

GENERAL AGREEMENT ON TARIFFS AND TRADE

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REPLIES TO QUESTIONNAIRE ON IMPORT LICENSING PROCEDURES

NEW ZEALAND

Information on import licensing procedures of New Zealand, submitted in response to the questionnaire annexed to document L/5106, has been made available to contracting parties in document COM.IND/W/55-COM.AG/W/72/Add.32/Rev.1. The following notification, describing the present import licensing system, replaces the data previously submitted by New Zealand.

Outline of system

1. See 1981-82 Import Licensing Schedule, and Import Licensing Policy Schedule 1981-82.^{1/}

Purposes and coverage of licensing

2. See 1981-82 Import Licensing Schedule, and Import Licensing Policy Schedule 1981-82.

3. All countries except as set out in Parts III, IV, V of Appendix I (pages 199 to 202) of 1981-82 Import Licensing Schedule.

4. Since 1971 import licensing has been removed gradually and currently some 22 per cent of New Zealand's total private imports by value are subject to import licensing controls. The balance, some 78 per cent, is exempt from licensing and the customs tariff is used as a protective measure where necessary for these imports.

A demonstration of the move towards greater flexibility in the Import Licensing System can be seen in the policies announced in the 1979 Budget. They were:

- (1) Product Rationalization Policy;
- (2) Excessive Price/Quality Differentials Policy;
- (3) Import Licence Tendering Scheme;
- (4) Export Production Assistance Scheme.

^{1/} These documents are available for reference in the secretariat, Room 1073, Centre William Rappard.

(Detailed reference is made to these policies in the Import Licensing Policy Schedule 1981-82, pages 177 to 183 and pages 189 to 191). Furthermore, one of the aims of the current programmes of industry studies is the testing of tariffs on goods subject to import licensing controls, and the possibility of using tariffs as a protective measure rather than import licensing.

5. Licensing is maintained under Import Control Regulations 1973^{1/} and repeated in Import Licensing Instructions.^{2/}

6. Procedures

- (a) (i) Import Licensing Schedule and Import Licensing Policy Schedule 1981-82.
- (ii) The overall amount is published every three months in the Import Licensing Bulletin. The value of licence issues for the 1980/81 period to 31 March 1981 is set out in Import Licensing Bulletin, June 1981 (pages 24 to 30).^{3/}
- (iii) Import licences are issued on a global basis and not restricted to imports from a particular country. In addition there are some licences issued in accordance with the provision of certain trade agreements and schemes (e.g. New Zealand/Australia Free Trade Agreement (NAFTA); South Pacific Regional Trade and Economic Co-operation Agreement (SPARTECA); and the Developing Countries Handicraft Scheme (DCHS)).
- (iv) The maximum amount allocated to each importer is not published. (*The figures published, referred to in paragraph (ii) above, represent total values of licences issued to all importers.)
- (b) Quotas determined on a yearly basis and licences are issued for imports on this basis.
- (c) (i) No.
- (ii) In the 1970-71 licensing year, a system of review of item codes was introduced to determine whether proper use was being made of licences by importers. This system has continued, but for the 1981-82 licensing year only one item code will be under review. The review itself is undergoing some modification as computerization by the Customs Department will provide information on licence usage. But failure to use a licence wholly or partly does not in itself call for action by the Department.

^{1/} A copy of this document is available for reference in the secretariat, Room 1073, Centre William Rappard.

^{2/} Not reproduced.

^{3/} A copy of Import Licensing Bulletin, June 1981, is available for reference in the secretariat.

- (iii) No.
 - (iv) No, they are confidential between the importer and the Department of Trade and Industry.
 - (v) The names of licence holders are kept confidential between themselves and the Department of Trade and Industry at the request of importers. However, the Department is at present consulting with the main commercial organizations, with a view to making public the names of licence holders. (No final decision has been made as yet.)
- (d) No set period. In the main, basic allocations are issued automatically by the Customs Department upon the release of the Import Licensing Schedule without applications being required by importers. For goods with a "C" allocation applications are considered in terms of the policy guidelines supplied with the Import Licensing Schedule.
- (e)/(f) Basic licences are generally issued prior to the commencement of the licensing period. However, in some cases where allocations are based on imports and importers are required to submit applications supported by evidence of imports, licences may be issued after the commencement of the period. Importers, in such cases, may lodge their applications at any time before or during the period.
- (g) (i) No.
- (ii) In some cases, yes.
- (iii) Customs Department, Department of Agriculture and Fisheries, Ministry of Defence, Health Department where applicable. However, the Department of Trade and Industry is the final authority and the responsibility for all licence issue rests with this Department.

(Trade and Industry Amendment Act 1973 transferred the control of import licensing from the Minister of Customs to the Minister of Trade and Industry.)

(The Import Control Regulations 1973 provided for ... "(g) The delegation of licensing powers from the Minister to the Secretary of Trade and Industry and from him to licensing officers of the Department of Trade and Industry or of the Customs Department".)

- (iv) No, only if he so desires.
- (h) (i) Where the demand for licences cannot be fully satisfied allocation is made to applicants on the basis of past performance, that is, trade history.
- (ii) In many instances there is provision for the issue of licences in excess of the basic allocation. Policies vary from one licensing period to another.
- (iii) Provision is made for new importers by means of additional licences under specific schemes, e.g. Anomalies Scheme, New Importers' Scheme.
- (iv) Generally applications are considered simultaneously.
- (i) (i) Yes.
- (ii) No.
- (j) New Zealand is a signatory to both the International Coffee Agreement and the International Sugar Agreement. A coffee (or sugar) certificate issued by the country of export is required to be lodged before imports of these goods are allowed into New Zealand. Where the exporting country is not a member of the Agreement the Department of Customs in New Zealand issues a certificate and stamps for the certificate are obtained from the Bank of New Zealand.
- (k) Yes, goods imported on a temporary basis. It is a condition of such permit that the goods will be exported within the period specified in the "Conditions" section of the permit, and will not, in any circumstances, be sold or otherwise disposed of in New Zealand.
7. (a) Where there is no quantitative limit on a product or on imports from a particular country, products may be exempt from import licensing requirements or subject to licence-on-demand procedures. Licences are not required for exempt goods.

Licence on demand¹, whereby prospective importers are granted licences on production of evidence of a firm order. For certain goods the licence is granted immediately on request.

¹Licences granted on demand against evidence of confirmed orders placed, and accepted by an Australian manufacturer. This is a recent innovation, and a list of the eligible products was published in the November 1979 Import Licensing Bulletin. This policy is subject to ongoing review, and amendments are published in Import Licensing Bulletin: July, September, October, November, December 1980.

Details of NAFTA licence-on-demand item are also found in the Import Licensing Policy Schedule 1981-82 (pages 163 to 175). For additions to the NAFTA licence-on-demand list, refer to May 1981 Import Licensing Bulletin (page 16).

The October 1980 Import Licensing Bulletin (pages 15 to 18) contains details of global licence-on-demand items, including GATT items subject to licence-on-demand procedures.

- (b) Yes, subject to a fourteen-day processing period. (There is usually no delay in the issue of licences on demand.)
 - (c) Importations are required to be made during the standard licensing period (i.e. 1 July-30 June).
 - (d) Yes.
8. (a) An application for a licence may be refused (other than failure to meet the ordinary criteria) where policy relating to the goods in question does not permit the issue of a licence, or additional licence.
- (b) Reasons for refusal are always given to applicants.
 - (c) There is provision for Right of Appeal in the Import Control Regulations 1973 under Section 16. (Reconsideration for an appeal to be made to the Minister of Trade and Industry where there is dissatisfaction as to the grant, refusal revocation, withdrawal or modifications of a licence or permit.) If the application has been refused, the applicant may appeal to the Department of Trade and Industry, Head Office. If the applicant is still not satisfied he may appeal to the Minister of Trade and Industry. The decision of the Minister upon reconsideration shall be final.
9. (a) Yes, any New Zealand domiciled firm, person, or organization may apply.
- (b) Yes. (There is no system of registration. Therefore, balance of paragraph does not apply.)
10. (a) See information section of 1981-82 Import Licensing Schedule - sub-section headed "Supporting Information".
- (b) Sample form.¹
 - (c) Documents required. As in (a) above. See also sub-section headed "Applications for Basic Licences Based on Previous Imports" in information section of Import Licensing Schedule.

¹A sample form of "Application For a Licence to Import goods" is available for reference in the secretariat.

11. In so far as import licensing is concerned, only the actual licence.
12. There is no licensing fee or administrative charge.
13. There is no deposit or advance payment requirement associated with the issue of licences.

Conditions of licensing

14. (a) The normal period of validity of a licence is from 1 July-30 June the following year. However, in certain circumstances, licences may be issued for any period up to twelve months outside of the usual June year licensing period.
 - (b) A licence is valid only for goods imported during the period for which it was issued, unless otherwise endorsed.
 - (c) Licences can be extended on application. In certain special circumstances, the validity of a licence may be extended to the following period. For example, the uncertainty of some shipping movements can present a problem towards the end of the licensing period, i.e. vessels scheduled to arrive on or before 30 June may be delayed for a number of reasons. Each year, the Department of Trade and Industry publishes a list (in circular memo form and in the Import Licensing Bulletin) of those vessels which are regarded as "qualifying" for the particular licensing period even though they may subsequently be delayed and arrive after 1 July. A list of "non-qualifying" vessels is published concurrently. Where a "qualifying" vessel arrives after 30 June the validity of the current licence would be extended to allow the importation concerned.
15. The Government does not as a general principle penalize an importer if he does not use his basic licence in a particular period.
 16. Licences are not transferable between importers. (There is some provision for transfer from one item code to another.)
 17. (a) See sample form of import licensing application for printed conditions.

In addition, other conditions may be typed on the licence, viz. agricultural requirements, health requirements, or certain conditions relating to the goods themselves. Where a licence is issued to an importer to import goods for supply to a particular client such a note may appear on the licence. (Sample form of licence - Schedule E attached.)¹

- (b) Same as (a).

¹ A sample form of "Licence to Import Goods" is available for reference in the secretariat.

18. The granting or issue of a Licence or permit under Import Control Regulations 1973 does not absolve any person from compliance with any other provision of law relating to the importation of goods, e.g. Stock Act, Food and Drugs Act, Arms Act, etc.

19. (a) Only if goods to be imported are exempt goods.

(b) Yes, except for exempt goods.

(c) Yes.

(d) Trading banks have copies of the Import Licensing Schedule and importers must satisfy their trading bank as to whether the goods they wish to import are exempt from licensing or subject to the requirements of a licence. In the latter case, the trading bank requires to sight the licence.

