

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED  
LIMITED C  
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CONTRACTING PARTIES  
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## Working Party "G" on Standard Practices for Trade and Exchange Controls

### SUGGESTIONS FOR STANDARD PRACTICES UNDER THE ADMINISTRATION OF IMPORT AND EXPORT LICENCE AND EXCHANGE CONTROLS TO MINIMIZE COMMERCIAL UNCERTAINTIES AND HARDSHIPS

#### PROPOSED STANDARDS

(as referred to the Working Party for consideration)

1. The granting of an import licence should carry with it assurance that any foreign exchange necessary for payment will be obtainable when due. When both import licences and exchange permits are required, the operation of the two requirements should be co-ordinated. If more than one rate of exchange applies in payment for imports, the import licence or exchange permit should fix the type of exchange which shall apply in the settlement for the particular transaction.
2. Any additional or more burdensome conditions on importation and exportation should not apply to shipments of goods already en route from point of origin in the supplying country at the time the change is announced or, alternatively, which arrive within 30 days thereafter, at the option of the government.
3. To minimize undue hardship to merchants, goods proven to have been covered by confirmed prior order at the time the change was announced, and not marketable elsewhere without appreciable loss, or already paid for or covered by an irrevocable letter of credit, should receive special consideration on an individual case basis, provided their delivery can be completed within a specified period. Such exempt transitional shipments may be counted against any specific import quota or exchange allocation that may be established for the particular class of goods. This practice is to apply to goods en route (or delivered within 30 days), provided for in point 2, as well as to these individual hardship cases.
4. The administrative formalities in connection with the issuance of import and export licences or exchange permits should be designed to allow action upon applications within a reasonably short period. Such a licence or permit should be valid for a sufficient period to allow reasonably for the preparation and delivery of the shipments, taking into account the character of the commodity and the conditions of transport from the country of origin, and should be subject to extension when unusual or uncontrollable circumstances prevent its utilization within the original period.
5. Under a system involving the fixing of specific quotas for particular classes of goods or of allocations of exchange in payment for them, any period that may be set within which applications for such quotas or allocations need to be received should be sufficient to allow for the exchange of communications with likely foreign suppliers and the conclusion of purchase contracts.
6. When foreign products subject to quantitative limitations are apportioned among importers largely in the light of their past participation in the trade, a reasonable share - up to say 15-20 per cent of the total admissible quantity - should be available for qualified and financially responsible newcomers.

7. Goods officially designated as "prohibited except under licence" but in which a substantial continuing flow of trade is actually being authorized, should be treated like other products subject to quantitative limitation, and be subject to similar allocations and administrative practices.

8. If assurance regarding the issue of an import licence is required as a condition of consular legalization of the shipping documents in the country of exportation, a communication from the prospective importer giving the number of the import licence should suffice.

9. Customs officials should be authorized to allow reasonable tolerance for variations in the quantity or value of individual shipments as delivered from that specified in the prior import and export authorization, in accordance with the character of the product involved and other extenuating circumstances.

10. In case of foreign exchange shortage, payment for foreign products already delivered, which have complied with any pertinent requirements in effect at the time of shipment, should ordinarily have prior claim over new orders upon the exchange availabilities, or at least should have a definite share in their allocation. Secondly, consideration should be given to providing funds for goods already licensed for importation but not yet delivered.