

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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CONTRACTING PARTIES  
Eighteenth Session  
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CUSTOMS CONVENTION ON TEMPORARY IMPORTATION  
OF PROFESSIONAL EQUIPMENT AND  
DRAFT CUSTOMS CONVENTION ON THE A.T.A. CARNET  
FOR THE TEMPORARY ADMISSION OF GOODS

Report of the Group of Experts<sup>1</sup> on Temporary Admission

1. In accordance with its terms of reference laid down by Decision of the Council at its session of 8 May 1961, the Group of Experts examined the Draft Customs Convention on Temporary Importation of Professional Equipment and the Draft Customs Convention on the A.T.A. Carnet for the Temporary Admission of Goods, transmitted by the Customs Co-operation Council (L/1460)<sup>2</sup> with a view to submitting recommendations to the CONTRACTING PARTIES at their eighteenth session.
2. It was again made clear on this occasion that the views expressed by the Experts within the Group did not necessarily reflect their governments' views; therefore they could not indicate whether or not their countries would agree to sign or adhere to the conventions when they are finally drawn up. The Belgian and Netherlands Experts stressed that they were not authorized to withdraw any reservation made by the experts of their countries at the meeting of the Permanent Technical Committee of the Customs Co-operation Council in Brussels. The United States Expert referred to a letter of 15 February 1961 addressed by his government to the Customs Co-operation Council in which certain comments were made with regard to the Professional Equipment Convention. He requested that note of that fact should be taken in this report.

DRAFT CONVENTION ON TEMPORARY IMPORTATION OF PROFESSIONAL EQUIPMENT

3. The Group examined the Draft Customs Convention transmitted by the Customs Co-operation Council for the information of the CONTRACTING PARTIES. It was noted with satisfaction that the wishes expressed by the Group of Experts regarding

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<sup>1</sup>List of Experts appended.

<sup>2</sup>Both Draft Conventions are reproduced in document L/1450

this Convention, set out in BISD, Ninth Supplement, page 224 et seq had been taken into account and incorporated in the draft, where necessary. The following remarks were made by the Group of Experts in connexion with the study of this draft:

4. The Group felt that certain important explanations should be issued separately as interpretative notes, similar to those prepared in connexion with the Convention on the Temporary Importation of Packings (BISD, Ninth Supplement, page 211).

#### Article 1

5. It was felt that the first interpretative note should relate to paragraph 1(b) and should be similar to the relevant note in the Packings Convention, and read: "Article 1: The provisions of Article 1(b) should be deemed to be met if under an import licensing system, import licences were always issued to permit the temporary importation of professional equipment subject to its re-exportation."

#### Article 4

6. It was stressed that this Article limits the security to 110 per cent of the duty chargeable. It was explained that, regardless of whether a country has recourse to the A.T.A. Carnet or not, the term "import duties chargeable" means the duties which would have to be collected, should they become due.

#### Article 10

7. The United States Expert recalled that he had already previously requested some explanation of the term "public security". He remarked that the relevant interpretative note to the Packings Convention (BISD, Ninth Supplement, page 212) referred only to Article XXI (b) (iii) of the General Agreement, while his intention had been to ensure that the exceptions extended at least to all cases mentioned in Article XXI, paragraph (b). The Group considered that subparagraph (iii) only had been mentioned in the interpretative note to the Packings Convention because subparagraphs (i) and (ii) were felt to be irrelevant to that Convention. They felt, however, that all exceptions included in paragraph (b) of Article XXI could be understood as falling within the term "public security". It was therefore decided that a second interpretative note should be added to the Professional Equipment Convention as follows: "Article 10. The term "public security" covers both internal and external security, and consequently extends to measures taken by the Government in time of war or other emergency in international relations, as envisaged in Article XXI(b) of the General Agreement on Tariffs and Trade".

#### Article 19

8. It was noted that in this Article the principle of a negative amendment procedure had been maintained but a more elaborate procedure had been provided for than in the Packings Convention. This had been necessary because of legal

difficulties in certain countries. It was felt that the new safeguards to ensure that countries could express their opinion on an amendment were such that countries should no longer have difficulty in accepting this procedure.

9. Replying to a question raised by certain experts, it was stressed that, under the provisions of paragraph 5, the rejection of a proposed amendment by a single contracting party meant that such an amendment would not enter into force for any contracting party to this Convention.

#### Article 20

10. It was noted that Article 20 of the previous draft (BISD, Ninth Supplement, page 219) had been dropped and that thus the special procedure for amending the illustrative lists had been removed. It was further noted that any change in the items included in the illustrative lists would be required to be carried unanimously under the general amendment procedure of Article 19. This met the wish expressed by the Group of Experts at their last meeting, that such changes could only take place if unanimously agreed.

#### Annexes

11. It was stressed that the fact that the lists are illustrative meant that the interpretation of the items falling under one heading, e.g. equipment necessary for business men, lies with the national authorities of the importing country. In case of dispute, however, whether an unlisted item should benefit from the facilities, the procedure for ensuring conformity of application provided for in Article 14 would apply.

12. It was noted with satisfaction that the Permanent Technical Committee of the Customs Co-operation Council agreed with the two suggestions made by the Group of Experts at their last meeting, namely:

- (a) that films for use in commercial copying are excluded from the Convention (remark relating to Annexes A and B); and
- (b) that the term 'vehicles' in Annex C, Part II h, also includes aircraft specially fitted for topographical surveys.

This remark, it was suggested, should be the third interpretative note.

#### CUSTOMS CONVENTION ON THE A.T.A. CARNET FOR THE TEMPORARY ADMISSION OF GOODS

13. The Group stressed the importance of this Convention for the trading community and for governments alike. It was noted in particular that the technical provisions were firmly based on experience gained with the ECS Carnet used for the temporary importation of samples. In view of the Group it is a valuable complement to Conventions on temporary importation of goods.

14. It was also stressed that the new carnet could be used not only in connexion with Conventions on temporary importation, but also for national facilities for temporary importation, at the discretion of each contracting party.

15. Recognizing that this Convention has not yet reached the same stage of elaboration as the Convention on Professional Equipment, and that revision of the draft is envisaged within the Customs Co-operation Council, some amendments were suggested.

#### Article 2

16. It was suggested that the first words in the first and second paragraphs should read: "Each Contracting Party to the present convention..".

#### Article 5

17. It was felt that paragraph 2 of this Article should be construed to mean that countries will not require security for possible penalties.

#### Articles 19 to 21

18. The Group of Experts felt that these Articles needed redrafting, so as to make clear under what conditions the Convention comes into force and to what temporary importation procedures countries will apply the Convention. The redrafted Articles should bring out:

- (i) that the present Convention enters into force when five States have accepted it;
- (ii) that if such States are contracting parties to temporary importation Conventions requiring the application of the A.T.A. Carnet, they must accept the use of the A.T.A. Carnet for the goods covered by those Conventions.

19. The Group also felt that a special notification procedure should be provided for those countries applying the carnet to other classes of temporary importation under the optional provisions of Article 2, paragraph 2.

20. It was felt that provision should be made to enable Carnets issued before a denunciation became effective to remain operative for the whole period of their validity.

#### Article 25

21. Certain consequential changes to this Article will be necessary if Articles 19-21 are amended.

#### Communication of the CONTRACTING PARTIES to GATT to the Customs Co-operation Council

22. The Group of Experts suggests that the CONTRACTING PARTIES approve this report and transmit it to the Customs Co-operation Council together with the following communication:

(1) Draft Customs Convention on the temporary importation of professional equipment

The CONTRACTING PARTIES noted with satisfaction that, in the new draft of the Customs Convention on Temporary Importation of Professional Equipment, prepared by the Permanent Technical Committee of the Customs Co-operation Council, account has been taken of the suggestions made by the GATT Group of Experts in November 1960.

Although the CONTRACTING PARTIES are not hereby prejudging the issue whether individual governments may decide to sign or adhere to the present convention, nor that they may accept any or all of the annexes, they consider the proposed convention to be an important step in the direction of freeing trade from international barriers. The CONTRACTING PARTIES therefore hope that the present Convention will meet with wide acceptance.

(2) Draft Customs Convention on the A.T.A. Carnet for the temporary importation of goods

The CONTRACTING PARTIES recognize that adherence to a Customs Convention on the A.T.A. Carnet for the temporary importation of goods will greatly facilitate international trade.

The CONTRACTING PARTIES suggest that the Customs Co-operation Council revise the text of the Convention, taking into account the comments made by the GATT Group of Experts.

The CONTRACTING PARTIES suggest that further progress will best be advanced by the continued close co-operation of the CONTRACTING PARTIES with the Customs Co-operation Council.

Appendix

GROUP OF EXPERTS ON DUTY FREE TEMPORARY ADMISSION

Chairman: Mr. F. Manhart (Austria)

Members: Mr. A.R. Colthoff (Netherlands)    Mr. W. Metzen (Fed.Rep.of Germany)  
Mr. M.J. Fields (United States)    Mr. H. Myasaki (Japan)  
Mr. J. Gimon (France)    Mr. P.L. O'Keeffe (United Kingdom)  
Mr. L. Howey (Canada)    Mr. J. Queloz (Switzerland)  
Mr. M. Malbrecq (Belgium)    Mr. J. Somerville (Australia)

Observers from countries:

Mr. J. Kizikli (Turkey)

Observers from organizations:

Mr. S. Nestler (Customs Co-operation Council)