

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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EXPLANATORY NOTES ON PROCEDURES FOR FIXING AND MODIFYING TARIFF RATES

Addendum

In accordance with the agreement reached - see MTN/4, paragraph 16 and MTN/TAR/3, paragraph 9 - delegations were invited to submit explanatory notes describing their national procedures for fixing and modifying tariff rates. Notes received up to December 1975 were circulated in document MTN/TAR/W/6 and Add.1.

The notes below have been received from the Missions of Korea and Israel.

Korea

- "1. The Korean customs tariff consists of four categories of duty rates, i.e., (i) general rates, (ii) temporary rates, (iii) GATT rates and (iv) GATT TNDC rates. The fixing and/or the modification of those duty rates requires approval of the National Assembly.
2. The general rates are defined as the basic rates of our customs tariff and laid on all the goods. They are imposed in terms of ad valorem duty, specific duty or combined duty and shall continue to be effective on a long-term basis unless circumstances change.
3. The temporary rates were introduced in February 1973 at which time the overall revision of customs tariff was made, in order to mitigate the shocks on the domestic prices and domestic industries accruing from the overall revision. The temporary rates system was established by the national legislation, but the abolition of that system on the individual goods requires only presidential decree.
4. The GATT rates are the rates applied to GATT contracting parties.
5. The GATT TNDC rates are the rates applied to countries which acceded to the Protocol Relating to Trade Negotiations Among Developing Countries in GATT.

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6. The above-mentioned four kinds of tariff rates shall be applied in the following order: GATT TNDC rates; GATT rates; temporary rates; general rates. If any given rate is higher than a rate which comes after it in this order, the lower rate is applicable. But the temporary rates shall have priority over the general rates even in the case that the temporary rates are higher than the general rates."

Israel

"The Israeli Customs Tariff consists of four categories of duty rates:

1. General rates (m.f.n. rates, bound and unbound rates).
2. Preferential rates for the EEC in its original composition.
3. Preferential rates for the three countries which joined the EEC in 1974 (Denmark, Ireland and the United Kingdom).
4. Preferential rates for countries members of the Protocol Relating to Trade Negotiations Among Developing Countries (11 tariff lines).

The two categories of rates for the EEC conform with the terms of the agreement between the EEC and Israel, and accordingly these two rates will be amalgamated into one on 1 July 1977.

The general rates continue to be in effect unless changed by order issued by the Minister of Finance and approved by the Knesseth (Israel parliament).

A number of rates (in most cases reduced ones) are valid for a temporary period only, after which the full rate comes into effect.

The Minister of Finance has the authority to fix or change customs tariff rates.

However the approval of the Knesseth has to be obtained after any such change."