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REPLIES TO THE QUESTIONNAIRE ON LICENSING

REVISION

Finland

1. Outline of systems

The licensing systems can be divided into six groups as follows:

- A. Global licensing for imports from countries to which the multilateral import régime is applied.
- B. Individual (discretionary) licensing for imports from countries under A.
- C. Licensing for imports from countries with which Finland has bilateral trade relations: People's Republic of China, Poland, Romania and the Union of Soviet Socialist Republics.
- D. Licensing for imports from the Socialist countries with which Finland has concluded an agreement on the reciprocal removal of obstacles to trade; Bulgaria, Hungary, Czechoslovakia and German Democratic Republic.
- E. Licensing for imports from countries outside the groupings A, C or D.
- F. Vu-licensing, i.e. licensing for imports from a country under A of products originating in a country under C, D or E.

The group of countries referred to under A above is set out in "Import System of Finland", 1976 edition.

Purposes and coverage of the licensing

A. Global licensing

This system covers a certain number of products which are grouped into eleven global quotas. The quotas are fixed annually. The importers are free to choose the country of import among countries belonging to the multilateral group of countries as well as the commodity they wish to import among the products under the relevant quota.

The global import system covers roughly the following products:

BTN Chapter

- ex 3 Fish, fresh or chilled
- ex 4 Dried milk
- ex 8 Certain fruits during the licensing period
- ex 11 Starches
- ex 15 Vegetable oils
- ex 17 Glucose and certain syrups
- ex 19 Tapioca and sago
- ex 20 Fruit juices
- ex 21 Fat emulsions and similar food preparations
- ex 27 Mineral tar, coal tar distillation products; solvent gasoline
and petrol
- ex 71 Silver and gold

A complete list of global quotas appears in "Import System of Finland", 1976.

The global import system is applicable when both the country of origin and the country of import belong to the multilateral group (see above).

The licensing system is intended to restrict imports of the respective products to the value of the quote. (In some cases the quotas have been enlarged to allow for greater imports.) No alternative methods of accomplishing this purpose have been considered.

All licensing, global as well as other licensing systems, is maintained under Law on Safeguarding Foreign Trade (157/74) and a subsidiary Decree (162/74 and 852/74, 1087/74 and 825/75 as amended). The said Law lays down the main principles for regulating foreign trade while the Decree specifies the products which are subject to licensing. Licensing cannot be abolished without a decree.

B. Individual licensing

Imports of products subject to individual licensing are subject to in casu approval. Imports are allowed according to the need. Importers are free to choose the country of imports.

The individual licensing system mainly applies to agricultural products.

In addition the system includes some products of importance for the national energy supply. The main groups of products are:

BTN Chapter

- 1 Live animals
- ex 2 Meat
- ex 4 Dairy produce
- ex 6 Cut flowers¹
- ex 7 Fresh vegetables¹
- ex 8 Cut, fresh bananas¹
- ex 10 Cereals
- ex 11 Milling industry products
- ex 12 Oilseeds, fodder, sugar beet
- ex 15 Animal and vegetable fats
- ex 17 Sugar and molasses
- ex 19 Certain preparations of flour and starch
- ex 20 Preparations of vegetables, fruit or other parts of plants
- ex 23 Residues and waste from the food industry; prepared animal fodder
- ex 27 Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes

A detailed list of these products and the commodities which are subject to temporary individual licensing is included in "Import System of Finland", 1976.

3. See answer under A 3.

4. The licensing system aims at restricting imports to the actual need. In the mineral fuels and other products in BTN Chapter 27, the system allows for a flexible choice of import sources, in accordance with the country's general trade policy.

5. See answer under A 5.

¹Subject to licensing during certain periods only.

C. Licensing of imports under bilateral trade agreement

Licences are issued within the bilateral quota limits. If the products in question belong to the group of products enumerated under B 2 above, licence applications are considered in casu. The same applies to licence applications in excess of the respective quota and to products, for which no quota has been fixed.

2. The licensing system applies to products mentioned under A 2 and B 2 and to the following products in imports from People's Republic of China, Poland and Romania.

BTN Chapter

- ex 25 Cement
- ex 28 Zinc oxide and aluminium sulphate
- ex 40 Rubber tyres
- ex 51 Woven fabrics of man-made fibres
- ex 53 Yarn and woven fabrics of wool, etc.
- ex 54 Woven fabrics of flax or ramie
- ex 55 Yarn and woven fabrics of cotton
- ex 56 Yarn and woven fabrics of man-made fibres
- ex 58 Woven pile fabrics; chenille fabrics and yarn, etc.
- ex 59 Felt and articles of felt etc.; coated textile fabrics, etc.
- ex 60 Knitted and crocheted goods
- ex 61 Undergarments, etc.
- ex 62 Other made-up textile articles
- ex 64 Rubber and leather footwear
- ex 69 Tableware, etc.
- ex 73 Certain rolling mill products; cast iron tubes and pipes; certain articles of iron or steel
- ex 76 Aluminium wire
- ex 85 Electrical generators, motors, etc.; insulators and other articles for electrical installations
- ex 90 Gas, liquid and electricity meters
- ex 93 Rifles, carbines, etc.

A detailed list of these products is included in "Import System of Finland".

The bilateral licensing system applies to the following countries:

- People's Republic of China
- Poland
- Romania
- Union of Soviet Socialist Republics.

The bilateral licensing system applies to imports from the above countries provided that the country of purchase and the country of origin are the same and that payments are effected as stipulated in the respective payments agreement. Otherwise the licence applications are considered in casu.

4. The bilateral import system is mainly used as a means of supervising imports under bilateral quotas. The licensing can be used as an imports restricting measure if imports have reached the upper limit of the quota in question, or if the product in question belongs to the group of commodities enumerated under B 2, above.

5. The legislation mentioned under A 5 applies also to imports from bilateral countries. However, the products enumerated in paragraph 3 above can be temporarily liberalized by decision of the Board of Governors of the Licensing Office. For a permanent liberalization a decree is required.

D. Licensing for imports from countries with which Finland has concluded an agreement on the reciprocal removal of obstacles to trade

1. This licensing can be compared with the licensing for imports from multilateral countries. The country of purchase and the country of origin must, however, be the same.

2. The system applies to products mentioned under A 2 and B 2 (with same exceptions in imports from Bulgaria and Hungary).

3. This licensing, applies to the following countries:

Bulgaria
Hungary
Czechoslovakia
German Democratic Republic

4. See A 4 and B 4.

5. See A 5 and the trade agreements which Finland has concluded with these countries.

E. Licensing of imports from other countries

1. This system applies to imports from countries with which Finland has concluded neither trade nor payments agreements.

2. The system applies to all products. Licences are issued in casu.

3. The system applies to countries outside the groupings under A, C and D above.
4. The system aims at controlling imports from the countries in question.
5. See A 5.

F. Vu-licensing

1. This licensing is applied when the country of purchase but not the country of origin belongs to the multilateral group of countries.
2. The system covers all products. The licences are issued in casu.
3. The system applies to all countries in the multilateral group.
4. The licensing requirement is intended to restrict imports.
5. See A 5.

Procedures

6. Products under restriction as to the quantity or value of imports

A. Imports under global quotas from multilateral countries

(a) Information regarding the annual global quotas is published in the official publication of the Licensing Office. "The Import System of Finland" is circulated to all contracting parties through the secretariat and to other countries through their diplomatic or trade missions in Finland. The overall amount of quotas is published at the same time. The amounts published are global and are not allocated to goods from any specific country within the multilateral group of countries. The amounts allocated to each importer are published in the official publication of the Licensing Office.

(b) The size of the quota is determined on an annual basis. Licences are usually issued for imports on a half-yearly basis for half the amount of the quotas. The validity of these licences can be prolonged without renewed application for a licence, if the licence is presented for renewal before the expiry date. If the licence is used for imports during the first half of the year the importer has to file an application for licence for the other half of his quota to be used during the second half of the year. The reason behind this system is explained under (c) below.

(c) Licences are issued to importers. There are no requirements to the effect that licences should be allotted only or partly to domestic producers of like goods. Certain monopolies, e.g. the State Alcohol Monopoly and the State Granary, are the sole importers of certain products and are, consequently, the only ones to be given import licences. The system of allocating licences on a half-yearly basis offers possibilities to keep check on the actual use of allotted licences. This system is amplified by the additional requirement that licences should be returned to the Licensing Office after their expiry date or after the imports for which the licence has been given has been effectuated. Unused allocations are, during the actual licensing period, divided among other importers if they so wish, but are not added to quotas for the following year. Details about allocated licences are published by the Licensing Office (see answer under A(a)).

(d) Applications can be submitted before or during the licensing period. The examination of applications starts on the first day of the licensing period.

(e) 1-14 days, depending on the nature of the products. In certain cases other bodies or authorities have to be consulted, and the processing of applications is largely dependent on how effectively this can be performed.

(f) The global quotas are fixed for one calendar year at a time. Applications can be filed whenever it suits the importer. If applications are filed before 1 January, the earliest date of opening of the importation period is that date.

(g) Consideration of licence applications is effected solely by the Licensing Office. In certain cases the importer has to approach other authorities such as medical, veterinary etc., authorities for product approval. The approval by these authorities, however, is not needed for the licence application but is required by the customs authorities for import clearance.

In cases when the sales contract stipulates unusual terms of payment, approval by the Bank of Finland is required.

Depending on the nature of the import goods the importer has to approach the following authorities:

Agricultural and silvicultural products and certain animal products:	Ministry of Agriculture and Forestry
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Products with an alcohol content exceeding certain minimums:	State Alcohol Monopoly
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Explosives, fire-arms,
ammunition etc.:

Ministry of the Interior

Pharmaceutical products:

National Medical Board

Radioactive material:

Ministry for Trade and Industry

(h) If the demand for licences cannot be fully satisfied, the allocation of quotas is generally carried out on the basis of past import performance. This share of the quota represents the maximum amount for each importer. If the importer is satisfied with a smaller share or does not want any share at all, his theoretical share is divided between the other importers in proportion to their past performance. A reasonable amount (about 10 per cent) of each quota is reserved for new importers. The amount allocated to each new importer is generally rather small, but grows in accordance with his import performance. Applications are examined on receipt, or, if they have been filed before the start of the licensing period, at the beginning of the period.

(i) Not relevant in the case of global licensing.

(j) See answer under (i).

(k) No.

B. Individual licensing

(a) As the individual licensing is based on in casu decisions, no detailed information about quotas can be published. Information about issued licences is brought to the knowledge of the respective importers and is published in the official publication of the Licensing Office.

(b) The size of imports to be allowed during the licensing period is determined in accordance with the import needs, taking into account the protective elements in the quantitative restrictions. For certain agricultural imports, which compete with domestic production, the import periods are determined in relation to the marketing periods for domestic produce. Licences for non-agricultural products are issued on a six-monthly basis as in the case of global licensing.

(c) See answer under A(c).

(d) See answer under A(d).

(e) See answer under A(e).

(f) The answer to this question is related to the answer under (d) above. The sooner the application is filed, the longer the remaining time between the granting of licence and the date of opening of the import period.

(g) See answer under A(g).

(h) The allocation of licences is made on the basis of past performance. New importers are allocated a modest share of the quantities to be imported. Examination of applications is effectuated as said under A(h).

(i) Finland has no agreements on export restraints.

(j) See answer under A(j).

(k) See answer under A(k).

C. Licensing of imports under bilateral trade agreements

(a) Information about bilateral quotas is published by the Licensing Office and the Ministry for Foreign Affairs. The overall amounts are published at the same time, as well as the exporting countries to which the quotas are allocated. Otherwise, see answer under A(a).

(b) The sizes of the quotas are determined on a twelve-month basis. Otherwise, see answer under A(b). If no quota has been fixed in the trade agreement, the licensing procedure for that particular product is similar to the procedure under B(b).

(c) See answer under A(c).

(d) See answer under A(d).

(e) See answer under A(e).

(f) See answer under A(f).

(g) See answer under A(g).

(h) See answer under A(h).

(i) Licences are required even if export permits have been issued by the exporting country.

(j) See answer under A(j).

(k) This has been the case when special measures have been deemed necessary to balance an export surplus in trade under bilateral agreements.

D. Licensing for imports from countries with which Finland has concluded an agreement on the reciprocal removal of obstacles to trade

Licensing under this system is, in principle, similar to individual licensing.

E. Licensing of imports from other countries and Vu-licensing

Licensing under these systems is, in principle, similar to individual licensing. Applications for licences are, however, considered in a more restrictive way.

7. In principle, no automatic licensing exists in Finland. Licensing under global or bilateral quotas can, to a certain degree, have the characteristics of automatic licensing, but these forms of licensing are subject to the same rules set out above under A and B.

8. Applications for licences can be refused partly or completely if:

- the importer already has exhausted his share of the quota;
- the application is for a greater amount than the importer's market share entitles him to;
- if the application is for imports during a period when imports of that particular commodity is not permitted;
- regarding the licensing systems referred to under 1.D or 1.E above: if imports of the commodity are regarded as undesirable.

The importer has no right of appeal.

Eligibility of importers to apply for licence

9. All persons, firms or institutions who are engaged in business activities in the respective sector are eligible to apply for licences under the systems described under A-E above. There is no register of authorized importers.

Documentational and other requirements for application of licence

10. The application should include the following data: name and address of applicant, commodity, BTN position, quantity and amount of currency required, country of purchase and country of import, expected time of importation and payment rate, sales conditions.

11. The following documents are required upon actual importation:

- invoice;
- foreign currency declaration, approved by the Bank of Finland;
- import licence;
- statistical registration form;
- special import permit if such is required (see answer under 6(g)).

12. The licensing fees vary from Fmk 5 to Fmk 360 depending on the price of the licensed goods. The higher figure is the licensing fee for goods of a value exceeding Fmk 1,000,000.-.

13. No deposit or advance payment requirements are associated with the issue of licences.

Conditions of licensing

14. The period of validity of a licence is, depending on the licensing system and certain other conditions, one to six months. The validity can be extended, subject to such conditions as import periods, etc., without renewed application, if the licence is presented for renewal before the expiry date.

15. There are no penalties for the non-utilization of licences.

16. Licences are not transferable.

17. No other conditions are attached to the issue of licences.

Other procedural requirements

18. No other procedures than import licensing are required.

19. Licence is required as a condition for obtaining foreign exchange for products under quantitative restrictions. Foreign exchange is always available to cover licences issued. Foreign exchange is granted by the Bank of Finland upon application.