URUGUAYAN IMPORT SURCHARGES

Communication from the Government of Uruguay

The Government of Uruguay has transmitted to the secretariat the text of the Decree, dated 13 June 1963, concerning merchant shipping to which reference was made at the June meeting of the Council. The text is attached hereto.

The Government of Uruguay has further notified the secretariat that the Bank of the Republic will not apply the surcharge set by Decree of 14 April 1963 (cf. document L/2016/Add.1) to imports of omnibuses, trolley buses, micro-buses and appropriate chassis, whenever they are destined for public transportation purposes and are imported by the enterprises which are authorized to engage in such business.
ANNEX

Decree of 13 June 1963

Having regard to Article 5 of Law No. 12,670 of 17 December 1959, Article 42 of Law No. 13,032 of 7 December 1959 and Article 1 of the Decree of 14 April 1963;

Having regard to the fact that the Advisory Committee established by Article 4 of the Decree of 15 March 1963 considers that:

A. It is necessary to draw up an overall organic plan to ensure the consolidation and development of the Uruguayan merchant fleet;

B. Appropriate action in this direction should be based on the establishment of charge percentages granting a preference to vessels of the purchasing and selling country;

C. The application of such percentages and the organization of the bodies charged with verifying such effective application requires careful and detailed regulation which is beyond the scope and authority of the Committee;

Considering that: I. The present situation of the Uruguayan merchant fleet makes it necessary and urgent to take emergency measures, without prejudice to such provisions of better and greater scope as may be established in due course, such as those envisaged by the Advisory Committee, to ensure that wherever possible Uruguay's foreign trade shipments are carried in vessels flying the Uruguayan flag;

Considering that: II. It is necessary to adopt measures to ensure strict compliance with Article 42 of Law No. 10,032 of 7 December 1961;

Considering that: III. The maintenance and development of our merchant fleet is an objective of great national interest since it would tend to ensure a proper degree of autonomy with respect to maritime transport of foreign trade which is an important factor for Uruguay's economic development and trade balance;

The National Council of Government Decrees as follows:

Article 1 - Articles, merchandise, products and goods which are imported on dry-cargo vessels flying the Uruguayan flag shall be exempted from 50 per cent of the surcharge established by Article 1 of the Decree of 14 April 1963.

The amount of the exemption shall be reimbursed by the Bank of the Republic at the time of authorizing clearance.
Article 2 - Articles, merchandise, products and goods not liable to surcharges shall, when imported in dry-cargo vessels flying the Uruguayan flag, be exempted from the 6 per cent tax on transfers of funds abroad established by Article 6 of Law No. 11,924 of 27 March 1953, provided they come within the provisions of Article 5 of Law No. 12,570 of 17 December 1959.

Article 3 - For the purpose of the privileges established by the foregoing Articles, the following shall be considered to be vessels flying the Uruguayan flag:

A. Those registered in the country, whether definitively or provisionally, prior to 15 March 1963 in accordance with the provisions of Law No. 10,945 of 8 October 1947;

B. Those which commence or have commenced the formalities for registration after 15 March 1963 in accordance with the above-mentioned legal provision, provided they are the property of physical or legal persons established in the country.

In the case of legal persons, the requirement of establishment shall apply not only to the holders of capital stocks or shares which must be nominative, but also to their offices.

Due substantiation of such establishment shall be furnished to the Ministry of Finance.

Article 4 - In order to ensure compliance with Article 42 of Law No. 13,032 of 7 December 1961:

A. The period of hold availability in Uruguayan vessels is hereby established as being that comprised between the day before the arrival of the vessel in the zone of operations and the day following its departure from that zone. The Ministry of National Defence, through the intermediary of the Merchant Shipping Department acting jointly with the Merchant Shipping Chamber, shall be responsible for determining the said zones.

B. In the documents setting forth the conditions governing external purchases effected by themselves or through the intermediary of third parties, the Administration, Government departments, autonomous agencies and decentralized services shall specify the obligation to use vessels flying the Uruguayan flag.

C. The consulate in or nearest to the port of embarkation shall be responsible for verifying compliance with the above provisions.

Article 5 - The Advisory Committee established by Article 4 of the Decree of 15 March 1963 is hereby decreed to be a standing body, with the following terms of reference:
A. To verify, acting jointly with the Bank of the Republic, that the provisions of the foregoing Articles are complied with. For this purpose, the Bank of the Republic shall take due account of the volume of import transactions benefiting from the exemption provided for in Articles 1 and 2 of this Decree;

B. To submit for consideration by the Executive, within a period of 120 days, a draft Law on the development of the Uruguayan merchant fleet.

Article 6 - This Decree shall enter into force as from the day of its publication in the daily newspapers of the national capital.

Article 7 - This Decree shall be brought to the notice of the General Assembly.

Article 8 - This Decree shall be communicated etc.