

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Multilateral Trade Negotiations

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## COMMUNICATION FROM THE DELEGATION OF BRAZIL

The following communication, dated 5 February 1979, has been received from the delegation of Brazil.

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On 24 January 1979 the National Monetary Council of Brazil approved the attached decision concerning a phase-out of the IPI and ICM export benefits, which are the over-rebates on the Federal Tax on Industrialized Products and on the State Tax on Circulation of Goods.

It should be noted that this decision constitutes a contribution to which my authorities attach a great importance in the context of the negotiations for a Code on Subsidies and Countervailing Measures and in the context of the Multilateral Trade Negotiations as a whole.

### EXPORT MEASURES

The President of the Republic, acting under his authority and having regard to Article 55:II of the Constitution, hereby decrees as follows:

Article 1 - The tax relief mentioned in Article 1 of Decree-Law No. 491 of 5 March 1969 shall be reduced gradually until definitively eliminated.

Paragraph I - During the 1979 financial year, the above-mentioned tax relief shall be reduced in the following proportions:

- (a) on 24 January, by 10 per cent;
- (b) on 31 March, by 5 per cent;
- (c) on 30 June, by 5 per cent;
- (d) on 30 September, by 5 per cent;
- (e) on 31 December, by 5 per cent.

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Paragraph II - As from 1980, the tax relief shall be reduced by 5 per cent at each new stage of the following calendar, established for each financial year - 31 March, 30 June, 30 September and 31 December - until its definitive elimination on 30 June 1983.

Paragraph III - The rate of tax relief applied on the date of entry into force of this Decree-Law shall be the basic element for calculating the amount of the reductions provided for in paragraphs I and II.

Article 2 - This Decree-Law shall enter into force on the date of its publication, all provisions not consistent with it being revoked.