

**PERU – TAX TREATMENT ON CERTAIN IMPORTED PRODUCTS**

Communication from Chile

The following communication, dated 25 September 2002, from the Permanent Mission of Chile to the Chairman of the Dispute Settlement Body is circulated at the request of Chile.

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I am pleased to inform you that the measure disputed by Chile in the above-mentioned case, i.e. Law 27.614, was amended on 27 July 2002. Indeed, Law 27.800, published on that date in the Official Journal "El Peruano", repeals Article 2 of Law 27.614, which established that the exemption from the General Sales Tax of certain products only applied to sales within the country and not to imports. As a result of this amendment, both imports and sales within the country of these products are now exempt from the General Sales Tax, as established in Article 5 of the single codified text of the Law on General Sales Tax and Selective Consumption Tax (Supreme Decree No. 055-99-EF).

As the disputed measure has now disappeared, the Government of Chile would like to formally withdraw this matter from further attention under the provisions of the Dispute Settlement Understanding.

Chile would like to take this opportunity to thank the authorities of Peru for acting in such a way as to bring about a rapid settlement of this dispute, thereby enabling Chilean exporting firms to compete in the Peruvian market on an equal footing.

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