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# GENERAL AGREEMENT ON TARIFFS AND TRADE

Original: Spanish

## REPLIES TO THE QUESTIONNAIRE ON LICENSING

### Addendum

#### SPAIN<sup>1</sup>

1. Spanish imports are classified under four systems:

(a) FREE IMPORTS. Under this system authorizations to import are granted automatically to private individuals.

(b) GLOBAL REGIME. Here imports are subject to prior authorization, regulated in advance by the Administration, which determines the conditions that candidates must fulfil in order to participate in the allocation of overall quotas. Every year, regularly, new products are included within the general framework of global quotas. Accordingly, Spain is implementing the recommendation made by the IMF in respect of Spain. In 1959, it should be recalled, all imports were subject to quantitative restrictions and were governed by the individual licensing system. Spain is continuing to liberalize its imports.

(c) TRADE NEITHER LIBERALIZED NOR UNDER GLOBAL REGIME. Here imports are subject to prior authorization, which is granted on a discretionary basis by the Administration.

(d) STATE TRADING. This system takes care of goods which may not be imported by private individuals.

### PURPOSES AND COVERAGE OF THE LICENSING

2. Licensing systems:

(a) FREE IMPORTS. Liberalization of trade covers 84 per cent of the Spanish customs tariff headings. This system applies to all goods which fulfil two conditions: (1) they must come from OECD or assimilated countries; and (2) they must have been included in the lists of liberalized products which the Ministry of Trade and Tourism has been issuing since 1959. There are two exceptions to this: (1) used or reconditioned goods, surplus or depreciated stock; (2) unclassified goods or "seconds". These two cases come under the system of trade neither liberalized nor under global régime.

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<sup>1</sup>This document replaces all earlier submissions made by Spain.

(b) GLOBAL REGIME. This covers all goods fulfilling the following conditions: (1) they must come from an OECD or assimilated country; (2) they must be articles subject to the global system and included in the Ministry of Trade and Tourism Order of 5 August 1959, and not liberalized since.

(c) TRADE NEITHER LIBERALIZED NOR UNDER GLOBAL REGIME. This system covers all goods which fulfil one or more of the following conditions: (1) they must come from a country which is not a member of OECD or assimilated thereto; (2) they must not come under the free import, global régime or State-trading systems; (3) they must be used products.

(d) STATE TRADING. The goods to which this system applies include all goods included in Annex 3 of the Memorandum sent by the Spanish Government to the International Monetary Fund and to OECD on 30 June 1959.

3. The free import and global systems apply to goods coming from OECD or assimilated countries on the grounds that these allow convertibility in their payments arrangements with Spain.

The system of trade neither liberalized nor under global régime applies to all goods coming from countries which do not allow convertibility to their means of payments with Spain, in other words countries which are not members of OECD or assimilated thereto. The system also applies to goods coming from OECD or assimilated countries where such goods by their nature come under the system of trade neither liberalized nor under global régime.

The State-trading system likewise applies to a series of goods because of their very nature, whatever the country of origin or supply.

4. The purpose of the present licensing systems is the progressive liberalization of Spain's foreign trade. Nevertheless, in some instances it is considered necessary that the domestic production of a particular type of goods should be protected.

5. The legal basis of licensing is the Legislative Decree on the Economic Order, of 21 July 1959, which laid down a programme for the gradual liberalization of trade with the outside world. This Decree was supplemented by a Memorandum sent by the Spanish Government to the International Monetary Fund and OECD, undertaking to apply a code of liberalization of imports envisaging the gradual elimination of government intervention in foreign trade, beginning with State trading and going on to the bilateral, global and free import systems.

In virtue of the powers vested in it, the Ministry of Trade and Tourism by an Order of 29 July 1959 drew up an initial list of free import goods. Since then a series of lists have been issued by Decisions of the Foreign Trade Authority of the Ministry of Trade and Tourism, extending the initial free list.

6. (a) Goods coming under the global system were regulated by the Order of the Ministry of Trade and Tourism of 5 August 1959, under which at the beginning of each year the Tariff Policy and Imports Department fixes the overall quotas which will be in force throughout the year, specifying the number of the quota, the goods included and the appropriate tariff heading, the amount of the quota for the year in pesetas and the method of calling. This Decision is published in the Official Gazette.

Once the list of quotas has been published, as the year proceeds successive Decisions by the Authority call the various quotas, specifying the amount of the call, the time-limits for submitting applications and the conditions to be fulfilled by applicants in order to submit bids.

Once the deadline for submitting applications is passed, the appropriate services of the Authority make the allocation among the candidates on the basis of fixed criteria.

The list of authorizations granted is published in the Ministry of Trade and Tourism.

The volume of the quota is fixed for one year. However, calls are made as a rule each half year, so that two allocations are made each year, each covering 50 per cent of the value of the quota. In some instances there is one annual allocation only, while in others the quota is left permanently open, so that applications can be made at any moment.

(c) Licences are granted to importers irrespective of whether they are manufacturers or not. The status of manufacturer is not taken into account at the time of allocation, except in the case of quotas covering materials for manufacture.

In the event of licences allocated not being used by an importer, there is no enforcement procedure requiring him to import, nor are unused allocations added to quotas for a succeeding period.

The names of importers to whom licences have been allocated are not made known to official bodies of exporting countries. The names of importers are published on the bulletin board of the Ministry of Trade and Tourism and in its information bulletin, this being regarded as giving sufficient publicity to authorizations.

(d) The time allowed for the submission of applications for licences is normally twenty days from the date of publication of the Decision calling the quota.

(e) There is no fixed length of time, the period being normally about one month. As regards time required for global quotas, the administration must review fully all applications made, in order to make an equitable and reasonable distribution.

(f) Once an application to import has been authorized, the importer must produce the actual licence within twenty days. Once this is authorized, the goods can be dispatched immediately.

(g) Licence applications are considered exclusively by the Tariff Policy and Imports Department of the Ministry of Trade and Tourism; this is the only administrative organ which has to be approached.

In some instances, the Department requests a report from other departments (Ministry of Industry, Agriculture, etc.) for information and assessment purposes, without being bound by such reports.

(h) Where the demand for licences cannot be fully satisfied, the allocation is made on the basis of criteria which vary according to the quota concerned. Ordinarily, account is taken of the nature and quality of the goods in the light of the needs of the national market, the status and seniority of the importer, and other criteria.

Applications are examined simultaneously without any reference to the date of their submission within the calling period.

(i) In the case of quotas, where trade is neither liberalized nor under global régime, licences are also required. These are issued on a discretionary basis by the Administration in the light of the needs of the Spanish market.

(j) There are no cases in which import licences are subject to licensing on the part of the exporting country.

7. (a) and (b) For goods coming under the free imports system, applications are accepted automatically. The period between presentation and acceptance is very short, applications being accepted as and when they are presented.

(c) Applications can be submitted at any time.

(d) Acceptance in the case of liberalized goods is handled exclusively by the Tariff Policy and Imports Department of the Ministry of Trade and Tourism.

8. An application for a licence may be refused on the grounds that it is incorrectly submitted. In the case of non-liberalized goods it may also be refused on grounds of failure to meet the allocation criteria laid down by the Ministry of Trade and Tourism.

If a licence is refused, the person concerned is informed, and the reasons for the refusal are given. The applicant has a right of appeal against the refusal, in accordance with the administrative procedure legislation.

9. There is no registration of importers. Anyone may apply for a licence to import, subject to the following reservations:

- In the case of non-liberalized goods, in some instances importation is confined to the legal representatives of foreign manufacturers, or to Spanish manufacturers in the case of imports of components for manufacturing.
- In the case of goods subject to the State-trading system, private individuals are not allowed to import.

10. The following information is required in making applications: name and domicile of the importer; name and domicile of the supplier; country of origin and supply of the goods; time-limit for payment; form of payment; customs of dispatch; conditions of delivery; customs tariff heading; specification of the goods; weight; quantity; value f.o.b.; freight; insurance; value c.i.f.

The documents to be produced with the licence vary in each individual case. In all circumstances, the Administration reserves the right to verify the accuracy of the particulars given in the application.

11. At the time of customs clearance of the goods, the certificate of origin of the goods must be produced.

12. A charge of 0.2 per cent of the value is charged for processing applications.

13. Up to 30 June 1971, a prior deposit of 10 per cent of the value of the imports was required. This was refundable after six months, except where the licence was refused, in which case it was refunded immediately and no interest was charged. This prior deposit has been abolished as of 1 July 1971.

14. The normal period of validity of a licence is six months. It can be extended subject to a request for rectification.

15. There is no penalty for the non-utilization of a licence.

16. Declarations and licences are not transferable.

17. There are no other conditions.

18. There are no other administrative procedures.

19. Possession of a declaration or a licence gives the right to make payments in foreign exchange. The foreign exchange is supplied by the authorized bank, which at a later stage communicates to the Directorate-General for External Transactions the particulars of the foreign exchange used and the declaration or licence to which the transaction refers.