COMMUNICATION FROM CHILE

The following communication dated 14 September 1977 has been received from the Permanent Mission of Chile. A copy of the relevant legal provisions is available in the secretariat for consultation.

I have pleasure in writing to inform you that the Chilean Government has recently eliminated various taxes and special charges that were applicable to certain imported goods. Under Legislative Decree No. 1844, published in the Official Gazette of 3 August this year, the following legal provisions were rescinded:

(a) The second paragraph of Article 3 of Legislative Decree No. 826 of 1974, governing the manufacture, sale and taxation of alcohol and alcoholic beverages. The provision that has now been rescinded established a 50 per cent surcharge on the tax applied on the effective selling price of alcoholic beverages where these were imported;

(b) Article 8 of Legislative Decree No. 828 of 1974, which established rules in respect of the cultivation, manufacture, marketing and taxation of tobacco. The Article now rescinded established a 50 per cent surcharge on the tax on cigars and manufactured tobacco, applicable on the retail price, where the products concerned were imported;

(c) Article 35 of Law No. 16,466, which had replaced Article 2 of Law No. 12,954 and provided that imported tyres similar to those of domestic origin would be subject to a tax of 20 per cent on the c.i.f. value, and that those not similar to a domestic product would be taxed at the rate of 8 per cent on the c.i.f. value.
(d) Article 37(j) of Legislative Decree No. 825 of 1974, in the wording prescribed by Legislative Decree No. 1606 of 1976, which provided, without prejudice to the value-added tax, for payment of a 20 per cent tax on the first sale or import of certain goods. This tax rate was applicable on the transfer value in the case of sale, and on the customs value in the case of imports, or failing this, on the c.i.f. value. The special paragraph now rescinded covered the import of perfumes, lotions and cosmetics.

The Legislative Decree providing for the elimination of these charges mentions, in its preambular paragraphs, the provisions of the General Agreement concerning equality of treatment to be applied to domestic and imported products in respect of taxes and other charges (Article III). This legal provision likewise makes specific mention of the need to align the domestic tax legislation with the provisions of various international agreements, inter alia the General Agreement.

Accordingly, I would request you kindly to bring the foregoing to the knowledge of the contracting parties, indicating that these provisions will come into force on 1 October this year.

I enclose photocopies of the legal provisions referred to in this letter.