TURKISH STAMP DUTY

Communication from the Government of Turkey

The secretariat has received the following communication, dated 28 March 1968, from the Government of Turkey.

1. The CONTRACTING PARTIES decided on 11 November 1967 (L/2937) to waive, subject to the terms and conditions laid down in that decision, "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".

2. It was the intention of the Government of Turkey to maintain the stamp duty at the existing level, and also the expectations expressed in this respect in the report of the Balance-of-Payments Committee as well as in the discussions during the twenty-fourth session of the CONTRACTING PARTIES were carefully taken into consideration. But under the conditions explained below, the Government of Turkey had to increase the rate of the stamp duty from 10 per cent to 15 per cent on 1 March 1968.

3. The conditions compelling the Turkish Government to increase the rate of the stamp duty to the authorized maximum level may be summarized as follows:

   (i) the new financial requirements of the 1968-1972 Second Five-Year Development Plan;

   (ii) the necessity of maintaining the internal and external balance of the economy;

   (iii) the shortfall in foreign capital investments and external credits in comparison with those foreseen in the Development Plans, as well as heavy external debt burden and insufficient foreign exchange reserves;

   (iv) the additional financial needs required for the tourism promotion programme.
4. Under these circumstances, increasing the rate of the stamp duty has become a complementary measure taken together with other internal fiscal measures, such as a new tax on motor vehicles and increasing the rate of the expenditure tax, etc.

5. It is expected that this measure will not adversely affect the imports programmed under the Development Plan.

The Turkish delegation is ready to furnish any further information which may be required in this respect.