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TECHNICAL GROUP ON CUSTOMS ADMINISTRATION

Report of the Technical Group to the CONTRACTING PARTIES on Consular Formalities

By the Recommendation of 7 November 1952 (BISD, First Supplement, page 25), the CONTRACTING PARTIES urged governments to abolish, as soon as possible, and in any case not later than 31 December 1956, all consular invoices and visas for commercial invoices, certificates of origin, manifests, etc. In addition, the CONTRACTING PARTIES requested governments which maintain consular formalities to report annually not later than 1 September on the steps they have taken to abolish such formalities (ibid., page 102).

The following paragraphs provide a brief summary of the information received from the various countries, which are reproduced in I/92 as regards the reports received in 1953, in L/279 and addenda as regards reports received in 1954. Furthermore, the statements made in connection with the recommendation on documentary requirements (L/198/Addenda and Corrigenda) as well as explanations made to the Technical Group have been used for the preparation of this report.

The governments of the following countries have stated that they have no regulations requiring consular invoices or consular visas for goods imported from other contracting parties:

Australia	Finland	Netherlands Antilles
Austria	Germany	New Zealand
Belgium	India	Norway
Burma	Italy	Pakistan
Canada	Japan	Rhodesia and Nyasaland
Czechoslovakia	Luxemburg	Surinam
Denmark	Netherlands	Union of South Africa
		United Kingdom

Belgium appears the first time on the list of countries not requiring consular formalities, having removed the previously provided consular formalities for caustic potash and carbonate of potash which had to be presented in connection with the import licensing system. The United Kingdom has also been added to this list due to the fact that in practice the requirement which existed for a few cases has been discontinued in advance of the announced date of 31 December 1954.

The Technical Group thought that Italy, which does not require consular invoices and has not used for many years its legal right to require consular visas, should remain in the list of countries not requiring consular formalities.

Several governments have reported that they do not require consular invoices or consular visas except in very special circumstances, namely:

- Ceylon - consular visas required for transhipped preferential goods not covered by a through bill of lading;
- Greece - goods imported through a third country have to be accompanied by a consular certificate of origin if no certificate issued by the customs authorities is available;
- Indonesia - consular invoices are required for imports of goods from Singapore;
- Sweden - consular visas are required only for imports for which health, veterinary or similar certificates are necessary.

Ceylon has made arrangements to abolish the above-mentioned requirement of a consular formality by the end of 1956.

The following countries stated that they require the presentation of documents issued by consular authorities or endorsed by them, namely:

Brazil	France	Peru
Chile	Haiti	Turkey
Dominican Republic	Nicaragua	United States

In France, there is a constant and growing tendency to reduce the cases in which consular visas may be required. For imports from Denmark, Finland, New Zealand, Norway and Sweden which do not require commercial invoices to be endorsed by a consular authority or an approved agency, the consular visa has been purely and simply abolished. The representative of France stated that all countries in the same position will benefit from the same facilities as soon as current enquiries are concluded. Austria, Belgium, Czechoslovakia, Germany, Greece, India, Italy, Luxemburg, the Netherlands, Pakistan and the United Kingdom will in the meantime continue to be exempt from all consular formalities subject to endorsement of commercial invoices by a Chamber of Commerce or other previously approved agency. In addition, consignments of whatsoever origin, whose value exceeds 50,000 French francs (representing over US\$ 100), are exempt from consular formalities.

The delegate of Brazil stated that his country accepts the principle of the recommendation that consular intervention should no longer be required and has the matter under continuous and active study. It is, however, not yet possible for this country to give effect to the recommendation because of the very considerable impact of such a decision upon long established procedures and because it has not yet been possible to provide alternative measures providing the necessary guarantees against exchange control abuses and falsification of statistical declarations. The Technical Group noted these considerations with sympathy and expressed the hope that Brazil would soon find herself able to dispense with consular invoices.

Peru draws attention to the fact that for imports by post or by air no consular formality is required when the value of the imported goods does not exceed US\$ 100 and when the value exceeds US\$ 100 a commercial invoice endorsed with a consular visa is accepted instead of the consular invoice which is normally required.

Turkey recalled attention to its reservation in connection with the adoption of the recommendation regarding imports of goods with a higher value than US\$ 100; she still requires a consular visa for all goods.

The Technical Group welcomed the development in the United States of a more liberal policy as regards the requirement of consular formalities, which finds its expression in the fact that consular invoices are now only required for merchandise valued over US\$ 500 (over \$ 1,000 in the case of goods not for sale), and which are subject to an ad valorem rate of duty, or rates of duty otherwise dependent on value. Prior to 7 September 1953, the exemption limit was US\$ 100. It was then increased to US\$ 250. Several delegates expressed the hope that the obvious movement in the United States in the direction of relaxation of documentary requirements will continue and will soon lead to the entire removal of consular formalities.

The Technical Group noted that Nicaragua and Peru levy a charge for the consular forms which cannot be regarded as the approximate cost of such forms. It was also noted that the consular fees imposed by Chile, Nicaragua and Turkey are a percentage of the invoice amount and not a flat charge as recommended by the Standard Practices. In the case of Brazil the fee is a progressive amount depending on the value. In the case of the Dominican Republic and Haiti, the cost of the consular forms and the consular fees are not known.

No information has been received from the Governments of Cuba and Uruguay.

The Technical Group noted that some progress towards the removal of consular formalities has been made and expressed the hope that the countries which still require consular formalities will gradually reduce the existing obligations and provide for their final elimination by 31 December 1956.

In the case of Chile some increases of the consular fees have occurred during the current year. The whole question of taxation and exchange including consular formalities is however under review in Chile.