GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

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CONTRACTING PARTIES
Forty-Seventh Session

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TURKEY - STAMP DUTY

Request for Extension of Waiver

The following communication, dated 14 November 1991, has been received from the Permanent Mission of Turkey with the request that it be circulated to the contracting parties and considered by the CONTRACTING PARTIES at their forty-seventh session.

The Decision taken by the CONTRACTING PARTIES on 5 December 1989[1] allowed the Government of Turkey, under specified terms and conditions, to maintain until 31 December 1991 a stamp duty on imports into Turkey of products included in Schedule XXXVII. In line with this Decision the Government of Turkey informed the CONTRACTING PARTIES on 30 November 1990[2] of its intention to remove the implementation of the stamp duty as of 1 January 1992. To this effect a draft law was prepared in August 1991 for submission to the Parliament. However, due to the early general elections held in October 1991. it was not possible to conclude the legal process.

In these circumstances and considering that the validity of the existing decision will expire on 31 December 1991, the Turkish authorities request that the said decision allowing the Government of Turkey to maintain the stamp duty be extended until 31 December 1993 under the same terms and conditions.

To facilitate consideration of this waiver, the text of a draft decision is annexed.

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[1] L/6611

[2] L/6775

ANNEX

TURKEY - STAMP DUTY

Draft Decision on Extension of Time-Limit

Considering the Decision taken by the CONTRACTING PARTIES under paragraph 5 of Article XXV on 20 July 1963[1] 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, a stamp duty not exceeding a specified ad valorem rate, on imports into Turkey of products included in Schedule XXXVII;

Noting that the validity of which Decision was, by successive decisions by the CONTRACTING PARTIES, extended until 31 December 1991;[2]

Considering that the Government of Turkey has applied, as from 1 January 1973, the same rates of stamp duty to imports from the territories of all contracting parties, and has undertaken to do so in the future;

Noting that the rate of the stamp duty has fluctuated in line with economic and financial conditions between 25 and 1 per cent; the current rate being 10 per cent;

Taking note that the Government of Turkey has assured the contracting parties that once the ongoing process of finding alternative sources of revenue through effective fiscal reforms is completed the stamp duty will be eliminated;

Noting that the Government of Turkey notified its intention to remove the stamp duty as of 1 January 1992[3], but that, due to early general elections held in October 1991, it was not possible to conclude the legal process;

Considering that the Government of Turkey has requested an extension of the waiver to permit the maintenance of the stamp duty until 31 December 1993;

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 measure, a stamp duty on imports into Turkey of products included in Schedule XXXVII.

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[1] BISD 12S/55.

[2] BISD 36S/433.

[3] L/6775

Terms and Conditions

1. The rate of stamp duty shall not exceed 10 per cent of the value of the imported goods as assessed for the imposition of the customs duty.

2. The continued application of the stamp duty shall be accompanied by commensurate efforts by the Government of Turkey to replace it by alternative measures.

3. The Government of Turkey shall report one year from the date of this decision as to the current rate of the stamp duty and how it intends to proceed to eliminate the need for further extension of the waiver.

4. The decision shall be valid until the removal of the stamp duty or until 31 December 1993, which ever date is 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.