TURKISH STAMP DUTY

Decision of 11 November 1967

Considering that the CONTRACTING PARTIES decided on 20 July 1963 to waive, subject to specified terms and conditions, the provisions of paragraph 1 of Article II of the General Agreement to the extent necessary to allow the Government of Turkey, as part of its policy of increasing revenue in order to make possible the carrying out of the programme of economic development embodied in the First Five-Year Plan, to maintain, as a temporary measure, in conjunction with measures relating to the internal economy, the stamp duty of 5 per cent ad valorem imposed by Law 185 on all imports into Turkey of products included in Schedule XXXVII;

Considering that the Government of Turkey has notified the CONTRACTING PARTIES that, by Law 828 which took effect on 13 February 1967 and which abrogated Law 185, all customs declarations or documents used in lieu thereof, are charged with a stamp duty the rate of which is not to exceed 15 per cent ad valorem;

Considering that the stamp duty is inconsistent with the provisions of Article II of the General Agreement in so far as it applies to products on which Turkey has assumed obligations under Article II and which are specified in Schedule XXXVII annexed to the General Agreement;

Considering that the stamp duty is one of a number of measures, including important changes in internal fiscal regulations, which have been taken by the Turkish Government to provide additional revenue needed for the implementation of the programme of economic development, designed to raise the general standard of living of its people, embodied in the Turkish First and Second Five-Year Plans; and that, in the absence of such additional revenue, it would not be possible to carry out the Five-Year Plans while continuing to avoid inflationary measures of financing the programme of economic development and while continuing to maintain internal economic stability;

Noting the view of the International Monetary Fund that it is essential, to ensure the attainment of the objectives set out in the Five-Year Plans, that internal price stability in Turkey be safeguarded by appropriate fiscal and monetary measures,
Considering that it is not the intention of the Turkish Government in applying the stamp duty to restrict imports or to provide additional protection for domestic industry;

Considering the view of the Turkish Government that the exemption from the stamp duty of the products in relation to which Turkey has assumed obligations under Article II would result in an economically damaging distortion in the present pattern of imports;

Considering that it is the intention of the Government of Turkey to maintain the rate of the stamp duty at as low a level as is possible without imperilling the success of the Five-Year Plans, to notify the CONTRACTING PARTIES in the event that the rate of the stamp duty is increased and to enter into consultations, if requested, with interested contracting parties; and

Considering the statement by the Turkish Government that the stamp duty is a temporary measure and will be abolished at the latest by the date of the end of the Second Five-Year Plan, namely 31 December 1972,

The CONTRACTING PARTIES, acting pursuant to the provisions of paragraph 5 of Article XXV of the General Agreement and in accordance with the procedures adopted by them on 1 November 1956,

Decide to waive, subject to the terms and conditions laid down hereunder, the provisions of paragraph 1 of Article II of the General Agreement to the extent necessary to allow the Government of Turkey, as part of its policy of increasing revenue in order to make possible the carrying out of the programme of economic development embodied in the First and Second Five-Year Plans to maintain, as a temporary measure, in conjunction with measures relating to the internal economy, the stamp duty the rate of which is not to exceed 15 per cent ad valorem imposed by Law 828 on all imports into Turkey of products included in Schedule XXXVII.

Terms and conditions

1. The stamp duty shall not exceed 15 per cent of the value of the imported goods as assessed for the imposition of customs duty.

2. The Government of Turkey shall keep the situation under review and, should the situation so change as to permit the removal or reduction of the stamp duty on products included in Schedule XXXVII without imperilling the success of the Turkish Five-Year Plans, it shall take whatever steps may be necessary to secure the abrogation or amendment of Law 828 so as to be able to remove or reduce the stamp duty on such products.
3. The Government of Turkey shall, on 15 September 1968 and, so long as the stamp duty is maintained on products included in Schedule XXXVII, annually thereafter, submit to the CONTRACTING PARTIES a report on the operation of the stamp duty in relation to the implementation of the Five-Year Plans and shall consult with the CONTRACTING PARTIES on the continued maintenance of the stamp duty taking into account any changes in the application of the stamp duty to individual products.

4. This Decision shall not extend beyond the date on which the stamp duty maintained under this Decision shall have been removed or 31 December 1972 whichever date is the earlier.

5. If any contracting party considers that the effect of the stamp duty maintained under this Decision is unduly restrictive and that damage to its trade is caused or threatened thereby, it may make representations to the Government of Turkey, which shall accord sympathetic consideration to such representations and afford that contracting party adequate opportunity for consultation.

6. If such consultation does not lead to satisfactory results, the contracting party concerned may request the CONTRACTING PARTIES to invite Turkey to enter into consultations with them. If, as a result of these consultations with the CONTRACTING PARTIES, no agreement is reached and if they determine that the effect of the stamp duty is unduly restrictive and that serious damage to the trade of the contracting party initiating the procedure is threatened or caused thereby, the latter will be released from its obligations to apply to the trade of Turkey concessions initially negotiated with Turkey to the extent that the CONTRACTING PARTIES determine to be appropriate in the circumstances.