

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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## REPLIES TO THE QUESTIONNAIRE ON LICENSING

### Addendum

### UNITED KINGDOM

#### IMPORT LICENSING ARRANGEMENTS - GENERAL

##### 1. Outline of systems

Import licensing arrangements in the United Kingdom are operated under various legislative measures, principally the Import, Export and Customs Powers (Defence) Act 1939. The main instrument for import licensing is described in the paragraphs below. The scope of the scheme is comprehensive and covers all types of general imports except explosives and therapeutic substances (as defined by United Kingdom legislation and statutory orders); live animals including domestic pets and certain species of wild birds, alive or dead; and the following agricultural products: meat and meat products, certain animal products, certain fresh fruit and vegetable, hops, hay straw and dried grass, and trees, plants, seeds etc. For these categories of imports there may be different or additional administrative requirements. These detailed requirements for individual products are not annexed to this return but the information is available should any delegation wish to seek further clarification. It should be noted that the agricultural products which are, or are shortly to be, covered by minimum import price schemes are not the subject of any special licensing arrangements.

#### PURPOSE AND COVERAGE OF THE LICENSING

2. All goods to be imported from any source require an import licence, but the vast majority may be imported without restriction on the authority of an Open General Import Licence which is valid for goods from all sources except Southern Rhodesia.

3. The products listed below cannot be imported on the authority of the Open General Import Licence when originating from the sources indicated. (These sources are described in detail in the Open General Import Licence.) For these products an importer is required to apply for an individual import licence.

<sup>1</sup>This information may be consulted at the secretariat.

(i) From all sources

Butter and certain butter products  
Potatoes  
Coffee  
Sugar  
Certain jute manufactures  
Fire-arms and ammunition  
Certain radioactive substances  
Clover and grass seeds  
Certain plumage  
Vicuna hair and skin

(ii) From all sources except the Sterling Area

Apples and pears  
Milk and certain milk products  
Whole hams

(iii) Japan

Certain textiles and domestic pottery

(iv) Developing countries

Certain cotton textiles

(v) Dollar Area

Rum  
Cigars  
Bananas  
Grapefruit  
Orange and grapefruit juice

(vi) Eastern Area

Certain raw materials, agricultural and manufactured goods

4. The purposes of the control are, according to the nature of the product:

- (i) To restrict the quantity or value of imports. In some cases this is in the interests of the United Kingdom's overseas suppliers (e.g. bananas), or under international agreement (e.g. coffee, sugar, imports from Southern Rhodesia);

- (ii) to protect public safety or health (e.g. fire-arms and radioactive substances);
- (iii) to maintain the conservation of species (e.g. plumage of certain birds);
- (iv) to exercise quality control (grass and clover seeds);
- (v) to provide more details of imports than are available from normal statistical returns (e.g. certain watches and clocks, and watch and clock movements).

Licensing control to restrict imports by quantity or value is employed only when alternative means of achieving a particular purpose are unsuitable. In some cases international obligations may require the use of licensing restrictions rather than other methods of control. For the purposes listed above, there is no practicable alternative.

5. The Import of Goods (Control) Order, 1954, made under the Import, Export and Customs Powers (Defence) Act 1939. The legislation leaves designation of controlled products to administrative discretion and the control could be abolished without legislative approval.

#### PROCEDURES

- 6. (a) Information about the allocation of quotas, and formalities for applying for licences where this is required, is announced as appropriate in Parliament, in Notices to Importers, in Press Notices and in the weekly journal "Trade and Industry", published by the Department of Trade and Industry. So far as exporting countries are concerned information announced in this way is available to their representatives in the United Kingdom in the same way as it is domestically to importers or others concerned. The "overall amount" of the quota is published, as is that allocated to imports from particular sources where applicable. The maximum amount allocated to each importer is not published.
- (b) The period to which quotas for particular products are related may vary according to the product but twelve months is the most usual. Licences are normally but not invariably issued for the period of the quota. When not issued in this way they are valid for a particular consignment of goods or for a limited period within that of the overall quota.
- (c) Licences are not deliberately or exclusively allotted to domestic producers of like goods although they are free to apply for them (see paragraph 9 below). Normally no steps are taken to check whether licences are used, and unused allocations for one quota period do not entitle licence holders to carry them over to a subsequent period. Quotas may, however, be re-allocated if persistent failure by some importers to utilize licences comes to light. The names of licence holders are not normally released as the issue of a licence remains confidential to the licence holder concerned.

(d) There are no general rules about the period of time allowed for submitting applications for licences. Each quota is considered on its merits and a time-limit felt reasonable in the circumstances is then established.

(e) No time-limits for processing applications are prescribed.

(f) For importers' convenience licences are issued, when practicable, in advance of the operative date of the quota but are not valid until then; in other cases they are issued at the start of the quota period, or after it has started, and are valid immediately.

(g) With the exception of the items mentioned in paragraph 1, consideration of licence applications is carried out by one "administrative organ" - the Import Licensing Branch of the Department of Trade and Industry - to which alone the importer has to apply. (The "administrative organ" concerned may of course wish to consult other government departments in particular cases.)

(h) When the demand for licences cannot be satisfied there are no set rules for allocating them within an overall quota but such criteria as past trading performance, the claims of newcomers, minimum allocations, are employed as considered appropriate in the circumstances. In such cases the first come, first served basis is not used. Applications are examined on receipt; but the actual issue of a licence may be made later, e.g. after a closing date for submitting applications.

(i) An import licence is required in all cases of bilateral quotas or export restraint arrangements, but goods are licensed freely provided the conditions governing the particular arrangements are satisfied, e.g. there may be a limited number of importers entitled to apply for licences and checks may be kept on the amount of the quota that is utilized.

(j) Import licences are required in all cases.

(k) Generally, licences are freely issued for imports that are thereafter to be exported and not sold in the domestic market.

#### CASES WHERE THERE IS NO QUANTITATIVE LIMIT

7. (a) There are no set rules for the time when applications for licences should be made. There would be no objection in principle to granting a licence for goods arriving at a port without a licence provided there was reasonable justification for this.

(b) There is no objection to granting a licence immediately on request, and this often happens; but no set rule can be applied since there would obviously be cases where immediate issue might be impossible, e.g. where special conditions for application had still to be fulfilled or proof of a firm order for the goods adduced.

(c) There are no limitations about the period of the year when applications for licences may be made. Nor would there be any such limitations on the use of the licence as long as it was valid.

(d) As for 6(g) above.

#### REFUSAL OF LICENCE APPLICATIONS

8. There are no general criteria for considering licence applications and each case may have some criteria of its own, depending upon such factors as the product concerned, possible limitations on the class of importers, or the origin of the goods imported. It is the practice to make it known by publication (see the answer to 6(a) above under the heading "Procedures") what are the criteria that apply to particular controls. It would be normal practice also to indicate why applications for licences were refused, but there is no legal obligation to do so. There is no legal right of appeal by an applicant in the event of his being refused a licence.

#### ELIGIBILITY OF IMPORTERS TO APPLY FOR LICENCE

9. There are no limitations on persons, firms and institutions eligible to apply for import licences except that the applicant must be resident in the United Kingdom. In some cases, however, the class of importer may be limited because of particular features of the product concerned. For example licences to import fire-arms are granted only to certain dealers or holders of fire-arm certificates for reasons of public safety (non-restrictive system).

#### DOCUMENTATION AND OTHER REQUIREMENTS FOR APPLICATION OF LICENCE

10. The precise information required varies with the product and the purpose of the control. It always includes the name and address of the importers and the description of the goods to be imported. It may also include the quantity and/or value to be imported. A sample application form is attached.<sup>1</sup> Other supporting information may be required in certain cases. For example, returns of past trade may be required in determining allocations within a restricted quota; especially where newcomers are concerned.

11. So far as the import licensing control is concerned, a valid import licence is the only document required on importation, except in those cases where the licence specifies that an export certificate (or similar document) from the exporting country is also required.

12. There are no licensing fees or administrative charges.

13. No deposit or advance payment requirements are associated with the issue of import licences.

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<sup>1</sup>This sample application form is not reproduced in this document.

CONDITIONS OF LICENSING

14. There are no set rules for the period of validity of a licence. Some licences (see the answer to 6(b) under the heading "Procedures" above) are issued with a period of validity identical with that of the restricted quota concerned. Others are issued for a particular consignment only, with a period of validity considered adequate to cover the arrival of the goods at the port of importation. If an importer is unable to use his licence during its validity, he may always apply for an extension, which will be granted if it is felt the circumstances justify this.

15. There is no penalty for not using a licence in whole or in part.

16. Licences are not transferable between importers.

17. Conditions other than a period of validity may be attached to particular licences depending on the circumstances. Examples are requirements about the date by which goods must have been shipped from the country of origin, the purpose for which the goods may be used, or the class of consumer to whom they may be sold. It is not possible to classify these restrictions between products subject to quantitative restrictions and those that are not, although, generally speaking, they are more likely to be imposed in the former case.

OTHER PROCEDURAL REQUIREMENTS

18. There are no administrative procedures, apart from import licensing and similar administrative procedures (which is taken to include such things as customs and health requirements) required before goods may be imported.

19. Foreign exchange is provided by the banking authorities where the goods may be imported on the authority of the Open General Import Licence or any individual import licence. Formalities vary according to the value of the import but they are simple and designed solely to establish that the currency is genuinely required for the import of goods.