GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

C/W/450
26 October 1984

Limited Distribution

COUNCIL
6 November 1984

PHILIPPINES - RATES OF CERTAIN SALES AND SPECIFIC TAXES

Draft Decision

A request by the Government of the Philippines for an extension of the period during which the differential rates of sales and specific taxes with respect to items listed in document L/4724/Add.1 can be brought into line with Article III of the General Agreement has been circulated in document L/5710. To facilitate the consideration by the Council of this request, the following draft decision has been prepared by the secretariat.

Noting that paragraph 3 of the Protocol of Accession of the Philippines to the General Agreement on Tariffs and Trade, dated 26 November 1979[1], states that the Philippines intends to bring into line with Article III of the General Agreement, the sales and specific taxes with respect to the items listed in document L/4724/Add.1 whose rates, in accordance with the relevant sections of Titles IV and V of the Philippines Internal Revenue Code in force on the date of the Protocol, vary according to whether the items are locally manufactured or imported and would endeavour to do so as soon as possible in the light of its development, financial and trade needs; and that if by 31 December 1984, the above mentioned taxes were still in effect with differential rates for imported items, the matter would be reviewed by the CONTRACTING PARTIES;

Noting that the Government of the Philippines has taken steps to align the rates of certain sales and specific taxes applied to a number of domestically produced goods with those rates applicable to like imported goods; and

Considering that the Government of the Philippines has requested a five-year extension of the period to bring into line with Article III of the General Agreement the rates of the aforesaid sales and specific taxes with respect to the remaining items;

The CONTRACTING PARTIES decide that the Government of the Philippines may take steps to bring into line with Article III of the General Agreement the sales and specific taxes with respect to the remaining items listed in document L/4724/Add.1 whose rates in accordance with the relevant sections of Titles IV and V of the Philippines Internal Revenue Code in force on the the date of the Protocol of Accession, vary according to whether the items are locally manufactured or imported, until 31 December 1989, by which time if these taxes are still in effect with differential rates for imported items, the matter shall be reviewed by the CONTRACTING PARTIES.

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[1] BISD 26S/192.