TurkeY - STAMP DUTY

Report of the Committee on Balance-of-Payments Restrictions

1. The CONTRACTING PARTIES have waived the provisions of paragraph 1 of Article II of the General Agreement to allow the imposition of a stamp duty on imports of products included in Turkey's schedule of concessions until 31 December 1981 (BISD, 26th Suppl., p.228). At its meeting of 6 October 1981 the Council asked the Committee on Balance-of-Payments Restrictions to examine the request of the government of Turkey to extend this waiver to 31 December 1983.

2. The Committee examined the request on 14 October 1981. Noting that the rate of stamp duty had been reduced from 25 to one per cent on 25 January 1980 and that a fiscal reform was underway which would soon enable the Turkish authorities to eliminate the stamp duty completely, the Committee agreed to recommend that the CONTRACTING PARTIES grant an extension of the waiver on the terms and conditions set out in the annexed draft decision.
ANNEX

DRAFT DECISION

TURKEY - STAMP DUTY

Considering, that the CONTRACTING PARTIES, by decisions dated 20 July 1963, 11 November 1967, 24 August 1969, 30 January 1973, 3 July 1973, 15 July 1975, 17 April 1978 and 27 November 1979 waived, 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 to maintain as a temporary measure, a stamp duty not exceeding a specified ad valorem rate, on imports into Turkey of products included in Schedule XXXVII, until 31 December 1981;

Considering that the Government of Turkey has requested an extension of the waiver to permit the maintenance of the stamp duty until 31 December 1983;

Considering that the Government of Turkey has applied, as from 1 January 1973, the same rates of stamp duty to imports from the territories of all contracting parties, and has undertaken to do so in the future;

Noting that the incidence of the stamp duty was reduced from 25 to one per cent on 25 January 1980.

Taking note that the Government of Turkey has assured the contracting parties that a fiscal reform would soon enable it to eliminate the stamp duty completely;

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 specified hereunder, the provisions of paragraph 1 of Article II of the General Agreement to the extent necessary to allow the Government of Turkey to maintain, as a temporary measure, on imports into Turkey of products included in Schedule XXXVII a stamp duty.

1 BISD 128/55.
2 BISD 185/90.
3 BISD 178/28.
4 BISD 208/31.
5 BISD 208/32.
6 BISD 228/13.
7 BISD 258/12.
8 BISD 268/228.
Terms and Conditions

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

2. The continued application of the stamp duty shall be accompanied by commensurate efforts by the Government of Turkey to replace it by alternative measures.

3. The Government of Turkey shall report one year from the date of this waiver on any relevant developments.

4. The Decision shall be valid until the removal of the stamp duty or until 31 December 1983, whichever date is 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.