

**1 ANNEX IV TO THE AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES .... 1**

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**IV**

**CALCULATION OF THE TOTAL AD VALOREM SUBSIDIZATION  
(PARAGRAPH 1(a) OF ARTICLE 6)**

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*(footnote original)* <sup>62</sup> In cases where the existence of serious prejudice has to be demonstrated.

1. Any calculation of the amount of a subsidy for the purpose of paragraph 1(a) of Article 6 shall be done in terms of the cost to the granting government.

2. Except as provided in paragraphs 3 through 5, in determining whether the overall rate of subsidization exceeds 5 per cent of the value of the product, the value of the product shall be calculated as the total value of the recipient firm's<sup>63</sup> sales in the most recent 12-month period, for which sales data is available, preceding the period in which the subsidy is granted.<sup>64</sup>

*(footnote original)* <sup>63</sup> The recipient firm is a firm in the territory of the subsidizing Member.

*(footnote original)* <sup>64</sup> In the case of tax-related subsidies the value of the product shall be calculated as the total value of the recipient firm's sales in the fiscal year in which the tax-related measure was earned.

3.

## 1.2 Expiry

1. Article 6.1(a) of the Agreement on Subsidies and Countervailing Measures (SCM Agreement), which refers to Annex IV in footnote 14, has lapsed pursuant to Article 31 thereof. For information concerning the Informal Group of Experts, which was established by the Committee on Subsidies and Countervailing Measures (SCM Committee) to "examine matters which are not specified in Annex IV or which need further clarification for the purposes of paragraph 1(a) of Article 6"<sup>1</sup>, see the document on Article 24 of the SCM Agreement (Practice).

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Current as of: June 2024

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<sup>1</sup> [G/SCM/5](#).