

GENERAL AGREEMENT ON

RESTRICTED

L/6579
26 October 1989

TARIFFS AND TRADE

Limited Distribution

COUNCIL
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PHILIPPINES - RATES OF CERTAIN SALES AND SPECIFIC TAXES

The following communication, dated 18 October 1989, has been received from the Permanent Mission of the Philippines.

The Government of the Republic of the Philippines has the honour to refer to paragraph 3 of its Protocol of Accession to the General Agreement on Tariffs and Trade and paragraph 4 of the Decision dated 27 November 1984 (L/5741), and to notify that it has already taken steps towards the alignment of the internal tax on domestic products and their imported counterparts by virtue of the following executive issuances:

1. Presidential Decree No. 1991 (issued in October 1985) otherwise known as the Sales Tax Reform Decree of 1985, which simplified and restructured certain provisions of the National Internal Revenue Code, particularly on sales taxes. P.D. 1991 likewise provided among others, the alignment of sales taxes on locally manufactured and imported articles notified by the Philippines in GATT document L/4724/Add.1 except automobiles. (Annex C)
2. Presidential Decree No. 1994 (issued on 5 November 1985) further amending the National Internal Revenue Code particularly Section 149 which provides for the imposition of a uniform tax on the sale of local or imported automobiles according to engine displacements. (Annex D)
3. Presidential Decree No. 2006 (issued on 31 December 1985) further amending the National Internal Revenue Code providing for a uniform sales tax on essential products which include among others, agricultural products such as processed meat, milk, fish and other sea foods, medicine, writing pads, note-books, ordinary lead pencils, etc. (Annex E)

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The Government of the Philippines wishes therefore to report that all the internal taxes on the products mentioned in L/4724/Add.1, with the exception of cigarettes, have been realigned in accordance with Article III of the General Agreement. In the case of cigarettes, the Government of the Philippines is currently undertaking steps to realign the tax of the said product. However, giving due regard to the necessary legislative procedures and appropriate administrative processes, the Government of the Philippines wishes to request for another extension of the Decision for three years until 31 December 1992.

This notification will be taken up by the Council at its next meeting. The texts of the above-mentioned Presidential Decrees are available in the Secretariat (Development Division, Room 2010) for consultation by interested delegations.