

WORLD TRADE ORGANIZATION

RESTRICTED

G/SCM/Q2/PHL/8

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Committee on Subsidies and Countervailing Measures

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SUBSIDIES

Replies to Questions from THAILAND¹ Regarding the New and Full Notification of the PHILIPPINES²

The following communication, dated 23 August 1996, has been received from the Permanent Mission of the Philippines.

1. *Is permission for extra deduction of expenses from taxable income derived from the export of products produced or assembled by the registered enterprise included as one of the incentives given by the Omnibus Investments Code?*

Answer:

As far as exporters are concerned, the Omnibus Investments Code of 1987 deals essentially with tax rebates. The only incentive under the OIC under the form of an extra tax deduction is the incentive on additional deduction for labour expense which is available to both domestic and export enterprises.

2. *If yes in Question 1, will the Philippines terminate the incentive by 1999?*

Answer:

No, there is no plan to terminate this by 1999.

3. *Is there any local content requirement attached to incentives provided by the BOI?*

Answer:

There are none.

¹G/SCM/Q2/PHL/4.

²G/SCM/N/3/PHL.

4. *For reason of transparency, please provide details of the Philippine export financing scheme, and the Philippine export insurance and guarantee programmes.*

Answer:

This question has already been answered in the response to the EC's question no. 4 (document G/SCM/Q2/PHL/5), and the US' questions 2C, 2D and 2F (document G/SCM/Q2/PHL/6).