

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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SCHEDULE X - CZECHOSLOVAKIA

Adjustment of Rates of Duty following the upward Revaluation of the Czechoslovak Currency

The following communication was received from the Government of Czechoslovakia on 20 July:

"The Czechoslovak Act on Monetary Reform of 30 May 1953 provides that all duties and charges, tariffs and cash amounts assessed under existing legal regulations in Czechoslovak crowns be converted at a rate of 5 old Kcs to 1 new Kcs as from 1 June 1953 (1 new Kcs being equal to 0,123426 gram fine gold).

"In order that in the case of countries with which Czechoslovakia has exchanged tariff concessions this measure might not impair the value of any of the concessions provided for in the Schedule and thus afford protection in excess of the amount of protection provided for in the Schedule, the Government of the Czechoslovak Republic, guided by the principle of respect for the letter and the spirit of international commitments has decided that contractual customs duties, after having been converted in accordance with the aforesaid provisions of the Act on Monetary Reform, will moreover be multiplied by the coefficient of 0,72, thus giving full expression to the change of the par value of the Czechoslovak Crown in relation to other currencies.

"Thus e.g. in the case of the list X, item 3 "tea", where according to the Schedule customs duty amounted to 6.000 Czechoslovak Crowns, duties will be assessed in the following manner: $5.000 : 5 = 1.000 \times 0,72 = 720$. The new duties, expressed in foreign currency, for example in American dollars, therefore remain unchanged, i.e. 100 dollars (100 U.S.A. dollars equal to 5.000 old Kc and to 720 new Kc)."

Note: The General Agreement provides a procedure for the adjustment of duties and charges to take account of a reduction in the par value of the currency of a contracting party (paragraph 6 (a) of Article II), but no specific provision of the Agreement applies to an upward revaluation of a currency. Paragraph 3 of Article II however requires that no contracting party shall alter its methods of converting currencies so as to impair the value of the concessions provided for in its schedule to the Agreement.