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BRAZIL – CERTAIN MEASURES CONCERNING TAXATION AND CHARGES

AGREEMENT UNDER ARTICLE 21.3(B) OF THE DSU

The following communication, dated 10 May 2019, from the delegation of Brazil and the delegation of Japan to the Chairperson of the Dispute Settlement Body, is circulated in accordance with Article 21.3(b) of the DSU.

Brazil and Japan would like to inform you that, pursuant to Article 21.3(b) of the Understanding on Rules and Procedures Governing the Settlement of Disputes ("DSU"), Brazil and Japan have agreed that the reasonable period of time for Brazil to implement the recommendations and rulings of the Dispute Settlement Body (DSB) in the dispute *Brazil – Certain Measures Concerning Taxation and Charges* (WT/DS497) shall be eleven (11) months and twenty (20) days from the date of adoption of the recommendations and rulings of the DSB. Accordingly, the reasonable period of time shall expire on 31 December 2019.

Further, with regard to the subsidies that were found to be prohibited, Brazil and Japan note that, pursuant to Article 4.7 of the Agreement on Subsidies and Countervailing Measures (SCM Agreement), the panel report, as modified by the Appellate Body report, recommends that Brazil withdraw the subsidies without delay but does not specify the time period within which the measures must be withdrawn. For reasons of certainty, Brazil and Japan have agreed that the time period within which these measures must be withdrawn, for the purposes of Article 4 of the SCM Agreement, shall be five (5) months and ten (10) days from the date of adoption of the recommendations and rulings of the DSB, and shall expire on 21 June 2019¹.

We request respectfully that you circulate this notification to the Members of the Dispute Settlement Body.

¹ This is without prejudice to the respective positions of Brazil and Japan as to the meaning of the term "without delay" pursuant to Article 4.7 of the SCM Agreement.