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1 ARTICLE 1

1.1 Text of Article 1

Article 1

General Provisions

1. For the purpose of this Agreement, import licensing is defined as administrative procedures¹ used for the operation of import licensing regimes requiring the submission of an application or other documentation (other than that required for customs purposes) to the relevant administrative body as a prior condition for importation into the customs territory of the importing Member.

(footnote original) ¹ Those procedures referred to as "licensing" as well as other similar administrative procedures.

2. Members shall ensure that the administrative procedures used to implement import licensing regimes are in conformity with the relevant provisions of GATT 1994 including its annexes and protocols, as interpreted by this Agreement, with a view to preventing trade distortions that may arise from an inappropriate operation of those procedures, taking into account the economic development purposes and financial and trade needs of developing country Members.²

(footnote original) ² Nothing in this Agreement shall be taken as implying that the basis, scope or duration of a measure being implemented by a licensing procedure is subject to question under this Agreement.

3. The rules for import licensing procedures shall be neutral in application and administered in a fair and equitable manner.

4. (a) The rules and all information concerning procedures for the submission of applications, including the eligibility of persons, firms and institutions to make such applications, the administrative body(ies) to be approached, and the lists of products subject to the licensing requirement shall be published, in the sources notified to the Committee on Import Licensing provided for in Article 4 (referred to in this Agreement as "the Committee"), in such a manner as to enable governments³ and traders to become acquainted with them. Such publication shall take place, whenever practicable, 21 days prior to the effective date of the requirement but in all events not later than such effective date. Any exception, derogations or changes in or from the rules concerning licensing procedures or the list of products subject to import licensing shall also be published in the same manner and within the same time periods as specified above. Copies of these publications shall also be made available to the Secretariat.

(footnote original) ³ For the purpose of this Agreement, the term "governments" is deemed to include the competent authorities of the European Communities.

(b) Members which wish to make comments in writing shall be provided the opportunity to discuss these comments upon request. The concerned Member shall give due consideration to these comments and results of discussion.

5. Application forms and, where applicable, renewal forms shall be as simple as possible. Such documents and information as are considered strictly necessary for the proper functioning of the licensing regime may be required on application.

6. Application procedures and, where applicable, renewal procedures shall be as simple as possible. Applicants shall be allowed a reasonable period for the submission of licence applications. Where there is a closing date, this period should be at least 21 days with provision for extension in circumstances where insufficient applications have been received within this period. Applicants shall have to approach only one administrative body in connection with an application. Where it is strictly indispensable to approach more than one administrative body, applicants shall not need to approach more than three administrative bodies.

7. No application shall be refused for minor documentation errors which do not alter basic data contained therein. No penalty greater than necessary to serve merely as a warning shall be imposed in respect of any omission or mistake in documentation or procedures which is obviously made without fraudulent intent or gross negligence.

8. Licensed imports shall not be refused for minor variations in value, quantity or weight from the amount designated on the licence due to differences occurring during shipment, differences incidental to bulk loading and other minor differences consistent with normal commercial practice.

9. The foreign exchange necessary to pay for licensed imports shall be made available to licence holders on the same basis as to importers of goods not requiring import licences.

10. With regard to security exceptions, the provisions of Article XXI of GATT 1994 apply.

11. The provisions of this Agreement shall not require any Member to disclose confidential information which would impede law enforcement or otherwise be contrary to the public interest or would prejudice the legitimate commercial interests of particular enterprises, public or private.

1.2 Article 1.4(a): Notification and review

1. At its meeting on 12 October 1995, the Committee on Import Licensing agreed on procedures for notification under Articles 1.4(a) and 8.2(b) of the Licensing Agreement.¹

2. Pursuant to Articles 1.4(a) and 8.2(b) of the Licensing Agreement and procedures agreed by the Committee, all Members are required to notify their laws, regulations and administrative procedures relevant to import licensing and submit copies of any relevant publications or laws and regulations upon becoming a WTO Member. Any subsequent changes to these laws, regulations and administrative procedures are also required to be notified.²

3. Written comments and questions from Members concerning the notifications submitted to the Committee on import licensing procedures maintained by Members, and replies thereto, can be found in document series G/LIC/Q/*.³

4. At its 11 April 2011 meeting, as a result of two years of informal discussions, two notification forms under Articles 1.4(a) and 8.2(b) and under Article 5 of the Licensing Agreement were, on a voluntary basis, agreed upon by the Committee. These forms were circulated in the G/LIC document series and posted on the Members website.⁴

5. From 30 October 2010 to 14 October 2011, 14 notifications were received from the following 12 Members: Angola; Argentina; the Former Yugoslav Republic of Macedonia; India; Kuwait; Lesotho; Malaysia; Morocco; Togo; Tonga; Turkey; and the United States. Of these, four Members – Angola, Lesotho, Malaysia and Tonga – had submitted notifications for the first time under Article 1.4(a) and 8.2(b) of the Agreement.⁵ During the period 15 October 2011 to 29 October 2012, 16 notifications were made by the following 14 Members: Albania; the European

¹ G/LIC/M/2, paras. 6-16. The agreed procedures are set out in G/LIC/3, para. 4. Notifications filed under Articles 1.4(a) and 8.2(b) can be found in the document series G/LIC/N/1/*.

² See G/L/968, para. 5.

³ See also the Understanding on Procedures of the Review of Notifications in G/LIC/4.

⁴ G/LIC/22. See also G/L/968, para. 10.

⁵ G/L/968, paras. 5 and 11.

Union; Georgia; Israel; Liechtenstein; Macao, China; Malawi; Morocco; Nicaragua; the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; Switzerland; Trinidad and Tobago; Turkey; and Viet Nam – this being the first time such a notification was submitted by Vietnam.⁶ During the period 30 October 2012 to 4 October 2013, 16 Members made 22 notifications. These Members were: Colombia; Ecuador; the European Union; Gabon; Malaysia; Moldova; Morocco; Peru; the Philippines; the Russian Federation; Saint Lucia; the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; Togo; Ukraine; the United States; and Viet Nam.⁷ From 5 October 2013 to 20 October 2014, 25 notifications were submitted by 18 Members: Cameroon; Ecuador; Israel; Kyrgyz Republic; Lao PDR; Madagascar; Mexico; Morocco; Paraguay; Peru; Philippines; the Russian Federation; Samoa; the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; Sri Lanka; Trinidad and Tobago; Turkey; and Ukraine.⁸ In the period 21 October 2014 to 20 October 2015 there were a total of 16 notifications submitted by the following 13 Members: Australia; Brazil; Cameroon; the European Union; Hong Kong, China; Mexico; Montenegro; the Russian Federation; Macao, China; Paraguay; Peru; Philippines; and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu. Of these 13 Members, Montenegro had submitted such a notification for the first time.⁹ From 21 October 2015 to 20 October 2016, 25 notifications were submitted by the following 13 Members: Afghanistan; Bolivia; Brazil; Ecuador; the European Union; Macao, China; Paraguay; Philippines; the Russian Federation; Seychelles; the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; Tajikistan; and Thailand. This was the first time that Afghanistan, Seychelles and Tajikistan had made a notification under these articles of the Agreement.¹⁰ From 21 October 2016 to 3 October 2017, 13 notifications were submitted by the following 11 Members: Brunei Darussalam; the European Union; Kazakhstan; Mauritius; the Republic of Moldova; South Africa; Switzerland; the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; Thailand; Ukraine; and the United States.¹¹

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⁶ G/L/1011, paras. 5 and 14.

⁷ G/L/1048, para. 5.

⁸ G/L/1078, para. 5.

⁹ G/L/1132, paras. 5 and 8.

¹⁰ G/L/1162, paras. 5 and 8.

¹¹ G/L/1187, paras. 5 and 8