey's external financial position and balance of payments;

^{1/} The Decision was adopted by postal ballot. There were thirty-nine votes in favour and none against.

^{2/} BISD, Twelfth Supplement, page 55.

^{3/} BISD, Fifteenth Supplement, page 90.

Considering the assurances of the Turkish Government that it is not the intention to apply the Stamp Duty for the purposes of reducing imports, nor to provide additional protection to domestic industry, but solely to contain within manageable limits the rate of increase of such imports in relation to exports, which increase, if not restrained, would seriously threaten Turkey's external financial position;

Considering the statement of the Turkish Government that there is no alternative measure available to it to achieve its purposes which would not also require a reduction of global quotas and of the items on the Liberalized List;

Considering that the Government of Turkey undertakes to keep the operation of the Stamp Duty under constant review; if possible to suspend it; but, in any case, to maintain the rate at as low a level as possible commensurate with the necessity to stop a serious decline in its monetary reserves;

Taking note of the view of the International Monetary Fund that the general level of restrictions on imports by Turkey and the 25 per cent Stamp Duty do not go beyond the extent necessary at the present time to stop a serious decline in its monetary reserves;

Considering the view of the Turkish Government that the exemption from Stamp Duty of the products with respect to which Turkey has assumed obligations under Article II of the General Agreement would result in an economically damaging distortion of the pattern of Turkish imports;

Taking note of the willingness of the Government of Turkey to consult with the CONTRACTING PARTIES pursuant to this Decision;

The CONTRACTING PARTIES, acting pursuant to the provisions of paragraph 5 of Article XXV of the General Agreement and in accordance with the procedures adopted by them on 1 November 1956,

Decide to waive, subject to the terms and conditions specified hereunder, the provisions of paragraph 1 of Article II of the General Agreement to the extent necessary to allow the Government of Turkey to maintain, as a temporary emergency measure, on imports into Turkey of products included in Schedule XXXVII a Stamp Duty the rate of which will not exceed 25 per cent ad valorem permitted by Law 828 of 13 February 1967, as amended by Law 1137 of 27 March 1969.

Terms and conditions

1. The Stamp Duty shall not exceed 25 per cent of the value of the imported goods as assessed for the imposition of customs duty.

2. The Government of Turkey shall keep the balance-of-payments situation under review and, should the situation so change as to permit the removal or reduction of the Stamp Duty on products specified in Schedule XXXVII, the Government of Turkey shall promptly take the necessary steps to remove or reduce the Stamp Duty.
3. The Government of Turkey shall, following the 1971 consultation under Article XVIII:B with Turkey, consult with the CONTRACTING PARTIES in relation to the continued maintenance of the Stamp Duty, taking into account any changes in the application of this Stamp Duty on individual products. The Government of Turkey shall, in any event, annually submit to the CONTRACTING PARTIES a report on the application of the Stamp Duty with particular regard to the need for its continued application and the possibility of its reduction or elimination.
4. This Decision shall not extend beyond the date on which the Stamp Duty maintained under this Decision shall have been removed or 31 December 1972, whichever date is the earlier.
5. If any contracting party considers that the effect of the Stamp Duty maintained under this Decision is unduly restrictive and that damage to its trade is caused or threatened thereby, it may make representations to the Government of Turkey, which shall accord sympathetic consideration to such representations and afford that contracting party adequate opportunity for consultation.
6. If such consultation does not lead to satisfactory results, the contracting party concerned may request the CONTRACTING PARTIES to invite Turkey to enter into consultations with them. If, as a result of these consultations with the CONTRACTING PARTIES, no agreement is reached and if they determine that the effect of the Stamp Duty is unduly restrictive and that serious damage to the trade of the contracting party initiating the procedure is threatened or caused thereby, the latter will be released from its obligations to apply to the trade of Turkey concessions initially negotiated with Turkey to the extent that the CONTRACTING PARTIES determine to be appropriate in the circumstances.