

Original: English

JAPAN - TAXES ON ALCOHOLIC BEVERAGES

Notification of an Appeal by Japan under paragraph 4 of Article 16 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU)

The following notification, dated 8 August 1996, sent by Japan to the Dispute Settlement Body (DSB), is circulated to Members. The notification also constitutes the Notice of Appeal, filed on the same day with the Appellate Body, pursuant to the Working Procedures for Appellate Review.

Pursuant to paragraph 4 of Article 16 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU) and Rule 20 of the Working Procedures for Appellate Review, the Government of Japan hereby notifies the Dispute Settlement Body of its decision to appeal to the Appellate Body certain issues of law covered in the panel report on *Japan - Taxes on Alcoholic Beverages* (WT/DS8/R, WT/DS10/R, WT/DS11/R) and certain legal interpretations developed by the panel.

The Government of Japan requests a review by the Appellate Body of the panel's legal interpretations of both the first and the second sentences of Article III:2 of GATT 1994. In the view of the Government of Japan, the panel report found certain aspects of the distilled liquor taxation of Japan under the current Liquor Tax Law to be inconsistent with Article III:2 based upon erroneous interpretation of the provision. In particular, the panel report failed to interpret Article III:2 in the light of correct interpretation of Article III:1, which embodies the basic principle of national treatment in the phrase "so as to afford protection to domestic production".