

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

MTN/NTM/W/111
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Special Distribution

Multilateral Trade Negotiations

Group "Non-Tariff Measures"

Sub-Group "Quantitative Restrictions"

IMPORT LICENSING PROCEDURES

Note by the Secretariat

1. At its July 1977 meeting the Sub-Group "Quantitative Restrictions" requested the secretariat to examine, in consultation with delegations, the feasibility of drawing up a draft text on Automatic Licensing along the same lines as the draft text on Licensing to Administer Import Restrictions contained in MTN/NTM/W/103 (MTN/NTM/34 paragraph 11).
2. According to the Sub-Group's guidelines the secretariat has used the CTIP text as basic document drawing on alternative proposals where the wording was clear and reflecting different views on issues by presenting them in brackets.
3. The note has been prepared in consultation with delegations but on the secretariat's responsibility and is intended to facilitate further consideration by the Sub-Group of the subject matter. Neither its content nor the way in which the text has been presented commit any delegation.

Automatic Import Licensing

1. Automatic import licensing is defined as a requirement to submit to the relevant authority prior to clearance of the products an application to import products, the approval of which and the necessary foreign exchange is automatically granted. Such licensing may not be used to administer import restrictions [such as those employed pursuant to the relevant provisions of, inter alia, Articles XI, XII, XVII, XVIII, XIX, XX and XXI of the General Agreement]. The term automatic licensing covers technical visa requirements, surveillance systems, exchange formalities related to imports, and other administrative reviews of an equivalent kind effected as a prior condition for entry of imports.

2. [No automatic licensing shall be required for the importation of goods after ... However, during the interim period] automatic licensing systems, where required, [in special cases justified by the need to carry out certain administrative controls which could not be made in a more appropriate way] shall not be administered in a manner so as to have trade restricting effect [and shall be removed as soon as the circumstances which gave rise to their introduction no longer prevail.] Such systems shall [be governed by the provisions of the General Agreement, in particular Article VIII and] be subject to the following provisions:

3. The rules governing presentation of application for automatic licences and the lists of products subject to automatic licensing shall be promptly published [with a specific indication as to the purpose and character of the system] [and] in such a manner as to enable [governments and] traders to become acquainted with them. Any changes in either the rules governing automatic licensing or the list of products subject to automatic licensing shall also be promptly published in the same manner.

4. Automatic licensing system shall not be designed nor operated in such a manner as to discriminate between sources of imports.
5. All persons, firms and institutions which fulfil the legal requirements of each country for engaging in import operations involving products subject to automatic licensing shall be equally eligible to apply for and to obtain licences.
6. Application forms shall be as simple as possible. No document shall be required on application other than a pro forma invoice those required for normal customs purposes or, where strictly indispensable, other documents necessary to determine the value, quantity nature and composition of the product.
7. No application shall be refused for minor errors in documentation easily rectifiable.
8. The applicant for a licence shall have to approach only one administrative competent organ previously specified in the applicable rules referred to in paragraph 3 above. If in exceptional cases some other organs are to be approached then their number should be limited as far as possible.
9. Applications for licences may be submitted at any time but before the date of no later than seven days after the placement of a firm order and in no event later than the date of shipment of any of the goods involved.
10. Applications for licences when submitted in appropriate and complete form shall be granted to the extent administratively feasible immediately on receipt or within the shortest possible delay of time.
11. Each contracting party shall, upon request, afford sympathetic consideration to and afford opportunity for prompt consultation with regard to any matter related to automatic import licensing. If no satisfactory solution of the matter has been reached within the sixty days, the matter may be brought before the CONTRACTING PARTIES.