

UNITED STATES – TAX TREATMENT FOR "FOREIGN SALES CORPORATIONS"

Second Recourse to Article 21.5 of the DSU by the European Communities

Communication from the Chairman of the Panel

The following communication, dated 2 August 2005, addressed to the Chairperson of the Dispute Settlement Body (DSB), is circulated pursuant to Article 21.5 of the Dispute Settlement Understanding (DSU).

Article 21.5 of the DSU stipulates that a panel established under that provision shall circulate its report within 90 days after the date of referral of the matter to it.

Article 21.5 of the DSU further stipulates that when a panel considers that it cannot provide its report within that time frame, it shall inform the DSB in writing of the reasons for the delay, together with an estimate of the period within which it will issue its report.

The DSB referred this dispute to the original Panel on 17 February 2005. In light, *inter alia*, of the impossibility of one of the panelists in the original panel to serve in these proceedings, this Panel on *United States – Tax Treatment for "Foreign Sales Corporations" / Second Recourse to Article 21.5 of the DSU by the European Communities (WT/DS108)* was composed on 2 May 2005.

Given the particular circumstances of this case and the schedule agreed after consultations with parties to this dispute, it has not been possible for the Panel to complete its work within the 90-day period as foreseen in Article 21.5.

Despite the delay in its composition, the Panel expects to complete its work by the second week of August.
