

CHILE – TAXES ON ALCOHOLIC BEVERAGES

Status Report by Chile

Addendum

The following communication, dated 18 January 2001, from the Permanent Mission of Chile to the Chairman of the Dispute Settlement Body, is circulated pursuant to Article 21.6 of the DSU.

Status Report on the Implementation of the Recommendations
and Rulings in the Dispute
Chile – Taxes on Alcoholic Beverages

As foreseen in the previous status report, on 4 January 2001 a bill was tabled in the National Congress under the extreme urgency procedure bringing the Additional Tax on Alcoholic Beverages into line with WTO rules. This bill calls for a single rate of 27 per cent for all alcoholic beverages as from 21 March 2003 except in the case of Pisco, for which the 27 per cent rate will be maintained. In the meantime, the rate applicable to the other liqueurs will progressively be reduced to 27 per cent by that date.

Under Chilean legislation, the extreme urgency procedure means that each Chamber has ten days to study, analyse and vote on the bill. Because it concerns a tax matter, the bill was first examined by the Chamber of Deputies, where it was approved by an ample majority on Wednesday, 10 January, before being passed on to the Senate, whose Committee on Finance approved it unanimously on Wednesday, 17 January. The bill is currently before the Senate itself for approval.
