

GENERAL AGREEMENT ON
TARIFFS AND TRADE

Multilateral Trade Negotiations

Original: English

Group "Non-Tariff Measures"

Sub-Group "Quantitative Restrictions"

LICENSING TO ADMINISTER IMPORT RESTRICTIONS

Proposal by the United States

1. In some cases import licensing systems employed to administer quotas and other import restrictions may have additional restrictive effects. Accordingly, the following provisions shall apply to such systems without prejudice to the rights and obligations of the General Agreement.
2. Import licensing systems shall not prohibit imports from certain sources or discriminate between sources of imports.
3. The foreign exchange necessary to pay for imports subject to licensing shall be made available to licence holders on the same basis as to importers of goods not requiring licences.

Information and publication

4. All information concerning procedures for filing licence applications shall be published by the government issuing the licence, as far in advance as possible of opening dates for submission of licence application.
5. Governments issuing licences shall, upon request, provide all relevant information concerning the administration of import restrictions, the licences granted over a recent period, distribution of licences among supplying countries, the distribution of licences among customs union or free-trade area members and, wherever agreed to by importing enterprises, the names of those enterprises.
6. Governments issuing licences to administer quotas shall publish the overall amount of quotas by quantity or value, opening and closing dates of quotas, where applicable, quota allocations by country, and revisions affecting the goods imported during the quota period.

Licence applications and distribution of licences

7. Any person, firm or institution shall, to the extent possible, be equally eligible to apply and be considered for a licence. If the licence application is refused, the applicant shall, on request, be given the reasons for such refusal, and shall have the right of appeal.
8. Application forms shall be as simple as possible. No document shall be required on application other than a pro forma invoice, or where strictly indispensable, other documents necessary to determine the nature and composition of the product.
9. Application and extension procedures shall be as simple as possible. Applicants shall have to approach only one administrative organ for a licence, and shall be allowed a reasonable period to submit applications. The processing period shall be as short as possible, and applications with easily rectifiable errors shall not be refused.
10. Priority shall be given to licence applications for replacement parts to ensure the timely delivery of parts essential to the functioning of previously imported equipment.
11. The period of licence validity shall allow suppliers to receive, process, ship and receive payment for imports, and shall not preclude imports from distant sources, except in special cases where imports are necessary to meet unforeseen short-term requirements.
12. Governments issuing licences shall take all possible steps to encourage the full use of quotas, taking into account inter alia whether or not licence holders have used licences issued in previous periods, and shall ensure that licences will be issued and importation can be effected within the prescribed period.
13. Import licences shall not be restricted to such small quantities as to make imports uneconomic and shall not be distributed to an unduly small number of importers. There shall also be a reasonable distribution of licences to new importers, taking into account the desirability of issuing licences for goods in economic quantities.
14. Licence holders shall be free to choose import sources when the government issuing the licence does not allocate quotas among supplying countries. However, where quotas are allocated among supplying countries, those countries shall be clearly stipulated on the licence.

Import formalities

15. No information or documents other than those necessary for normal customs clearance shall be required to accompany licensed imports.

16. Imports subject to both import and export licences shall, wherever practicable, be allowed on the basis of licences issued by the exporting country, or in accordance with procedures worked out between exporting and importing countries. However, in cases where the importing country requires an import licence for certain purposes, the import licence shall, upon request, be issued within the limit of the import restriction.

17. Licensed imports shall not be refused for minor variations in value, quantity or weight from the amount designated on the licence due to differences occurring during shipment, differences incidental to bulk loading and other minor differences consistent with normal commercial practice.