

Original: English

TURKEY - TAXATION OF FOREIGN FILM REVENUES

Notification of Mutually Agreed Solution

The following communication, dated 14 July 1997, from the Permanent Missions of the United States and Turkey, is circulated pursuant to Article 3.6 of the DSU.

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The Governments of the United States of America and Turkey wish to notify the Dispute Settlement Body that they have reached a mutually satisfactory solution to the matter raised by the Government of the United States in WT/DS43/1, dated 12 June 1996, concerning the imposition by Turkey of a tax on box office receipts from the showing of foreign films that is not imposed on the showing of domestic films.

Following consultations on this matter, and in accordance with Turkey's obligations under Article III of the General Agreement on Tariffs and Trade 1994, Turkey will equalize any tax imposed in Turkey on box office receipts from the showing of domestic and imported films as soon as reasonably possible.

Based on this development, the United States and Turkey have agreed to terminate consultations on this matter and the United States wishes formally to withdraw this matter from further attention under the provisions of the Dispute Settlement Understanding. This agreement is without prejudice to the rights or obligations of either member under the Agreement Establishing the World Trade Organization. The United States and Turkey request that you circulate this joint notification to the Members of the Dispute Settlement Body.