

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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CONTRACTING PARTIES
Twelfth Session

CONSULAR FORMALITIES

Review of the Recommendation to abolish Consular Formalities

By the Decision of 17 November 1956 (Basic Instruments and Selected Documents, 5th Supp. p.33) the CONTRACTING PARTIES invited all governments applying consular formalities to report any further progress towards their abolition. The following reports have been received:

CEYLON reports that the only instance in which a product had to be accompanied by a document visa'd by the British Consular authority, namely in cases of certain transhipped products, was withdrawn on 1 January 1957.

FRANCE stated that by a Decision dated 28 August 1957, the Director-General of the French Customs Administration abolished the requirement of a consular visa or consular certification for the following documents in connexion with the importation of goods:

1. commercial invoices to confirm the declared value;
2. certificates of authenticity for crude mineral oils or shale-oils.

Since these formalities had already been abolished for certificates of origin, no consular formalities are now maintained in connexion with the application of the customs import tariff.

SWEDEN states that the exceptional requirement of consular visas maintained in connexion with provisions for protecting the life and health of animals and plants, is at present under review and that the GATT recommendation is being taken into consideration in this connexion.

TURKEY states that no changes occurred since 1956.

The UNITED STATES OF AMERICA advise that a consular visa is required only on certain declarations, namely:

1. for anti-smuggling purposes - alcoholic liquors imported by vessels under 500 metric tons;
2. wild mammals and birds;
3. certain animal by-products;

and that no fees are levied in connexion with these visas. The United States considers that these regulations conform in all respects to the Standard Practices for consular formalities recommended by the CONTRACTING PARTIES.

On 14 August 1957, BRAZIL introduced a new customs tariff law (Law No. 3244*) Article 38 (paragraph 1) of which reads:

"The consular invoice shall be abolished as of 1 January 1958, and wherever appropriate, the regulations approved in Decree No. 22,717 of 16 May 1933, shall be applied to commercial invoices."

The situation concerning the realization of this provision is described in a statement by the Brazilian delegation (L/727).

Under the Decision of 17 November 1956, the CONTRACTING PARTIES decided to review this matter at the Twelfth Session.

The International Chamber of Commerce (ICC), in a Resolution adopted by the Naples Congress in May 1957, which has been submitted for consideration to the CONTRACTING PARTIES (L/631) has proposed:

- (a) to abolish consular invoices as separate and distinct documents from commercial invoices (where a visa or legalization is necessary, this could be done on the commercial invoice);
- (b) that consular fees should be paid at destination and not in the exporting country; and
- (c) that the large number of copies of documents required by some countries should be reduced.

The International Chamber of Commerce indicated to the secretariat that this proposal does not in any way modify their earlier attitude towards the abolition of consular fees and formalities, but is intended to indicate the most urgent steps which should be taken towards such abolition. International trade would particularly benefit if the requirements of consular invoices or such were disposed with as early as possible.

In order to facilitate the review of this matter by the CONTRACTING PARTIES a draft recommendation is annexed as a basis for discussion. This draft, which takes account of the experience since 1952 with the recommendation to abolish consular formalities, and of the proposal of the ICC, would replace the recommendation of 7 November 1952, as well as the Standard Practices included therein.

If a new recommendation were adopted it would replace also the Decision concerning consular formalities taken on 17 November 1956 (BISD, 5th Supp., p.33) as well as all references to consular formalities contained in the Recommendation on Standard Practices for Documentary Requirements (BISD, 1st Supp., p.24).

* Reproduced in English and French in document MGT/90/57.

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RECOMMENDATION

The CONTRACTING PARTIES

Recommend the abolition, at the earliest practicable date and, in any case not later than7, of consular invoices and of consular visas for commercial documents, (invoices, certificates of origin, manifests, etc.);

Recommend that, as an immediate step towards total abolition of consular requirements:

- (a) governments should abolish the requirement of a separate consular invoice form and should accept in lieu thereof the commercial invoice (visa'd or legalized if necessary), with the right, however, to require that the commercial invoice contains the same information as was previously entered on the consular form; and that
- (b) consular charges, except fees for visaing or legalizing, should be paid at destination and not in the exporting country; and

Recommend further that, so far as consular formalities continue to be applied, the CONTRACTING PARTIES should observe the following rules:

1. No consular charge should be assessed as a percentage of the value of the goods but should be a flat charge.
2. Certification of visaing of commercial documents should be carried out free of charge or at a nominal rate.
3. Consular visas should not be required for consignments of goods, the invoice value of which does not exceed US\$ 100.
4. Delays in dealing with documents and charges for overtime should be reduced to a minimum.
5. Commercial documents should be accepted for consular legalization provided that they are presented prior to the date of importation or not later than ten calendar days after the date of exportation.
6. As far as penalties are concerned the application of the provisions of Article VIII, paragraph 3, of GATT, should be observed in connexion with the requirement of consular formalities; and

Request all contracting parties applying consular formalities to report to the secretariat as soon as any further progress in this matter has been achieved and at any rate each year before 1 September.

