Article 1. The Executive authority is empowered to increase import duties, with the exception of such additional duties as are specified by the Tariff in force (Law No. 11048), by fifty per cent (50%) in the case of products which are necessary, but not essential, and by one hundred per cent (100%) in the case of all other products with the exception of those referred to in Article 2 of the present Law.

The Executive authority may increase by as much as 100 per cent the import duties on products on which the surcharge of 100 per cent referred to in paragraph 1 of this Article is levied.

The Executive authority may also prohibit imports of unnecessary, non-essential, or luxury products when it deems such action to be essential for the national economy.

Article 2. Staple foods; medicinal and pharmaceutical products to which the liberalization measures instituted by Law No. 11234 are applicable; essential materials for the dissemination of thought in printed form; and products which are admitted duty-free pursuant to existing legal provisions, shall not be affected by the surcharges authorized by the present Law.

Products to which existing bilateral agreements concluded with neighbouring countries are applicable shall also continue to be exempt from the surcharges instituted by this Law.

Article 3. The Executive authority shall determine which articles are to be included in each of the aforementioned categories and it shall indicate the relevant customs tariff items.

The Executive shall be authorized to transfer items from one category to another when it deems such action to be in the national interest.

The Executive authority shall effect increases, exemptions, prohibitions, or transfers of any items from one category to another by means of Supreme Decrees, with a supporting statement, which shall be enacted after due deliberation by the Council of Ministers acting in an advisory capacity.

Article 4. The increases or surcharges instituted by the present Law shall be liquidated and collected separately from previously existing import duties, and the total amount of the levies shall be remitted directly to the Central Reserve Bank of Peru and shall be ear-marked for the sole purposes specified hereunder:
(a) To make up the deficit of the 1956 budget; and
(b) To finance additional appropriations and to make up any deficit resulting from liquidation of the 1957 budget.

Article 5. Upon fulfilment of the purposes referred to in the foregoing Article, the proceeds of the surcharges instituted by the present Law shall be deposited with the Central Reserve Bank of Peru to constitute a special currency stabilization fund.

The Executive authority, after prior consultation with the Central Reserve Bank and the International Monetary Fund, shall submit to the Legislature proposed rules for administering the above-mentioned special currency stabilization fund.

Article 6. The provisions of the present Law shall take effect for a period of three years from the date on which it is promulgated and published.

Article 7. The new duties shall be applicable to goods imported by sea, taking into account the provisions of Articles 483 and 487 of the Peruvian Code of Customs Procedures; and, in the case of goods imported by air or by post, account shall be taken of the date of arrival or date of admission of such goods, so that the new duties shall not be applicable to goods which entered the country prior to the entry into force of the present Law.

Article 8. All provisions inconsistent with the present Law shall be suspended during the period of validity of the present Law.

Additional Article. The Executive authority, whenever it uses the powers conferred upon it by the present Law, shall immediately report to Congress.

The text of the present Law shall be transmitted to the Executive authority for promulgation purposes.
SUPREME DECREES

Article 1. The surcharges instituted by Law No. 12995 shall not be applicable to: (a) staple foods included in the following customs tariff items of Law No. 11048: 1, 2, 14, 15, 16, 46, 47, 48, 49, 51, 52, 53, 54, 93, 95, 96, 99, 101, 106, 107, 108, 110, 180, 187, 188, 189, 190, 214, 217, 219, 362, 376, 378, 380, 385, 387, 388, 390, 817; (b) pharmaceutical specialties and medicines in general, included in items 824 to 839, 840 to 849, 850, 852 to 854, 874 to 895; (c) essential materials for the dissemination of thought in printed form, included in the following customs tariff items: 966, 967, 1260, 1261, 1269 and 2756; (d) special containers for milk (item 2223); (e) products admitted duty-free pursuant to existing liberalization measures; and (f) products admitted duty-free in accordance with the import tariff already in force.

Article 2. Products to which bilateral trade agreements with neighbouring countries are applicable shall also be exempt from the surcharges instituted by the said Law No. 12995.

Article 3. The necessary but non-essential products which shall be subject to the surcharge of 50 per cent in excess of the rate specified in the relevant item of the Customs Import Tariff (Law No. 11048) are those included in the following tariff items: 4, 6, 8, 10, 12, 13, 17, 45, 50, 65, 94, 97, 98, 100, 102 to 105, 109, 111, 112 to 116, 120, 121, 122, 123, 133 to 141, 191, 192, 208, 209, 213, 215, 216, 218, 220, 235 to 247, 329, 331 to 341, 343, 344, 346, 347 to 352, 353 to 361, 364 to 366, 369, 371 to 375, 377, 379, 381 to 384, 386, 389, 391 to 418, 419 to 742, 743 to 751, 754 to 778, 780, 783, 784, 788 to 805, 808 to 815, 896 to 934, 968 to 970, 1038 to 1050, 1051 to 1063, 1073 to 1095, 1098, 1101, 1102 to 1123, 1126, 1128 to 1136, 1137 to 1139, 1143 to 1145, 1147, 1165, 1166, 1178 to 1180, 1230 to 1245, 1280, 1282 to 1291, 1294, 1296 to 1299, 1303 to 1308, 1313, 1317, 1321, 1331, 1394, 1396, 1397, 1404 to 1407, 1420 to 1424, 1436, 1445, 1446, 1459, 1460, 1463 to 1492, 1659 to 1691, 1700 to 1714, 1793 to 1798, 1809, 1870, 2033 to 2035, 2075 to 2084, 2087, 2088, 2090 to 2107, 2109 to 2121, 2128 to 2136, 2137 to 2173, 2195 to 2198, 2200, 2202, 2203, 2221, 2234, 2235, 2241 to 2243, 2250, 2262, 2277 to 2284, 2289, 2322 to 2350, 2353 to 2479, 2484 to 2493, 2496 to 2508, 2513, 2515 to 2518, 2521, 2522, 2532, 2533, 2535 to 2537, 2540 to 2555, 2557, 2558, 2583, 2585, 2588 to 2608, 2634, 2639, 2640, 2644, 2645, 2693 to 2697, 2699 to 2702, 2704, 2705, 2711 to 2714-A, 2718 to 2735, 2738, 2742, 2747, 2759 to 2765, 2767 to 2772, 2774 to 2781, 2799 to 2800, 2802, 2803, 2811 to 2818, 2819 to 2851, 2852 to 2880, 2883 to 2885, 2891 to 2901, 2905, 2920 to 2924, 2928 to 2946, 2952 to 2957, 2965 to 2968, 2972 to 2976, 2978 to 2982, 2985, 2987, 2997, 2990, 2991, 2992, 2998 to 3003, 3006, 3010, 3020, 3035 to 3078, 3082 to 3084, 3086 to 3087, 3100, 3102, 3103, 3109 to 3147, 3149, 3150, 3162, 3246 to 3249, 3304 to 3310, 3345, 3363, 3364, 3397, 3403 to 3415, 3417, 3418, 3430, 3431, 3454 to 3462, 3472, 3479, 3502 to 3505.
Article 4. Such products as are included by customs tariff items which do not come under the preceding articles shall be subject to a surcharge of 100 per cent of the rate applicable to the relevant tariff item.

Article 5. The surcharges instituted by Law No. 12995 shall be liquidated separately from the import duties specified in the Tariff under Law No. 11048, and the total amount of such levies therefrom shall be credited to an account entitled "Revenue under Law No. 12995", until such time as the amount therein reaches the level required to fulfil the provisions of paragraphs (a) and (b) of Article 4 of the said Law No. 12995. The monies mentioned above shall be remitted by the Revenue Offices to the Central Reserve Bank of Peru for deposit in a special current account to the order of the Treasury.

Article 6. Upon fulfilment of the financial commitments referred to in paragraphs (a) and (b) of Article 4 of Law No. 12995 the proceeds of the levies resulting from the provisions of the said Law shall be paid into an account entitled "Special Currency Stabilization Fund (Law No. 12995)", the funds being deposited in a special account which shall be opened for this purpose in the Central Reserve Bank of Peru.

Article 7. The surcharges instituted pursuant to the present Decree shall be levied as from the date of the present Decree, subject to the provisions of Article 487 of the Peruvian Code of Customs Procedures. In the case of goods imported by air or by post, the Customs Administration and International Customs Offices shall levy the relevant surcharges only on such goods as are admitted after the date of the present Decree.

Article 8. Reports shall be made to the National Congress in conformity with the provisions of the Additional Article of Law No. 12995.