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PERU – ADDITIONAL DUTY ON IMPORTS OF CERTAIN AGRICULTURAL PRODUCTS

STATUS REPORT BY PERU

The following communication, dated 29 March 2016, from the delegation of Peru to the Chairperson of the Dispute Settlement Body, is circulated pursuant to Article 21.6 of the DSU.

Status Report Regarding Implementation of the DSB
Recommendations and Rulings in the Dispute
*Peru – Additional Duty on Imports of
Certain Agricultural Products*
(DS457)

Peru is submitting this report pursuant to Article 21.6 of the WTO Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU).

On 31 July 2015, the Dispute Settlement Body (DSB) adopted its recommendations and rulings in the dispute *Peru – Additional Duty on Imports of Certain Agricultural Products* (WT/DS457). At the DSB meeting of 31 August 2015, Peru notified that it would comply with the recommendations and rulings in the dispute in a manner which respected its WTO obligations, but that it would need a reasonable period of time to do so. On 16 December 2015, in conformity with Article 21.3(c) of the DSU, the arbitration award was circulated, determining the reasonable period of time for Peru to implement the recommendations and rulings of the DSB to be 7 months and 29 days, to expire on 29 March 2016.

Accordingly, in order to bring the additional duties resulting from the application to certain agricultural products of the Price Range System – established by Supreme Decree No. 016-91-AG and amended by Supreme Decree No. 115-2001-EF – into line with Peru's WTO obligations, the Price Range System was revised, in advance and in line with the DSB's recommendations, in accordance with its tariff policy guidelines, and the recommendations were adopted. Thus, Peru hereby informs the DSB that it has adopted the necessary measures to comply with the recommendations and rulings in this dispute.

Following this revision, Peru published two pieces of legislation* in the Official Journal *El Peruano* modifying the duties resulting from the application of the Price Range System: Supreme Decree No. 103-2015-EF (published on 1 May 2015) and Supreme Decree No. 055-2016-EF (published on 28 March 2016). The changes introduced to bring the measure into line with multilateral trade rules are as follows:

- The additional duties resulting from the application of the Price Range System added to the c.i.f. *ad valorem* duties must not exceed a maximum of 20% of the c.i.f. value of the goods.
- Articles 2, 4 and 7, paragraph 3 of Annex II, and paragraphs 1, 2 and 3 of Annex III of Supreme Decree No. 115-2001-EF were amended.

* In Spanish only.

- Article 5, paragraph 4 of Annex II, and Annex V of Supreme Decree No. 115-2001-EF and Supreme Decree No. 411-2015-EF approving the update of the customs tables applicable to the importation of products included in the Price Range System, were repealed.
- The update of the customs tables applicable to the importation of products included in the Price Range System were approved; the tables will remain in force until 30 June 2016.

We note that the changes include the elimination of the adjustment factor that had been used specifically to calculate the additional duties applicable to imports of sugar, as well as the factor associated with import costs for the determination of the specific duties. At the same time, it was decided that the additional duty resulting from the application of the Price Range System would apply as from the entry into force of the Resolution issued by the Deputy Minister of the Economy determining the reference prices and the additional duties to be applied.

Thus, by introducing the above-mentioned changes to the Price Range System, Peru has complied with the recommendations and rulings of the DSB in this dispute, in full conformity with its commitments under the multilateral trading system.

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