

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

MTN/NTM/W/170

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Special Distribution

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Multilateral Trade Negotiations

Original: Spanish

Group "Non-Tariff Measures"

Sub-Group "Quantitative Restrictions"

## IMPORT LICENSING PROCEDURES

### Mexico

The following proposal relating to non-automatic import licensing is circulated at the request of the delegation of Mexico.

PROPOSAL BY MEXICO CONCERNING  
A NON-AUTOMATIC LICENSING CODE

PREAMBLE

CONSIDERING the desirability of simplifying and harmonizing the various procedures and administrative practices used in international trade for the processing of import licence applications, in order to diminish the restrictive effects of such measures;

TAKING into account that for the objective of expansion of, and restoration of an orderly situation in, world trade, the active participation of countries members and not members of the General Agreement on Tariffs and Trade (GATT) is essential;

HAVING regard to the recommendations contained in Part IV of the General Agreement, recognized in the Tokyo Declaration and adopted in Resolution 96(IV) of the United Nations Conference on Trade and Development (UNCTAD), for differential treatment to be granted by developed countries in favour of developing countries;

The adherents hereby agree the following:

SYSTEMS TO ADMINISTER

NON-AUTOMATIC IMPORT LICENSING

1. For the purpose of this code, systems to administer non-automatic licensing are defined as administrative procedures for the processing of import licence applications filed with the competent authority for a decision thereon, and likewise measures and practices having effects equivalent to the said procedures. Within this context, taking into account the legitimate economic development aspirations of developing countries, the provisions set forth hereunder shall be applicable.
2. Developed countries shall gradually remove vis-à-vis developing countries, within a maximum period of ... from the date of entry into force of this code, the non-automatic import licensing requirement and likewise any measures and practices having effects equivalent to that requirement.
3. Developed countries which at the date of signing this code are applying non-automatic import licensing requirements and/or measures and practices having equivalent effects shall undertake during the transitional period referred to in paragraph 2 above not to impose such requirements in respect of products other than or additional to those already covered by the aforementioned requirements at the time of their adherence to this code.

4. Developed countries which at the date of signing this code are not applying the requirement of non-automatic import licensing nor other measures or practices having equivalent effects shall undertake not to establish any of those provisions in respect of developing countries.

5. This paragraph supports the idea expressed in paragraph 3 of document MTN/NTM/W/127.

6. Any government applying non-automatic import licensing and/or measures and practices having equivalent effects shall publish all relevant information concerning procedures for filing the corresponding applications or forms<sup>1</sup> and likewise the conditions to be fulfilled for this purpose by persons, firms or institutions wishing to file them. Any amendment to the procedures under reference shall likewise be published without delay. Similarly, the procedures for filing licence applications or forms shall be notified each year to .... Each country shall likewise notify the said organ without delay of the introduction or removal of the licensing requirement or of other measures and practices having equivalent effects in respect of the product or products concerned.

7. Governments applying non-automatic import licensing and/or measures and practices having equivalent effects shall provide, upon request by any adherent to this code, statistics of the quantity, value and source of imports and likewise the names of importing firms and, where applicable, the distribution of licences among the members of customs unions, free-trade areas and common markets.

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<sup>1</sup>"Forms" are the documents that must be filled in to initiate the formalities for obtaining a licence.

8. Governments applying non-automatic import licensing to administer quotas shall publish the overall amount of the quotas by quantity and/or value and the opening and closing dates thereof. Where quotas are established on a country basis, governments shall publish the amount allocated by country and any revisions affecting the goods imported during the quota period, in accordance with the provisions of paragraph 14.
9. Any person, firm or institution which fulfils the legal requirements of the importing country shall be equally eligible to file a licence application for decision or the corresponding document for the operation of other measures and practices having equivalent effects. If the import is refused, the applicant shall be given the reasons for such refusal and shall have a right of appeal.
10. Application forms and documents necessary for initiating the operation of other measures and practices having equivalent effects shall be as simple as possible. Together with those documents, a pro forma invoice or, where indispensable, other documents necessary to determine the value, quantity, nature and composition of the product, may be required.
11. Procedures for the processing of application forms and other documents referred to in paragraph 10 above, and those for the renewal or extension of licences granted, shall be as simple as possible. Applicants shall have to approach only one competent organ. In the case of countries whose legislation and/or domestic practices already require the filing of the said forms and other documents with more than one department, they shall harmonize their procedures in such a manner that applicants have to approach only one competent organ which shall be determined in the relevant rules referred to in paragraph 6 above. Where necessary,

applicants shall be allowed a reasonable period to file applications so that they may meet the time-limits set by the competent authority for covering import requirements.

12. The period for processing of applications and forms shall be as short as possible, and any containing errors that do not alter the basic data therein shall not be refused for processing and decision. No adherent shall impose substantial penalties or refuse an application or form because of minor and easily rectifiable errors in the documentation annexed thereto. In particular, no penalty applied because of any omission or error in the documentation which obviously occurred without fraudulent intent or grave negligence shall be more severe than necessary to serve as a warning.

13. The validity of licences and of documents issued for the purposes of operation of other measures and practices having equivalent effects, and likewise any extensions thereof, shall be of reasonable duration and, taking into account transport and communications difficulties, shall in no case preclude imports from distant sources, except in special cases where imports are necessary to meet, in the short term, requirements that are unforeseen or subject to quota.

14. When administering quotas, the authorities of the importing country shall take all possible steps in order that licences and the documents relevant to the operation of other measures and practices having equivalent effects may be issued, that importation may be effected within the period prescribed for this purpose, and in order to facilitate the full utilization of the quotas. The foregoing shall be applicable for developing countries

wherever the conditions under which the quotas under reference were established remain in existence.

15. In the examination for deciding on licence applications and the documents necessary for initiating the operation of other measures and practices having equivalent effects, governments may take into account inter alia whether import licences issued to the applicant in previous periods have been taken up or not, for which purpose they may require the production of the appropriate evidence.

16. In the case of the administration of quotas, these shall not be allocated to a small number of importers, except in the case of developing countries that may wish to keep socio-economic objectives in view in allocating quotas.

17. In the allocation of quotas, a reasonable share shall be reserved to new importers, taking into account the rights of traditional importers. In complying with the provisions of paragraph 2 above, developed countries shall reserve a substantial quota share to new importers, in the case of products originating in developing countries; in addition, these countries shall increase the share of imports originating in developing countries, by authorizing larger imports under the quotas for traditional importers.

18. In the case of quotas allocated among supplying countries, the licence and likewise the documents issued for the purposes of operation of other measures and practices having equivalent effects, shall clearly stipulate the country or countries from which imports must be made.

19. Mexico requests clarification of paragraph 18 of document MTN/NTM/W/127.

20. Mexico requests clarification of paragraph 19 of document MIN/NIM/W/127.

21. Mexico requests further details in paragraph 20 of document MIN/NIM/W/127, since under Mexican legislation the permitted variations are: a maximum of 10 per cent on the value authorized and a maximum of 2 per cent on the weight authorized.