

**Committee on Subsidies  
and Countervailing Measures**

Original: English

**SUBSIDIES**

Requests Pursuant to Article 27.4 of the Agreement  
on Subsidies and Countervailing Measures

Questions Posed by Canada

The following communication, dated 25 February 2002, has been received from the Permanent Mission of Canada.

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The following questions are submitted in respect of the request for extension of export subsidies under Article 27.4 of the Subsidies and Countervailing Measures Agreement (SCM).

These questions are preliminary in nature and does not preclude Canada's right to ask further questions on these requests for extensions or on any other request for extension under Article 27.4 of the ASCM.

**Guatemala (G/SCM/N/74/GTM)**

General questions

1. How long have these programmes existed?
2. What are the levels of benefit, i.e., is there a full exemption from taxes or do companies pay a percentage of regular rates?
3. For how long can a company enjoy these benefits? If there is an expiry can a company re-apply for exemptions?
4. Are there estimates of government revenue foregone?
5. Are there any direct payouts to companies, e.g., percentage of payroll taxes refunded?
6. Who can take advantage of these programmes, e.g., industry sectors, agriculture, certain regions?
7. Are there requirements to qualify for tax exemption benefits, e.g., minimum investment, number of local employees etc.?

8. Please identify total exports that benefit from these programs and the percentage of national exports (annually since UR) under each programme.
9. How many recipient companies/industrial parks, etc. (annually since UR) exist under each programme?
10. Can a company benefit from more than one of the three programmes at one time?

Programme specific questions

**Programme I**

1. Are the tax exemptions only applied to income from exports? If so, is income earned from sales within the customs territory taxable?

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