

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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LIMITED B  
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CONTRACTING PARTIES  
Sixth Session

## ITEM 20 - BELGIAN TAX (ALLOCATION FAMILIALE)

Memorandum submitted by the Danish Delegation

### ADDENDUM

By virtue of an act of 4th August 1930 a system providing for family allowances to workers is in force in Belgium. The system is financed by contributions imposed upon the Belgian employers, and in order to countervail these contributions a special tax of 6% ad val. is levied on products imported by the Belgian governmental, provincial and municipal authorities.

Exemption from this import tax can be granted in the case of importation from countries where similar contributions are imposed upon the employers either by law or by collective agreements.

As certain contracting parties have actually obtained an exemption from the import tax the Danish Government repeatedly requested similar treatment claiming that the Danish social legislation, although it does not apply a system of family allowances of this nature must be considered not less developed and costly than the legislation in this field in Belgium or the countries which have obtained an exemption from the special tax. In spite of the differences in form between the social rules and regulations in Belgium and Denmark the fiscal burdon levied upon Danish production for social purposes - partly by taxes, partly by direct contributions from the employers - is undoubtedly not less heavy than the contributions imposed upon the Belgian employers.

In its replies, however, the Belgian Government have so far not found it possible to act in favour of the Danish request. .

The discriminatory levy of the import tax in question creates unequal competitive conditions on the Belgian market and hampers the exportation from Denmark into Belgium. The Danish Government therefore refer the matter to the Contracting Parties in order to obtain a decision on the question whether the discriminatory administration of this special tax on goods imported into Belgium is consistent with the provisions of the Agreement, notably Article I, paragraph 1.