

DRAFT CHARTER

PERU: PROPOSED AMENDMENTS

Delete sub-paragraph (c) of paragraph 2 of Article 16 which reads:

"Preferences in force exclusively between the United States of America and the Republic of Cuba".

Immediately after sub-paragraph (b) of paragraph (1), Article 17, insert two new paragraphs as follows:

(c) the readjustment of custom duties by countries using specific rates on their tariffs, in order to compensate for a substantial depreciation of their currencies will not be considered as an increase of their tariffs;

(d) due consideration shall be given to Article 13 which recognizes to devastated and under-developed countries the right to establish or maintain protective tariffs under appropriate circumstances.

Sub-paragraph (c) of the proposed Charter should then become sub-paragraph (e).

Paragraph 2 of Article 17 should read as follows:

If any Member considers that any other Member has failed to fulfill its obligations under Paragraph 1 of this Article, such Member may refer the matter to the Organization, which after investigation by the Tariff Committee created under Article 81 shall make appropriate recommendations to the Members concerned. If the Tariff Committee finds that the Member has failed, without sufficient justification, having regard to its economic position and the provisions of the Charter as a whole, to carry out negotiations within a reasonable period of time, in accordance with the requirements of Paragraph 1 of this Article, the Tariff Committee shall rule that such Member has failed to carry out its obligations under the Charter; and the Tariff Committee shall present to the Executive Board of the Organization its recommendations on the extension of the benefits which shall be withheld from that Member by the Organization. The importance of such withheld benefits shall be in proportion to the damage inflicted upon the other Member, or Members. The Executive Board
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shall rule on the matter and the Member against which a decision will have been taken may apply to the provision of Chapter VIII.

Paragraph 3 of the same article should then be deleted.

The delegation of Peru proposes to add a sub-paragraph (b) to Paragraph 1 of Article 18, as follows:

(b) As an exception to the provisions of Paragraph (1) of Article 18, and with a view of carrying out proposals of the Charter exposed in Article 8, any enterprise may be exempt from internal taxes, for a period ofyears, when created for the establishment of economically sound industries, in undeveloped countries.

The delegation of Peru proposes to entirely delete sub-paragraph (c) of Paragraph 2 of Article 20.

Paragraph 3 should then come immediately after the end of sub-paragraph (b) of Paragraph 2.

In Paragraph 1 of Article 81 the words "and determinations" should be deleted.
