

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

MTN/TAR/W/27
28 June 1976

Special Distribution

Multilateral Trade Negotiations

Group "Tariffs"

PROCEDURES FOR FIXING AND MODIFYING
TARIFF RATES

Note by the Secretariat

At its meeting on 23-25 March 1976 the Group requested the secretariat to draw up, on the basis of the explanatory notes describing procedures for fixing and modifying tariff rates (MTN/TAR/W/6 and addenda) and of any additional information it might obtain from delegations, a synoptic table, country by country, along the lines contained in paragraph 3 of document MTN/TAR/W/11 (MTN/TAR/5, paragraph 15).

Consequently the secretariat has drawn up the attached table.

DEFINITIONS

Country	Legal tariff rates (general or statutory)	GATT bound rates	Temporary rates	Rates included in the tariff rate information file (headings 4 to 6 in doc.NHS/JA/M/11)
AUSTRALIA	The statutory and 'applied' rates are synonymous in respect of the Australian Tariff and referred to in legal terminology as 'General' rates. In addition to the general rates there are special rates (which apply to certain goods from particular, or in some cases all, countries) primaage duties (which is an additional duty applying to 400 items) and susport duties (which apply to a limited range of chemical resins and come into effect if the landed duty paid price of the imported product is below a stipulated support value)	GATT rates are the levels at which rates stand in the GATT Schedule.	Concessional rates of duty can mainly be applied in stipulated circumstances as prescribed by by-law.	The column 'GATT rate' gives the bound rates. The column 'm.f.n. Rate applied' gives the statutory or the applied rates. Temporary applied rates are indicated on the annotation together with the corresponding statutory rate.
AUSTRIA				
BULGARIA	The general tariff rates, which are included in column II of the customs tariff, are applicable to goods imported from and originating in countries with which Bulgaria has signed agreements containing the most-favoured-nation clause. The general duty rates may likewise be applied to goods originating in countries which, in fact , apply most-favoured-nation treatment to imports of Bulgarian products.			
CANADA	For the purpose of this note, legal tariff rates are the m.f.n. rates that have been approved by Parliament or that have been introduced as a result of GATT negotiations.	The rates at which the goods are bound in Schedule V of the GATT.	Rates introduced by Parliament or by Order-in-Council reducing the "legal tariff rates" for a stated period in time.	The column 'GATT rate' gives the bound rates. The column 'statutory m.f.n. rate' gives the m.f.n. tariff rate, i.e. the GATT rate unless the m.f.n. rate is lower. For temporary tariff items, this column gives the m.f.n. rate of the respective parent tariff items. The column 'm.f.n. rate applied' gives temporary reductions or, in all other cases, the 'statutory m.f.n. rate'.
CZECHOSLOVAKIA				
EUROPEAN COMMUNITIES	'Autonomous' rates are applied erga omnes either in the absence of conventional rates or when they are lower than the conventional rates. (Under the agricultural policy certain products are subject either to a variable levy or to a fixed customs duty plus a variable levy; certain goods processed from agricultural products are also chargeable with a variable component).	Conventional rates are bound within the GATT as they appear in Schedules LXII and LXII bis.	Rates of customs duties on imports of certain goods can be temporarily suspended. Such suspension which is applied erga omnes , may either: - consist of total or partial reduction of the existing duty; - cover total imports of the product suspended or be limited to a specific quota; - cover a specific product or all goods for use in construction or repair of certain ships or aircraft.	The column 'GATT rate' gives the conventional rate. The column 'statutory m.f.n. rate' gives either the conventional rate or the autonomous rate if there is no conventional rate or if the autonomous rate is lower than the conventional rate. The column 'm.f.n. rate applied' gives either the suspended rate, if such a rate exists or in all other cases the rates given in the column 'statutory m.f.n. rate'.
FINLAND	There is only one main category of duties in Finland, the general duty, which is applied to imports from all countries. (For reasons relating to agricultural policy most duties mentioned in chapters 1-24 are termed import levies). For the benefit of the industry customs concessions are granted to certain raw material and machinery	The last change of GATT duties was effected in 1968. Since the general duties were reformed in 1968 as well, they are either equal to the GATT duties or less. Accordingly imports from GATT countries are subject to the general duty as well	For the stabilization of price level, tariff reductions of temporary nature may be introduced for certain basic food-stuffs.	The column 'GATT rate' gives the bound rates. The column 'statutory m.f.n. rate' gives the general rate of duties including the t- and e-rates and the rates termed import levies. General rates are either the same as GATT rates or lower. The column 'm.f.n. rate applied' is not used since the general rates are the applied ones.
GREECE	The general tariff concerns imports from non-conventional countries. The general tariff is also applied in the case of 'conventional' countries when the 'conventional' duty rates are in excess of the general rates. The 'conventional' tariff is applied to imports			

Country	Legal tariff rates (general or statutory)	GATT bound rates	Temporary rates	Rates included in the tariff rate information file (headings 4 to 6 in doc. MTN/3A/W/11
GREECE (cont'd)	from countries benefiting from special tariff treatment under a bilateral or multilateral agreement and imports from countries to which the 'conventional' tariff is automatically applied in pursuance of m.f.n. treatment.			
HUNGARY	-	-	<p>The Minister for Foreign Trade and the Minister of Finance are empowered with the approval of the National Supply and Pricing Office</p> <ul style="list-style-type: none"> - to determine customs quotas - to decide which goods shall be eligible for concessions - to raise or reduce for specific periods the rates in respect of certain goods or to provisionally suspend the rates. - to amend the text of the subheading of the Trade Customs Tariff and the relevant rates of customs duty for specific periods. - to impose customs surcharges for specific periods. 	<p>The column 'GATT rate' gives the bound rates. The column 'statutory m.f.n. rate' gives the GATT rate or where there is none, the m.f.n. rate. The column 'm.f.n. rate applied' gives the 'statutory m.f.n. rate'.</p>
ISRAEL	General rates consist of m.f.n. rates, bound and unbound rates.	-	<p>A number of rates (in most cases reduced ones) are valid for a temporary period only, after which the full rate comes into effect.</p>	-
JAPAN	The general rates are defined as the basic rates of duty which shall continue to be effective on a long-term basis unless circumstances change.	GATT rates are the rates provided for in conventions concluded with foreign countries. The GATT rates supersede the general rates and the temporary rates. However, if the temporary rate or the general rate is lower than the GATT rate, the former shall apply.	Temporary rates are exceptions to the general rates, taking into account such policy factors as foreign trade, domestic industry and consumers.	The column 'GATT rate' gives the bound rates. The column 'statutory m.f.n. rate' gives the general rates. The column 'm.f.n. rate applied' gives the GATT rates or the temporary or general rates if they are lower. When there are no GATT rates, firstly the temporary rate and secondly the general rate apply. That is, the temporary rate always supersedes the general rate.
KOREA	The general rates are defined as the basic rates of the customs tariff and laid down on all goods. They shall continue to be effective on a long-term basis unless circumstances change. The 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.	The GATT rates are the rates applied to GATT contracting parties. The GATT TNDC rates applied to countries which acceded to the Protocol Relating to Trade Negotiations Among Developing Countries in GATT.	The temporary rates were introduced in February 1974 when 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.	-
MEXICO	-	-	-	-

Country	Legal tariff rates (general or statutory)	GATT bound rates	Temporary rates	Rates included in the tariff rate information file (headings 4 to 6 in doc. MTN/JA/W/11
NEW ZEALAND	The tariff is divided into two parts. Part I is known as the Standard Tariff. The Standard Tariff contains in its column one the normal tariff which are the maximum rates payable and apply to all countries not entitled to preferential entry or non-contractual arrangements.	-	Part II of the tariff provides for duty concessions and the entry of certain goods at rates more favourable than those of the Standard Tariff.	The column 'GATT rate' gives the bound rates. The column 'statutory m.f.n. rate' gives the normal tariff rates, concessionary duty concessions and temporary rates. The column 'm.f.n. rate applied' shows only temporary rates including those applied by emergency action, but does not include concessionary rates.
NORWAY	-	-	The Parliament gives the Directorate of Customs and Excise authority to grant reductions or duty exemptions in respect of certain specified goods. In addition the Customs Department may grant reduced duty or exemption of duty for imports of raw materials and auxiliary products for industry; of volatile ethers and esters (under certain circumstances); of machines and apparatus and parts thereof provided that corresponding goods are not manufactured in Norway; and in certain cases of yarn, thread, cordage, ropes and plaited bands used for fishing and fibres for spinning used in the manufacture of such goods.	The column "GATT rate" gives the bound rates. The column "statutory m.f.n. rate" gives the GATT rate or, where there is none, the general rate. The column "m.f.n. rate applied" and the annotation records give duty reductions or exemption and additional notes, or in all other cases, the "statutory m.f.n. rate".
SOUTH AFRICA	The general rates of duty are applicable to imports from those countries to which South Africa is not bound to grant m.f.n. treatment in terms of GATT or a bilateral agreement.	The Minister of Finance may amend the customs tariff in order to give effect to a trade agreement <i>inter alia</i> within the framework of the GATT.	-	-
SPAIN	-	-	The Government is authorized to suspend in full or in part the application of customs duties for a period not exceeding three months e.g. to meet needs of national supply.	-
SWEDEN	The same rate (m.f.n. rate) is applied to imports from all countries (not only GATT-countries) unless an overriding measure specifies a lower rate.	GATT rates are those agreed in the GATT negotiations. They are applied also to non-GATT countries.	Duty-free admission is granted for certain goods not manufactured or manufactured only in small quantities in Sweden.	The column 'GATT rate' gives the bound rates. The column 'statutory m.f.n. rate' gives the GATT rate or, where there is none, the general rate. The column 'm.f.n. rate applied' gives the temporary duty-free rates or, in all other cases, the 'statutory m.f.n. rate'.
TURKEY	General rates apply to imports from the countries to which Turkey does not apply GATT rates or preferential rates in terms of GATT or bilateral agreement.	GATT rates apply to GATT contracting parties and to countries which have signed with Turkey bilateral trade agreements containing m.f.n. clauses.	Temporary rates are introduced on short-term basis for the importation of investment goods and raw materials.	
UNITED STATES	M.f.n. rates which are set out in column numbered 1 of the tariff are assessed on imports from countries accorded m.f.n. treatment except where preferential treatment is stipulated. The general rates are those set out in Column numbered 2 in the tariff. These rates are assessed from countries not accorded m.f.n. treatment or preferential treatment.	Almost all m.f.n. rates are concessional rates established in GATT negotiations.	Temporary duty suspensions and increases are set out in Schedule 9 of the tariff. The temporary provisions of Schedule 9 supersede the provisions of other schedules.	The column 'GATT rate' gives the bound rates. The column 'statutory m.f.n. rate' gives either the GATT rate or, in the few cases where there is none, the m.f.n. rate. The column 'm.f.n. rate applied' gives the temporary rate or, in all other cases, the 'statutory m.f.n. rate'.

2. LEGAL TARIFF RATES (GENERAL OR STATUTORY)

Country	Authorities empowered to fix and modify the rates	The period of validity of the rates	The procedures for modifying the rates and the frequency of modification
AUSTRALIA	All duty amendments are to be effected through Parliamentary action.	In general, rates are applicable for an indefinite period but can be changed from time to time as circumstances require.	Before deciding on the level of tariff protection to be granted to particular industries, the Government seeks advice from the Industries Assistance Commission, whose function is to hold public enquiries and make reports on matters referred to it.
AUSTRIA	Parliamentary approval is required	-	-
BULGARIA	Council of Ministers	-	-
CANADA	Parliamentary approval is required.	The rates remain in effect unless changed by Parliament	Changes in rates are normally introduced in conjunction with the presentation of an annual budget to Parliament.
CZECHOSLOVAKIA	The Government	-	Tariff rates can be fixed and modified by Government Decree
EUROPEAN COMMUNITIES	"Autonomous" rates are fixed by the Council of Ministers.	-	-
FINLAND	The general rate of duty is laid down by the Parliamentary legislation.	-	-
GREECE	The Parliament	The present tariff has been in force since 1 November 1974.	The imposition of any tax, including customs duties, is subject to the previous enactment of a Law, which is adopted by the House, in accordance with existing procedures and published in the official Gazette. Any modifications to customs duties and tariff classes are also subject to the same legislative procedure.
HUNGARY	Council of Ministers	Indefinitely	-
ISRAEL	The Minister of Finance with the approval of the Parliament	The general rates continue to be in effect unless they are changed.	-
JAPAN	The Diet	The general rates continue to be effective on a long-term basis unless circumstances change.	-
KOREA	Parliamentary approval is required	The general rates continue to be effective on a long-term basis unless circumstances change.	-
MEXICO	The Parliament	-	The Tariff Commission is empowered to study <i>ex officio</i> or at the request of the interested party and to propose to the Executive any reforms and modifications that it considers desirable. Proposals for modification, establishment or elimination of tariff subheadings or of duty levels are to be approved by the Secretary of State for Finance and endorsed by the Secretary of State for Industry and Commerce who submits them to the President for consideration and signature of the relevant Decree. At the end of the fiscal year, the President submits a report to the Parliament for approval.
NEW ZEALAND	Variation of rates are implemented by an Order-in-Council made by the Governor General and in some cases require subsequent validation by an Act of Parliament.	-	-

Country	Authorities empowered to fix and modify the rates	The period of validity of the rates	The procedures for modifying the rates and the frequency of modification
NORWAY		The rates of duty are every year - as a rule on 1 January approved by the Parliament.	-
SOUTH AFRICA	The Minister of Finance with the subsequent approval by the Parliament.	The rates are applicable for an indefinite period.	-
SPAIN	The Tariff Act of 1960 empowers the Government to make partial modifications to the tariff.	-	Public organizations, authorities and private persons may formulate requests for tariff changes. The Tariff Board gives recommendations on such proposals. Any modification, whether of definite or temporary character are approved by government decree on a proposal by the Ministry of Trade.
SWEDEN	The Parliament	Until changed by the Parliament	Parliamentary decision on proposal by the Government or by a member or committee of the Parliament. Apart from changes resulting from GATT negotiations, changes are rare.
TURKEY	The Parliament	-	-
UNITED STATES	Changes in rates of duty in the United States can be made only by an Act of the Congress or by the President acting under authority delegated to him by the Congress.	Almost all m.f.n. rates are concessional rates negotiated under the GATT. Column 2 rates were either specified in, or derived from rates specified in the Tariff Act of 1930. Rates are normally enacted or proclaimed without a termination date.	Changes in either rates of duty or nomenclature in the tariff have not been frequent.

J. GATT BOUND RATES

Country	The authorities empowered to conclude tariff negotiations and negotiations for modifying the consolidated rates	The procedures required for modifying the rates
AUSTRALIA	-	-
AUSTRIA	-	The contractual rates agreed upon within the GATT are subject to the same internal procedures as the autonomous rates i.e. they have to be approved by the Parliament.
BULGARIA	Council of Ministers	-
CANADA	Section 11 of the Customs Tariff authorizes the Government to make such reductions of duties on goods imported into Canada from any other country or countries as may be deemed reasonable by way of compensation for concessions granted by any such country or countries.	Section 11 authorizes the Government to make reductions by Order-in-Council. These reductions may also be proposed to Parliament for enactment by an amendment to the Customs Tariff.
CZECHOSLOVAKIA	-	-
EUROPEAN COMMUNITIES	-	-
FINLAND	-	-
GREECE	-	-
HUNGARY	The Minister for Foreign Trade with the approval of the Minister of Finance	-
ISRAEL	-	-
JAPAN	The Cabinet with prior or, depending on circumstances, subsequent approval of the Diet.	-
KOREA	-	-
MEXICO	-	-
NEW ZEALAND	-	Variation of rates are implemented by Order-in-Council made by the Governor General and in some cases require subsequent validation by an Act of Parliament.
NORWAY	-	-
SOUTH AFRICA	The Minister of Finance may amend the customs tariff in order to give effect to a trade agreement or the amendment of a trade agreement including the General Agreement on Tariffs and Trade. Such an amendment shall lapse unless subsequently approved by Parliament.	-
SPAIN	-	-
SWEDEN	The Parliament	Approval by the Parliament
TURKEY	-	The fixing and modification of GATT rates require Parliamentary approval.
USA	The President acting under the authority delegated to him in the Trade Act of 1974.	Procedures are set forth in the Trade Act of 1974 and other existing legislation.

4. TEMPORARY RATES

Country	The authorities empowered to fix increases or suspensions of duties	Existence of a published list of the rates	Any conditions attached to the rates	Period of validity of the rates and conditions governing their repeat or renewal
AUSTRALIA	By-laws for concessional rates can be made at the discretion of the Minister or his delegate.	Schedule 2 of the Customs Tariff	-	-
AUSTRIA	The Federal Minister for Finance is authorized to reduce or suspend duties in general or in specific cases temporarily on account of price policies for reasons for supply or as a solution to temporary crisis.	-	Temporary and concessional reductions and suspensions are only made upon request by the importer who has to bind himself to forward the amount of the tariff reduction to the Austrian consumer.	-
BULGARIA	Council of Ministers	-	-	-
CANADA	An amendment to the Customs Tariff, requiring Parliamentary approval, would be required to increase the M.F.N. Rates. Section 273 of the Customs Act and section 12 of the Customs Tariff provide the Government with the authority to introduce Orders-in-Council reducing or removing rates on certain products on a temporary basis. Rates can also be reduced on a temporary basis by an amendment to the Customs Tariff.	The office consolidation of the Customs Tariff, or Revenue Canada's Departmental Memoranda D47 series.	Section 273 of the Customs Act authorizes the reduction or removal of duties on goods that are used as materials in Canadian manufactures. Section 12 of the Customs Tariff authorizes the reduction or elimination of duties on certain chemicals and plastics tariff items.	Temporary tariff items introduced pursuant to Section 273 of the Customs Act or Section 12 of the Customs Tariff are usually introduced for an initial period of one year. They are reviewed on a case-by-case basis prior to their scheduled expiry date to determine whether they should be extended, modified and extended or allowed to expire. Temporary items may be extended a number of times. Extensions are normally made for periods of from one year to four years.
CZECHOSLOVAKIA	-	-	-	-
EUROPEAN COMMUNITIES	Council of Ministers	-	-	Duties can be suspended - for an indefinite period in which case a fresh decision of the Council of Ministers is necessary before the suspended duty can be restored or - for a specific period generally once a year in which case the suspension may be renewed by decision of the Council of Ministers.
FINLAND	The Cabinet lays down t- and e- duties.	The Finnish Collection of Decrees.	-	Period of validity: from a few months to half a year.
GERMANY	-	-	-	-
HUNGARY	The Minister for Foreign Trade and the Minister of Finance with the approval of the National Supply and Pricing Office.	-	-	-
ISRAEL	-	-	-	A number of rates (in most cases reduced ones) are valid for a temporary period only, after which the full rate comes into effect.

Country	The authorities empowered to fix increases or suspensions of duties	Existence of a published list of the rates	Any conditions attached to the rates	Period of validity of the rates and conditions governing their repeat or renewal
JAPAN	The Diet	Customs Tariff Schedules	-	The rates are introduced for the validity period of one year in principle and are subject to annual review by the Diet.
KOREA	The temporary rates system was established by the national legislation but the abolition of that system for the individual goods requires only presidential decree.	-	-	-
MEXICO	-	-	-	-
NEW ZEALAND	The Minister of Customs	-	-	Temporary duty changes requires validation by Parliament within one year. If not so validated the rates return to their normal levels.
NORWAY	The Customs Department	A circular letter issued at the turn of the year by the Directorate of Customs and Excise covers the duty exemptions and reductions on specified goods	-	-
SOUTH AFRICA	-	-	-	-
SPAIN	The Government	-	-	Up to three months
SWEDEN	The Government is empowered to fix suspension of duties.	A list of the suspensions is issued every two years in the Swedish code of statutes. Amendments are added to the list when needed.	Suspension only for products which are not produced or produced only in small quantities in Sweden.	Up to two years Not more than two years Renewal if the production conditions are unchanged.
TURKEY	Council of Ministers	-	-	-
USA	Temporary changes in rates of duty can be made only by an act of the Congress or by the President acting under authority delegated to him by the Congress.	Schedule 9 of the tariff	-	-