

WORLD TRADE ORGANIZATION

G/SCM/N/25/CRI

26 March 1998

(98-1213)

Committee on Subsidies
and Countervailing Measures

Original: Spanish

SUBSIDIES

Updating Notifications Pursuant to Article XVI:1 of the GATT 1994 and Article 25 of the Agreement on Subsidies and Countervailing Measures

COSTA RICA

The following communication, dated 17 March 1998, has been received from the Permanent Mission of Costa Rica.

Please find attached the updating notifications pursuant to Article 25 of the Agreement on Subsidies and Countervailing Measures and Article XVI of the GATT 1994 for the periods up to 30 June 1996 and 30 June 1997.

UPDATING NOTIFICATION PURSUANT TO ARTICLE XVI:1 OF THE
GATT 1994 AND ARTICLE 25 OF THE AGREEMENT ON
SUBSIDIES AND COUNTERVAILING MEASURES

Period up to 30 June 1997

A. Exemption from Company Tax

1. Description of subsidy

Exemption from company tax for enterprises that signed an export contract before 3 April 1992.

2. The period of notification

Updating of the WTO notification to 30 June 1997.

3. Policy objective

No change

4. Background and authority

Company tax exemption for enterprises that signed an export contract before 3 April 1992 is set forth in paragraph 60(a) of the Company Tax Act, No. 7092 of 21 April 1988 and amendments thereto, published in Official Gazette No. 96 of 19 May 1988.

Pursuant to Executive Decree No. 25690 - COMEX, published in Official Gazette No. 5 of 8 January 1997, the functions previously carried out by the National Investment Council with respect to the administration of export contracts will be taken over by the Costa Rican Foreign Trade Promotion Agency (PROCOMER), set up under Law No. 7638, published in Official Gazette No. 218 of 13 November 1996.

5. Form of the subsidy

No change

6. Beneficiaries and mechanism

No change

7. Estimated amount of the subsidy

No amount is budgetable for this subsidy in view of the kind of tax exemption involved.

8. Duration of the subsidy

No change

9. Trade effects of the subsidy

There is no information on the trade effects of this subsidy.