

**Committee on Subsidies
and Countervailing Measures**

Original: English

SUBSIDIES

Requests Pursuant to Article 27.4 of the Agreement
on Subsidies and Countervailing Measures

Questions Posed by the UNITED STATES
Regarding the Notification of BELIZE¹

The following communication, dated 10 April 2002, has been received from the Permanent Mission of the United States.

The following questions are submitted with respect to the request for extension of the transition period for export subsidies under Article 27.4 of the Agreement on Subsidies and Countervailing Measures Agreement (ASCM). These questions are preliminary in nature and are submitted without prejudice to our final position. We reserve the right to ask further questions.

**Fiscal Incentives Act
Export Processing Zone Act
Commercial Free Zone Act
Conditional Duty Exemptions Facility under the Treaty of Chaguaramas**

1. Could Belize please explain whether these programmes provide any other incentives apart from the full or partial exemption from import duties and internal taxes?
2. Please provide the normal customs duty, consumption tax and income tax rates companies would normally pay absent these programmes.
3. Please explain whether subsidies under any of these programmes are contingent upon the use of domestic goods.

Fiscal Incentives Act

4. How many companies benefit from this programme?

Export Processing Zone Act

5. Tax and customs duty relief under this programme are provided for a minimum of 20 years, while dividends paid by an EPZ business are exempted from tax in perpetuity. Please explain how

¹ G/SCM/N/74/BLZ + Suppl.1 and G/SCM/N/71/BLZ + Suppl.1

Belize would modify this programme so that subsidies do not extend beyond any extension period provided.

6. Please explain how the policy objective of boosting upstream value added for agricultural commodities is carried out in practice.

Commercial Free Zone Act

7. Tax and customs duty relief under this programme are extended for as long as the beneficiaries continue operating in the CFZ. Please explain how Belize would modify this programme so that subsidies do not extend beyond any extension period provided.

Conditional Duty Exemptions Facility under the Treaty of Chaguaramas

8. Could Belize please provide the list of items eligible for Conditional Duty Exemptions?
