

WORLD TRADE ORGANIZATION

RESTRICTED

G/SCM/Q2/CRI/2

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Committee on Subsidies and Countervailing Measures

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SUBSIDIES

Questions from JAPAN Regarding the New and Full Notification of COSTA RICA¹

The following communication, dated 20 September 1996, has been received from the Permanent Mission of Japan.

(1) A. Exemption from company tax

There is a description in paragraph 6 of the notification that all enterprises that signed an export contract before 3 April 1992 were entitled to exemption from company tax and that an export contract may have been signed by any national or foreign natural or legal person who undertook to produce and/or export non-traditional goods to third markets (markets in countries with which there are no agreements granting free-trade treatment with regard to the exported goods). In this connection, could Costa Rica explain the following points?

- If the programme constitutes an export subsidy subject to the commitment of exports.
- If Costa Rica has already notified this programme under Article 28.1
- If Costa Rica will phase out the subsidy within eight years.

(2) B. Granting of Tax Credit Certificates (CATs)

There is a description in paragraph 6 of the notification that the criterion for allocating CATs is that the beneficiary signed an export contract and that any national or foreign natural or legal person engaged in exporting products with a specific national content can sign an export contract with the State of Costa Rica and, if it was signed before 2 December 1992, was issued with a CAT as an incentive. In this connection, could Costa Rica explain the following points?

- What is the meaning of "a specific national content".
- If the programme constitutes an export subsidy subject to exports.
- If Costa Rica has already notified this programme under Article 28.1.
- If Costa Rica will phase out the subsidy within eight years.

¹G/SCM/N/3/CRI.