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REPLIES TO QUESTIONNAIRE ON IMPORT LICENSING PROCEDURES

ZIMBABWE

The attached notification¹ has been received from the delegation of Zimbabwe in response to the questionnaire on import licensing procedures annexed to document L/5640/Rev.7.

REponses AU QUESTIONNAIRE RELATIF AUX PROCEDURES
EN MATIERE DE LICENCES D'IMPORTATION

ZIMBABWE

La délégation de Zimbabwe a fait parvenir au secrétariat la notification ci-jointe¹ en réponse au questionnaire relatif aux procédures en matière de licences d'importation annexé au document L/5640/Rev.7.

RESPUESTAS AL CUESTIONARIO SOBRE PROCEDIMIENTOS PARA
EL TRAMITE DE LICENCIAS DE IMPORTACION

ZIMBABWE

Se ha recibido la siguiente notificación¹ de la delegación de Zimbabwe, presentada en respuesta al cuestionario sobre procedimientos para el trámite de licencias de importación anexo al documento L/5740/Rev.7.

¹English only/anglais seulement/inglés solamente

IMPORT LICENSING SYSTEM AND PROCEDURES IN ZIMBABWE

Outline of System

1. Individuals, firms, parastatals and government ministries importing goods into Zimbabwe must obtain an import licence from the Ministry of Industry and Commerce. Goods which are on Open General Import Licence do not need an import licence. Import licences fall into three categories viz: (i) payment and clearance licence - this type of licence is dual purpose in that it is for both payment and clearance of goods being imported; (ii) Customs Clearance Only Licence - as the name implies this licence is for clearing the goods only with the Department of Customs and Excise; (iii) No Currency Involved (NCI) licence - this type of licence is also for clearing goods only where payment has been made externally but Exchange Control Authority is required from reserve Bank of Zimbabwe first.

The Ministries of Finance Economic Planning and Development (FEPD), Industry and Commerce, Mines and Lands, Agriculture and Rural Resettlement (LARR) are responsible for allocation of foreign currency after which successful applicants will be issued with import licences by the Ministry of Industry and Commerce. The Reserve Bank of Zimbabwe (RBZ) gives Exchange Control Authority (ECA) to individuals and firms importing goods payment of which has been made outside Zimbabwe. These individuals and firms will then apply for a no currency involved (NCI) import licence to the Ministry of Industry and Commerce.

Purpose and Coverage of the Licensing

2. All goods except those on Open General Import Licence (OGIL) are covered.
3. The system applies to goods coming from all countries.
4. The licensing system was put in place because of the limited foreign currency available in the country and this has to be rationed according to the needs of the country. There has not been any other method of rationing the limited foreign exchange available.
5. Two acts of parliament viz: The Control of Goods Act and the Exchange Control Act. The licensing system is statutorily required. Legislation is required in order to abolish the licensing system.

Procedures

6. The licensing system is applied globally in respect of all goods coming into the country.

- (i) Allocation certificates of forex for commercial and industrial importers are sent to firms by the Commercial Import Control (CIC) and Industrial Import Control (IIC) respectively every six months. The above-named institutions are administrative organs of the Ministry of Industry and Commerce. Aid programmes and other lines of credit are advertised in the press and firms/parastatals are invited to apply for foreign currency. The overall amount is published. Minimum and maximum amounts which can be applied for varies with aid programme/line of credit.
- (ii) For firms in the import allocation system of the Ministry of Industry and Commerce, allocations are determined on six-monthly periods (quota periods) and they do not need to apply every quota period.
- (iii) Licences are given to firms which import goods not available in the country. The Department of Customs and Excise ensures that goods being imported tie up with the description and tariffs on import licence. Allocations should be used in the same quota period. They cannot be used in the next quota period. Names of companies benefiting from aid programmes are made available to donor governments and in other cases information can be made available on request.
- (iv) Applications for licences can be submitted any time within a give quota period.
- (v) It takes a minimum of two days and a maximum of 14 days to process an application for a licence.
- (vi) Arrangements can be made for importation immediately after an importer is issued with a licence.
- (vii) Please refer to outline of system - item 1.
- (viii) At the moment the demand for foreign exchange cannot be met. The available resources are allocated according to the priorities of the country. However, all applications are treated fairly and not on a first come, first served basis but consideration will be given to such factors as size of company, employment levels, etc. There is always a maximum amount of foreign currency that a firm can be given. The amount depends on the resources available. New firms are given two trial allocations by the Ministry of Industry and Commerce after which it is determined whether they should receive allocations every six months or not. Applications are examined simultaneously.

- (ix) No import licences are required.
 - (x) Not applicable.
 - (xi) There are firms which import raw materials using the Export Revolving Fund (ERF) and the finished products are for export only.
7. (a) The time period differs from firm to firm. All firms cannot import goods before obtaining an import licence.
- (b) A payment import licence cannot be granted immediately on request because each application has to be considered first. A customs clearance only import licence due to exchange rate fluctuations can be granted immediately.
- (c) The system is divided into two quota period - first quota i.e. January to June and second quota i.e. July to December. Allocations granted in a given quota period should be used in that quota period i.e. import licences should be drawn in that quota period. Allocations cannot be carried forward to another quota period.
- (d) Please refer to outline of system - item 1.
8. The main reasons why an application for foreign currency may be turned down are: (a) the funds are limited; (b) goods to be imported may not be a priority; (c) a company may not be a registered importer; (d) goods being applied for may not be eligible - say in an aid programme. The applicant is notified of the reason for the rejection of an application. The applicant can appeal to the Ministries of Industry and Commerce, Finance, Economic Planning and Development, Mines or Lands Agriculture and Rural Resettlement.

Eligibility of Importers to apply for a Licence

9. (a) All persons, firms and other institutions can apply for a licence and will be considered depending on needs and circumstances.
- (b) Not applicable.

Documentational and other Requirements for Application for Licence

10. Amount of money being applied for. Goods to be imported and country of supply. Brief history of the company and current problems the firm may be facing. Proforma invoices may be needed.

11. Customs Clearance Only import licence and bills of entry.
12. Companies receiving basis or six-monthly allocations pay \$0.50 per \$1,000 - or part thereof.
13. No deposit or advance payment.

Conditions of Licensing

14. A licence is valid for 12 months and can be extended for another year on application.
15. If a licence is not drawn within a given quota period, the funds will be forfeited.
16. Licences can be endorsed for clearance and payment by another importer on behalf of the original importer. The licence cannot be sold to another importer.
17. (a) Not applicable.
(b) You may have conditions such as (a) goods to be sold or disposed of after one year (b) goods not for re-sale.

Other Procedural Requirements

18. Firms have to be registered importers with the Ministry of Industry and Commerce and in some cases individuals have to apply to the Reserve Bank of Zimbabwe for Exchange Control Authority prior to importation.
19. Banks will automatically provide foreign exchange if firms/individuals/other institutions have been granted import licences.