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REPLIES TO THE QUESTIONNAIRE ON LICENSING

Addendum

FINLAND

1. Outline of systems

The licensing systems can be divided into five 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.
- D. Licensing for imports from countries outside the groupings mentioned under A and C.
- E. Vu-licensing, i.e. licensing for imports from a country under A of products originating in a country under C or D.

The different groups of countries referred to under A and C above are set out in "Import System of Finland", 1971 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.

2. 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	Tomatoes prepared or preserved
ex 21	Certain food preparations such as ice-cream, fat emulsions, ravioli, macaroni
ex 27	Coal tar, benzene oils, aviation spirit, petroleum spirit, gasolines, white spirit, petroleum bitumen, etc.
ex 71	Silver and gold

A complete list of global quotas appears in "Import System of Finland", 1971.

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

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

5. All licensing, global as well as other licensing systems, is maintained under the Law on Safeguarding Foreign Trade (275/61 and 750/69 as amended) and a subsidiary Decree (614/61). The said Law lays down the main principles for regulating foreign trade while the Decree specifies the products which are subject to licensing. The 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.

2. The individual licensing system mainly applies to agricultural products with a strong need for protection from external competition. 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	6	Cut flowers ¹

¹Subject to licensing during certain periods only

BTN Chapter

ex 7	Fresh vegetables ¹
ex 8	Cut, fresh bananas ¹
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 is included in "Import System of Finland", 1971.

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.

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:

BTN Chapter

ex 25	Cement
ex 28	Zinc oxide and aluminium sulphate
ex 30	Wadding, gauze, etc.
ex 40	Rubber tyres
ex 42	Travel goods

¹Subject to licensing during certain periods only

BTN Chapter

ex 44	Flywood
ex 48	Reconstituted wood
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.
60	Knitted and crocheted goods
ex 61	Undergarments etc.
62	Other made-up textile articles
ex 64	Rubber and leather footwear
ex 69	Tableware etc.
ex 70	Illuminating glassware
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.
ex 96	Brooms and brushes, etc.
ex 97	Certain kinds of toys

A detailed list of these products is included in "Import System of Finland", 1971.

3. The bilateral licensing system applies to the following countries:

Bulgaria
Czechoslovakia
German Democratic Republic
Hungary
People's Republic of China
Poland
Rumania
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 of imports from other countries

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 and C above.
4. The system aims at controlling imports from the countries in question.
5. See A 5.

E. 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 sylvicultural products and certain animal products:	Ministry of Agriculture and Forestry
Products with an alcohol content exceeding certain minimums:	State Alcohol Monopoly
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 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. The 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(2).

(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. and 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 date, 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 165 depending on the price of the licensed goods. The higher figure is the licensing fee for goods of a value exceeding Fmk 100,000.

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.