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Article 2

*Automatic Import Licensing*⁴

(footnote original) ⁴ Those import licensing procedures requiring a security which have no restrictive effects on imports are to be considered as falling within the scope of paragraphs 1 and 2.

1. Automatic import licensing is defined as import licensing where approval of the application is granted in all cases, and which is in accordance with the requirements of paragraph 2(a).

2. The following provisions⁵, in addition to those in paragraphs 1 through 11 of Article 1 and paragraph 1 of this Article, shall apply to automatic import licensing procedures:

(footnote original) ⁵ A developing country Member, other than a developing country Member which was a Party to the Agreement on Import Licensing Procedures done on 12 April 1979, which has specific difficulties with the requirements of subparagraphs (a)(ii) and (a)(iii) may, upon notification to the Committee, delay the application of these subparagraphs by not more than two years from the date of entry into force of the WTO Agreement for such Member.

(a) automatic licensing procedures shall not be administered in such a manner as to have restricting effects on imports subject to automatic licensing. Automatic licensing procedures shall be deemed to have trade-restricting effects unless, *inter alia*:

- (i) any person, firm or institution which fulfils the legal requirements of the importing Member for engaging in import operations involving products subject to automatic licensing is equally eligible to apply for and to obtain import licences;
- (ii) applications for licences may be submitted on any working day prior to the customs clearance of the goods;
- (iii) applications for licences when submitted in appropriate and complete form are approved immediately on receipt, to the extent administratively feasible, but within a maximum of 10 working days;

(b) Members recognize that automatic import licensing may be necessary whenever other appropriate procedures are not available. Automatic import licensing may be maintained as long as the circumstances which gave rise to its introduction prevail and as long as its underlying administrative purposes cannot be achieved in a more appropriate way.

1.2 Application of Articles 2.2(a)(ii) and (iii) to developing country Members

1. The following developing country Members that were not parties to the 1979 Agreement invoked the provisions of footnote 5 regarding delayed application of Article 2.2(a)(ii) and/or Article 2.2(a)(iii): Bangladesh (1 January 1995), Bolivia (13 September 1995), Brazil (1 January 1995), Burkina Faso (3 June 1995), Cameroon (13 December 1995), Colombia (30 April 1995), Costa Rica (1 January 1995), Côte d'Ivoire (1 January 1995), Dominican Republic (9 March 1995),

El Salvador (7 May 1995), Gabon (1 January 1995), Guatemala (21 June 1995), Honduras (1 January 1995), Indonesia (1 January 1995), Kenya (1 January 1995), Malaysia (1 January 1995), Myanmar (1 January 1995), Sri Lanka (1 January 1995), Thailand (1 January 1995), Tunisia (29 March 1995), Turkey (26 March 1995), United Arab Emirates (10 April 1996), Uruguay (1 January 1995), and Venezuela (1 January 1995).¹

2. In its annual report for 1998, with reference to this delay in application, the Committee on Import Licensing stated the following:

It was noted that the two-year period of delay allowed under the Agreement had expired for all these Members, and accordingly the obligations of Article 2.2(a)(ii) and (a)(iii) apply to all current WTO Members. It was recalled that the invocation of the above provisions did not exempt the Members concerned from the obligation to notify under the Agreement. The mandatory notifications included publications and legislation relevant to import licensing, and replies to the Questionnaire on Import Licensing Procedures by 30 September each year. Those Members that had not yet made the necessary notifications under the Agreement were urged to do so at the earliest opportunity.²

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¹ G/LIC/1 and Addenda 1-3. The date in brackets indicates the date of entry into force of the WTO Agreement for the Member concerned. In each case, the invocation was made as part of the Member's acceptance of the WTO Agreement. Article XVI:1 of the WTO Agreement provides: "A Member which accepts this Agreement after its entry into force shall implement those concessions and obligations in the Multilateral Trade Agreements that are to be implemented over a period of time starting with the entry into force of this Agreement as if it had accepted this Agreement on the date of its entry into force."

² G/L/264, para. 8.