

RESTRICTED

L/1459

4 May 1961

Limited Distribution

GENERAL AGREEMENT ON TARIFFS AND TRADE

Original English

CONSULAR FORMALITIES

Action Pursuant to the Recommendation for the Abolition of Consular Formalities

In accordance with the Recommendation of 7 November 1952 (see Annex I) contracting parties were invited to report on the progress achieved towards compliance with the Recommendation aiming at the abolition of such formalities (L/1255)¹ in order that a review of progress made could be undertaken at the seventeenth session of the CONTRACTING PARTIES. At that session a number of delegations, whose governments maintained consular formalities, indicated that they would be submitting reports in the near future. The CONTRACTING PARTIES therefore decided to refer the review of action taken under the Recommendation of 7 November 1952 to the Council (SR.17/10).

To enable the Secretariat to prepare a report for submission to the Council, contracting parties who maintain consular formalities are requested to transmit their reports to the Secretariat as soon as possible and in any case by 1 September 1961.

In this connexion the attention of contracting parties is drawn to a statement, adopted by the Executive Committee of the International Chamber of Commerce on 21 February 1961, which is reproduced as Annex II to this document.

¹Replies received consequent to this document are published in document L/1362 of 14 November 1960.

ANNEX I

RECOMMENDATION
ON
THE ABOLITION OF CONSULAR FORMALITIES¹

WHEREAS in Article VIII of the General Agreement on Tariffs and Trade the CONTRACTING PARTIES recognize that fees and charges, other than duties, imposed by governmental authorities on or in connexion with importation or exportation, should be limited in amount to the approximate cost of services rendered and should not represent an indirect protection to domestic products or a taxation of imports or exports for fiscal purposes,

WHEREAS in that Article the CONTRACTING PARTIES also recognize the need for reducing the number and diversity of such fees and charges, for minimizing the incidence and complexity of import and export formalities, and for decreasing and simplifying import and export documentation requirements,

CONSIDERING (a) that the complexity of consular formalities required by some countries and the excessive charges accompanying them are among the most serious of the invisible barriers to international trade, (b) that, not only must exporters fill in and sign a disproportionate number of copies of the documents required, often in the language of the country of destination, but the fee charged is in many cases a high percentage of the value of the goods, (c) that, moreover, fines are frequently imposed for minor errors, or the importer is obliged to make out documents again in their entirety, (d) that, shipowners and shippers, as well as the ultimate consumers, are as much affected by this state of affairs as the exporters, and (e) that a large part of the world's trade is carried on without consular invoices or visas,

The CONTRACTING PARTIES

RECOMMEND the abolition of consular invoices and of consular visas for commercial invoices, certificates of origin, manifests, etc.,

CONSIDER that the abolition should be completed at the earliest possible date and, in any case, not later than 31 December 1956²

RECOMMEND that the contracting parties, pending full compliance with the aforementioned Recommendation of 1952, should:

¹ Recommendation of 7 November 1952 as amended on 30 November 1957 (Basic Instruments and Selected Documents, First Supplement, page 25 and Sixth Supplement, page 25).

² This deadline was intentionally left untouched in the 1957 revision of the Recommendation.

- (a) abolish the requirement of a separate consular invoice form, accept in lieu thereof the commercial invoice (...ed or legalized if necessary) with the right, however, to require that the information which was previously entered on the consular form should be contained in the commercial invoice;¹
- (b) require that consular charges, except administrative fees for visaing or legalizing, should be paid at destination and not in the exporting country.

RECOMMEND further, in order to ensure the fairest possible administration of consular formalities where these are maintained, that the following rules be observed:

1. No consular charge should be assessed as a percentage of the value of the goods but should be a flat charge.
2. Where certification or visaing of commercial documents is required it should be carried out free-of-charge or at a nominal rate.
3. Consular visas or certificates should not be required for consignments of goods, the invoice value of which does not exceed US \$100.
4. Delays in dealing with documents and charges for overtime should be reduced to a minimum.
5. There should be no requirement for commercial documents to be presented for consular legalization or certification prior to exportation; if possible these documents should be accepted up to the date of importation.
6. As far as penalties are concerned the application of the provisions of Article VIII, paragraph 3, should be observed in connexion with the requirements of consular formalities.

INVITE all contracting parties applying consular formalities to report to the secretariat as soon as any further progress in this matter has been achieved and at any rate each year before 1 September.

¹In adopting this Recommendation the CONTRACTING PARTIES expressly noted that "if the customs authorities require a special invoice form which may serve as the commercial invoice for traders' purposes, this special form shall be considered as fulfilling this Recommendation".

ANNEX II

STATEMENT ADOPTED ON 21 FEBRUARY 1961 BY THE EXECUTIVE COMMITTEE
OF THE INTERNATIONAL CHAMBER OF COMMERCE

The International Chamber of Commerce has drawn attention for many years to the difficulties caused to exporters and importers by excessive and unnecessary formalities required by governments in connexion with the day-to-day prosecution of international trade. The ICC welcomes and acknowledges the active interest which has been taken by the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade in considering the Recommendations made by the ICC for the reduction of these impediments to international trade and, in particular, for the elimination of unnecessary documentation.

In this connexion, the ICC recalls the Recommendations adopted by the CONTRACTING PARTIES in 1952 for the abolition of consular invoices, visas and fees by the end of 1956. In 1957, at the instance of the ICC, the CONTRACTING PARTIES adopted another Recommendation which noted that a number of Member governments had not yet implemented the terms of the 1952 Recommendation and called upon them to do so at the earliest possible moment. Pending such full compliance (because it was recognized that genuine difficulties on the part of a few individual governments might militate against immediate abolition of these documentary formalities in all cases) the 1957 Recommendation added that a single document, the commercial invoice visaed or legalized if necessary, should be accepted in place of a separate consular invoice.

Although the Recommendations of the CONTRACTING PARTIES have resulted in some reduction in these formalities, the ICC notes with regret that there are member countries of GATT which still continue to require separate consular invoices (or comparable documents) as well as the payment of visas and fees.

The ICC emphasizes again the harm resulting to the expansion of international trade from the continuance of such burdensome formalities. Economic developments in recent years, particularly the greater liberalization of trade and payments, have further and substantially reduced the need for documentation devised for administrative purposes in more difficult circumstances.

The ICC therefore desires to draw the attention of the CONTRACTING PARTIES to the need to review the existing situation in the light of the Recommendations made by the CONTRACTING PARTIES in 1952 and 1957 and to urge governments to bring their practices into line with these Recommendations.