

**Committee on Subsidies and
Countervailing Measures**

**CONTINUATION OF EXTENSION OF THE TRANSITION PERIOD UNDER
ARTICLE 27.4 OF THE AGREEMENT ON SUBSIDIES AND COUNTERVAILING
MEASURES FOR THE ELIMINATION OF EXPORT SUBSIDIES PURSUANT TO
PARAGRAPH 10.6 OF THE MINISTERIAL DECISION ON
IMPLEMENTATION-RELATED ISSUES AND CONCERNS**

COLOMBIA

Special Import-Export System for Capital Goods and Spare Parts (SIEX)

Decision of 8 December 2003

Addendum

1. The Committee on Subsidies and Countervailing Measures (the “Committee”);
2. *Noting* that Colombia confirms its obligation pursuant to the SCM Agreement to eliminate all export subsidies;
3. *As directed by* the Fourth Ministerial Conference, in its Decision on Implementation-Related Issues and Concerns, (WT/MIN(01)/17, 20 November 2001) (“the Decision”);
4. *In following* the “Procedures for Extensions Under Article 27.4 for Certain Developing Country Members” (G/SCM/39, 20 November 2001) (“the Procedures”), in particular paragraphs 1(d) and 1(e) thereof;
5. *Taking into account* the request and other notified information provided by Colombia to the Committee¹, pursuant to paragraph 10.6 of the Decision, for Special Import-Export System for Capital Goods and Spare Parts (SIEX) (“the programme”);
6. *Recalling* that it considered, for purposes of the decision in document G/SCM/94 taken by the Committee on 13 December 2002, Colombia to be a developing country Member eligible to request an extension pursuant to Article 27.4 of the Agreement on Subsidies and Countervailing Measures (“SCM Agreement”);
7. *Recalling* that paragraph 10 of the decision in document G/SCM/94 taken by the Committee on 13 December 2002 stipulates the following:

¹ The notified information on the basis of which this decision is taken is found in documents G/SCM/N/74/COL (15 January 2002), G/SCM/N/74/COL/Suppl.1 (5 February 2003), G/SCM/N/71/COL (7 January 2002), G/SCM/N/99/COL (4 July 2003), and G/SCM/Q3/COL/1 (22 February 2002) to G/SCM/Q3/COL/29/Corr.1 (27 November 2003).

"*The period* during which the extension hereby granted can be continued on the basis of the Procedures is through the end of calendar year 2004. Such continuation shall be subject to annual review by the Committee for the purposes of and subject to the conditions set forth in paragraphs 1(d) and 1(e) of the Procedures, and to the terms set forth below:

- (i) Colombia will ensure the conformity of its laws and regulations with its commitments under this decision. The transition period for the elimination of the export subsidies as described in paragraph 9 shall not, in any case, be extended beyond 2006, including the final two-year period provided for in the last sentence of Article 27.4 of the SCM Agreement. In consequence, the Colombian authorities shall adopt appropriate actions to comply with this decision. Among such actions, Colombia shall undertake the reform of its legislation by 30 June 2003 so as to bring it into conformity with this decision;
- (ii) Colombia waives its right to request a continuation of the extension pursuant to Article 27.4 of the SCM Agreement, as described in paragraph 1(f) of the Procedures, for the programme;
- (iii) Colombia waives its right to make use of the full period provided for under paragraph 1(e) of the Procedures for the programme."

8. *Taking into account* that Colombia reaffirms its commitment to eliminate export subsidies in conformity with the commitments undertaken in both this decision and that set out in document G/SCM/94 of 13 December 2002, which is operative in its entirety;

9. *Noting that*, for purposes of this decision to continue the extension granted in G/SCM/94, Colombia commits that for projects² approved under the programme on or after the date of this decision, payment of deferred VAT shall occur not later than 31 December 2006. To this end, Colombia shall implement, not later than the date of this decision, the legal and/or regulatory or other reforms required, such that the period permitted for payment of deferred VAT cannot extend beyond 31 December 2006 for such projects. For projects approved prior to the date of this decision, payment of deferred VAT must occur not later than five years after the grant of the deferral³.

10. *Taking note* that Colombia confirms that the programme has not been modified since 1 January 2003 so as to make it more favourable in terms of scope, coverage and intensity of benefits than it was on 1 September 2001;

11. *On the basis of* the review of the notified information by the Committee, pursuant to paragraphs 1(d) and 1(e) of the Procedures and paragraph 10 of the decision in document G/SCM/94, to verify Colombia's fulfilment, during the period reviewed by the Committee in 2003, of its obligations with respect to the programme under the transparency and standstill provisions contained in paragraphs 3 and 4 of the Procedures, in relation to the programme as in existence on 1 September 2001; and to verify Colombia's fulfilment of its other obligations undertaken pursuant to the decision in document G/SCM/94; and on the basis of the commitments undertaken by Colombia in this decision, which shall be subject, through calendar 2006, to annual notification by Colombia and transparency review by the Committee;

12. *Hereby agrees* to continue, until 31 December 2004, the extension granted in G/SCM/94 of the transition period, under Article 27.2(b) of the SCM Agreement, for the elimination of export

² Referred to in the applicable national legislation of Colombia, contained in the notified information, as "programmes".

³ For purposes of this decision, the date of the grant of the deferral is understood to mean the date of importation.

subsidies which take the form of full or partial exemptions from import duties and internal taxes and which were in existence under the programme on 1 September 2001. All terms and conditions and other provisions of the decision in document G/SCM/94 shall apply.

13. *Neither* this decision nor the decision in G/SCM/94 applies to any export subsidies other than those in the form of full or partial exemptions from import duties and internal taxes and which were in existence under the programme (Special Import-Export System for Capital Goods and Spare Parts (SIEX)) on 1 September 2001. Colombia confirms its obligation pursuant to the SCM Agreement to neither grant nor maintain any export subsidies not subject to any transition period under Article 27.4 of the SCM Agreement, in any form or under any other title and/or mechanism, including by way of illustrative, non-exhaustive examples, those granted for raw materials and inputs which fail to comply with the "Guidelines on Consumption of Inputs in the Production Process" of Annex II to the Agreement on Subsidies and Countervailing Measures.

14. *No inferences* should be drawn from this decision with respect to the date on which a subsidy is deemed to be granted or maintained.

15. *No inferences* should be drawn from this decision with respect to decisions by the Committee to extend or to continue the extension of the transition periods for the elimination of export subsidies by other Members.
