QUESTIONS SUBMITTED BY THE UNITED STATES ON ARTICLE XVI:1 NOTIFICATION FROM CHILE
(L/6630/Add.5 dated 21 March 1990)

The United States has the following questions concerning the Article XVI:1 notification from the Government of Chile contained in L/6630/Add.5.

1. Why have the Chilean authorities not reported the simplified duty drawback programme implemented pursuant to Law 18,480 of December 1985? Under this programme, we understand that exporters are entitled to an "import duty rebate" equal to 8 per cent of the FOB value of their exports, even if they source all inputs from the domestic market. In the case of zero imports, does not such payment by the Government of Chile constitute an outright grant?

2. Why was the Stamp and Seal Tax Exemption programme for exporters not reported? This exemption is limited to letters of exchange or promissory notes granted in foreign currency by banking enterprises domiciled in Chile.