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Committee on Trade in Industrial Products
Group 4 - Licensing

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REPLIES TO THE QUESTIONNAIRE ON LICENSING

Addendum

YUGOSLAVIA

1. Goods may be imported on the basis of:
 1. The global foreign exchange quota
 2. Commodity and foreign exchange quotas
 3. Import licences

The global foreign exchange quota - means the right of what are in Yugoslavia called "working organizations" (enterprises, etc.) to import goods stipulated in this régime to the amount of foreign exchange resources available to them within the frameworks of the established global foreign exchange quota. Accordingly, the global foreign exchange quota gives working organizations the right, within the limits of the fixed amount, to import and to pay for all goods imported on the basis of this régime.

The resources of the global foreign exchange quota are allocated in accordance with agreement reached by the working organizations in the Federal Chamber of Economy. On the basis of the agreement on such allocation, the Federal Secretariat of Foreign Trade issues decisions to the working organizations relating to the global foreign exchange quota within a period of fifteen days from the day of receipt of a pertinent report from the Federal Chamber of Economy.

A tax of Din 6.00 is payable for the issue of a decision in accordance with the provisions of the Basic Law on Administrative Tax Rates for the work of federal organs. No complaints may be lodged against these decisions, although an administrative suit may be brought in accordance with the provisions of the Law on Administrative Disputes.

Resources of the global foreign exchange quota are allocated to working organizations for each calendar year. Unutilized resources from one year may be carried over to the following year.

The category of "global foreign exchange quota" encompasses certain raw materials and other manufacturing components, and consumer goods.

The resources of the global foreign exchange quota are established on the basis of an absolute amount. However, for certain categories of working organizations in metalworking, electricals, textiles and shipbuilding, the resources of the global foreign exchange quota are fixed in an amount that may vary according to a certain ration depending on the foreign exchange receipts earned by the exports of their products.

Regulations on the manner and conditions of allocation of resources of the global foreign exchange quota are passed every year by the Federal Executive Council and are regularly published in the "Official Gazette of Yugoslavia".

Commodity and foreign exchange quotas - products coming under this régime of imports may be imported only up to the amount (commodity quota) or up to the value (foreign exchange quota) that has been established for each particular product.

Import of commodities on the basis of commodity and foreign exchange quotas is effected in line with agreement reached by working organizations which import, and producers and consumers, within the framework of the Federal Chamber of Economy. These agreements stipulate the quantities of the commodity quota and the value of the imports for the foreign exchange quota.

The foregoing agreements between working organizations are subject to approval by the Federal Foreign Trade Secretary and the Federal Secretary of Economy.

Apart from the above, the Federal Executive Council may decide that the quotas for particular commodities will be established by the Federal Secretariat of Foreign Trade at the proposal of the Federal Secretariat of Economy and after prior consultation with the Federal Chamber of Economy.

Commodity and foreign exchange quotas are established for and allocated to working organizations each year and may not be carried over to the following year.

The Federal Executive Council may decide that, as regards certain categories of commodities imported on this basis, the quotas will be assigned by the Federal Directorate for Food Reserves or the Federal Directorate for Industrial Reserves.

Regulations on the procedure for establishing and allocating commodity and foreign exchange quotas are adopted each year by the Federal Executive Council and are regularly published in the "Official Gazette of Yugoslavia".

Import licences - certain products may be imported only on the basis of an import licence obtainable in advance. This régime applies for the most part to armaments and military equipment, narcotics, certain foodstuffs and certain categories of equipment.

Import licences are issued by the Federal Secretariat of Foreign Trade at the proposal of the Federal Secretariat of Economy, and after prior consultation with the Federal Chamber of Economy.

For certain commodities, or groups of commodities, the Federal Secretariat of Foreign Trade may issue a global licence, taking into account the need for implementation of trade and economic agreements concluded with foreign countries.

Licences for the importation of armaments are issued by the State Secretariat for National Defence.

Regulations on the issue of import licences are published in the "Official Gazette of Yugoslavia".

A tax of Din 6.00 is payable for the issue of an import licence. Complaints may not be lodged against the issue of import licences, but administrative suit may be brought in accordance with the provisions of the Law on Administrative Disputes.

2. [A reply will be transmitted later.]

3. The present system is applicable to imports from all countries.

4. Restrictions on imports through the introduction of various types of licences are designed to bring imports into line with payment possibilities.

5. (1) The Law on Trade in Commodities and Services with Foreign Countries ("Official Gazette of Yugoslavia", Nos. 27/62, 14/65, 28/66 and 15/71).

(2) The Law on Foreign Exchange Transactions ("Official Gazette of Yugoslavia", Nos. 29/66, 55/68, 54/67, 13/69, 20/69, 50/69, 32/70, 53/70 and 15/71)

(3) Decision on Procedure for Establishing and Allocating Commodity and Foreign Exchange Quotas for Commodity Imports in 1971 ("Official Gazette of Yugoslavia", No. 44/70);

- Decision on Determining Commodities for which the Federal Secretariat of Foreign Trade Establishes Commodity and Foreign Exchange Quotas for 1971 ("Official Gazette of Yugoslavia", No. 57/70);

- Order on the Establishment of Commodity Quotas and Foreign Exchange Quotas for Commodity Imports in 1971 ("Official Gazette of Yugoslavia", Nos. 12/71, 15/71, 20/71 and 27/71).

(4) Decision on the Establishment and Allocation of the Global Foreign Exchange Quota for the Payment of Raw Materials and Other Manufacturing Components for 1971 ("Official Gazette of Yugoslavia", No. 44/70).

(5) Decision on Working Organizations which Import Raw Materials and Other Manufacturing Components, the Import of which is Regulated according to a Specific Ratio Depending on the Foreign Exchange Receipts from Exports in 1971 ("Official Gazette of Yugoslavia", No. 44/70).

(6) Decision on Transactions Involving the Services of Finishing Commodities ("Official Gazette of Yugoslavia", Nos. 45/66 and 19/68).

(7) Decision on Compensational Transactions and Global Compensational Transactions with Foreign Countries ("Official Gazette of Yugoslavia", No. 48/67).

(8) Decision on Issue of Licences for the Export and Import of Commodities ("Official Gazette of Yugoslavia", Nos. 37/66 and 11/69).

(9) Decision on the Obligation to Obtain an Import Licence for Certain Foodstuffs ("Official Gazette of Yugoslavia", Nos. 30/67, 10/68 and 21/69).

(10) Decision on Amendment of the Decision on the Obligation to Obtain Agreement for the Import of Certain Commodities ("Official Gazette of Yugoslavia", Nos. 25/68, 54/68, 15/69, 57/70 and 24/71).

- The Law provides that the obtaining of licences may be prescribed for the import of certain products. However, products to which the system of restrictions is applicable are determined by the Federal Executive Council, at the proposal of federal organs of administration, and after prior consultation with the Federal Chamber of Economy, and producers and consumers of the respective products.

- Neither the Government nor any one of its executive organs may abolish the system of restrictions prescribed by law but they may cancel, change or supplement the products to which some of the prescribed systems apply or are to be applied.

Procedures

6. All import restrictions on quantity or value are applied globally.

(a) Commodity and foreign exchange quotas and the global foreign exchange quota are published in the "Official Gazette of Yugoslavia". For products that are imported on licence, these data are not published in the "Official Gazette of Yugoslavia" for the reason that these are individual requests for the import of particular products.

All formalities entailed in the issue of licences are stipulated in the provisions on the basis of which import restrictions are regulated.

For commodity and foreign exchange quotas, the entire amount is published, whereas the global foreign exchange quota is simply decreased or increased each year. The decision to decrease or increase the global foreign exchange quota is published.

Quotas are not determined by countries, but globally. The importers themselves decide in the Federal Chamber of Economy how to allocate them. In exceptional cases, if agreement cannot be reached by the importers themselves, the allocation of commodity and foreign exchange quotas are decided by the Federal Secretariat of Foreign Trade if raw materials and manufacturing components are involved, and by the Federal Secretariat of Economy if consumer goods are involved which are imported on the basis of the global foreign exchange quota.

For certain agricultural and food products which are also subject to restrictive régimes, the organizer of importation is the Federal Directorate of Food Reserves. It entrusts the actual business of importation to those import enterprises that offer the best terms in bidding. The conditions for bidding are always made public.

(b) The amount of the commodity or foreign exchange quotas or the global foreign exchange quota are determined for a year's time and all licences concerning imports are issued for the period of a year under these régimes. The exceptions are those products for which the régime allows the issue of licences for a year or less. For products subject to seasonal restrictions, licences are issued with a validity lasting as long as the seasonal restriction is in force.

(c) Licences are not issued to domestic producers but rather to domestic users of the respective commodities.

No special steps are taken to ensure that licences allocated are actually used for imports with the exception that transacted business is registered with authorized commercial banks and a customs declaration is filled out during importation. If unutilized, the right to commodity and foreign exchange quotas is not transferable to the following year, whereas resources under the global foreign exchange quota are transferable to the subsequent year only. Imports under the licensing system are limited in time, their validity ceasing after the expiry of the time-limit.

There have been no cases in practice of the governments of exporting countries requesting that the name of importers be made known.

(d) There are no time-limits on the submission of applications for import licences, but there are time-limits by which the working organizations are obliged to agree on the allocation of resources of the global foreign exchange quota or commodity and foreign exchange quotas for which licences are issued with a validity of one year. There are also no time-limits for the submission of applications for imports even for those products subject to the régime of import licences.

(e) The minimum is twenty-four hours and the maximum is one month. In certain cases a limit of fifteen days from the day of submission of the proposal has been set, as is the case with the taking of decisions on the allocation of commodity and foreign currency exchange quotas or supplementary resources of the global foreign exchange quota after agreement on allocation has been reached by the working organizations in the Federal Chamber of Economy.

(f) There is no time-limit between the granting of licences and the date of opening of the period of importation; for products coming under the régime of commodity and foreign exchange quotas or the global foreign exchange quota, it is always assumed that import will be effected in the calendar year beginning 1 January and ending 31 December, whereas the importation of products under the régime of licences may begin on the day the licence is granted and terminate within the period of time stipulated in the licence.

(g) It is never the case that a single organ makes the decisions on the issue of licences for import or decisions pertaining thereto - proposals are made by the Federal Secretariat of Economy after consultation with the Federal Chamber of Economy and the consumers or producers of the respective commodities. Decisions or licences are issued by the Federal Secretariat of Foreign Trade. If the global foreign exchange quota is involved, and the matter concerns consumer goods, the decision on the allocation of these resources is taken by the Federal Secretariat of Economy after prior consultation with the Federal Chamber of Economy.

(h) If commodities coming under the régime of licences are involved, allocations are considered individually according to the time of their submission. However, for other forms of restricted imports, such as commodity and foreign exchange quotas or products which may be imported with resources from the global foreign currency quota, then quotas are established and allocated in accordance with the description of such forms of importation for one year in advance and in agreement with all the organizations concerned.

(i) In cases of bilateral quotas with countries with which the clearing method of payment is applied in trade exchange, there are no special licences apart from those required for all countries.

(j) This question is not clear. But if it refers to the manner in which the importing country is informed if the exporting country applies a system of licences in exporting, then we may say that in our practice so far we have had recourse to no other way of disseminating such information than through publication in the "Official Gazette of Yugoslavia".

(k) There are cases of imports of specific products being tied to the export of products resulting from the processing of imported raw materials.

Products belonging to foreign owners and imported for purposes of processing, finishing or final manufacture may not be sold on the domestic market; rather, after the servicing is completed, the processed products must be returned to the foreign owner.

7. (a) There are no cases of a licence being needed for import unless there is a restriction on that type of import, either in respect of commodities or in respect of imports from specific countries.

(b) Answer given under (a).

(c) Answer given under (a).

(d) Answer given under (a).

8. Any refusal to issue a licence must be elucidated and requests are never refused for any reasons other than economic ones, that is, the reasons for which restrictions were prescribed in the first place.

In case of rejection, the rejected party does not have the right to lodge a complaint but does have the right to bring administrative suit in a regular court for the purpose of obtaining a decision making null and void the administrative act refusing the request for import.

Eligibility of importers to apply for licences

9. Licences exist only under the restrictive system, whereas an application for a licence may be submitted only by a working organization registered with the regular court as one authorized to transact foreign trade with the product or group of products for which the import licence is requested.

District economic courts register those working organizations that comply with the conditions laid down in the Law on Trade in Goods and Services with Foreign Countries and charges a fee for such registration.

Documentational and other requirements for application of licence

10. The application for an import licence should contain the reasons why import is requested and a description of the market situation and proof (balances, etc.) of the indispensability of importing the specific product. There is no prescribed form to which the importers must adhere in applying for an import licence. These requests are not considered unless followed by a proposal from the Federal Secretariat for Economy. That is why applications for the issuance of an import licence are submitted to the Federal Secretariat for Economy which, if it considers the application justified, makes a proposal to the Federal Foreign Trade Secretariat. Only then does the latter take the application into consideration and take a decision to issue the licence.

11. After importation is effected, no documents are submitted to the organs which proposed the issuance of, or issued the import licence. Importers submit documents on importation only to customs authorities and to the commercial bank in drawing up the accounts for the importation.

12. An administrative tax of Din 6.00 is charged for the issuance of a licence.

13. There is no deposit requirement connected with the issuance of licences.

Conditions of licensing

14. It has already been stated above that the decisions on commodity and foreign exchange contingents, and on the resources of the global foreign exchange quota, are issued for one year and are never extended, with the exception that the unspent resources of the global foreign exchange quota may be carried over into the following year only.

For products which may be imported only under licence, the validity is included in the licence itself and it may be extended according to need.

15. No penalties have been prescribed for the non-utilization of issued licences.

16. Licences are not transferable between importers.

17. No other conditions are attached to the issue of a licence with the exception of those that have been prescribed.

Other procedural requirements

18. In importation of food products, approval must be obtained from the veterinary and from the phytopathological service regarding the state of health of the products being imported.

19. Banks automatically approve the resources designated in licences if the licences relate to the assignment of commodity and foreign exchange quotas, or the approval of resources under the global foreign exchange quota.

For products which may be imported only on the basis of a licence, the issue of the licence does not mean the automatic right to obtain the resources. For such importation, resources may be used which are provided for by the existing provisions; these are the resources of the global foreign exchange quota or the resources of the retention quota.