

GENERAL AGREEMENT ON TARIFFS AND TRADE

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SCHEDULE XXIX - NICARAGUA

Incorporation of Import Taxes in the Schedule and Alteration of Basis of Valuation

The following communication, dated 18 June, has been received from the Nicaraguan Government:

"In connexion with the negotiations Nicaragua is currently conducting under the terms of Article XXVIII of the General Agreement, there are two facts applying to the results in general which we wish to have recorded. I suggest therefore that you circulate this letter to the contracting parties for their information.

"Since before the Ancey Conference the Government of Nicaragua has charged a number of taxes on all imports as follows:

- 5 per cent basic tax
- 5 per cent Law of November 1945
- Package tax, February 1929
- Special package tax
- Hospital tax
- Customs and ports tax

"Under the terms of paragraph 1(b) of Article II of the General Agreement, Nicaragua has continued to charge these taxes. It has now decided however, in the interest of simplification, to substitute for all of them a single tax amounting to 10 per cent ad valorem, thus eliminating all the taxes mentioned above, and to consolidate this new tax into the ordinary customs duty.

"Since the previous taxes included two rates of 5 per cent on a c.i.f. basis and a number of specific rates, estimated to be equivalent to about 3 per cent ad valorem, the total taxes collected have always been in excess of 10 per cent on all imports. Although the import taxes in existence on the date of the Ancey Protocol were not incorporated in Nicaragua's schedule, we now propose to include the 10 per cent tax in each rate of duty provided for in the schedule. We have reached agreement on this inclusion with the contracting parties with which Nicaragua has negotiated.

"In addition to the change indicated above the Government of Nicaragua is changing the basis of customs valuation for ad valorem duties from an f.o.b. basis to a c.i.f. basis. This change has also been agreed to by the countries with which Nicaragua has negotiated."