

MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND

RESTRICTED

MTN.GNG/NG8/W/20

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Special Distribution

Group of Negotiations on Goods (GATT)
Negotiating Group on MTN
Agreements and Arrangements

AGREEMENT ON IMPORT LICENSING PROCEDURES

Issues proposed for Negotiation

Background Note by the Secretariat

The United States (NG8/W/16) and the European Communities (NG8/W/17) have raised a number of issues for negotiation in the Negotiating Group. The following paragraphs relate to work undertaken on these issues in the Committee on Import Licensing.

(a) Clarity of the language of the Agreement

Aspects of this point have been addressed in the work programme established by the Committee in October 1984, following the 1983 biennial review of the Agreement, with a view to "simplification" of some of the provisions of the Agreement. LIC/12 contains recommendations, adopted by the Committee in May 1987, on the following points:

Recommendation

Language referred to

- | | |
|---|--|
| (i) <u>Ad</u> Articles 1.4 and 3(e)
<u>Ad</u> Article 3(d) | "shall be published promptly",
"shall promptly inform ... and
shall give public notice thereof" |
| <u>Ad</u> Article 3(e) | "shall be published as far in
advance as possible of such date,
or immediately after the
announcement..." |
| (ii) <u>Ad</u> Article 1.4 and
Article 3(c) | "shall publish", "in such a manner
as to enable governments and
traders to become acquainted with
them" |
| (iii) <u>Ad</u> Article 1.6 | "and shall be allowed a reasonable
period therefor" |
| (iv) <u>Ad</u> Article 3(g) | "shall be as short as possible" |
| (v) <u>Ad</u> Article 1.6 | "these shall be kept to the
minimum number possible". |

(b) "Clarification of Article 1.1 of the Agreement" (US) or
"Definition" (EC)

The EC introduced a preliminary proposal on this question in June 1985. The aim was to define what constitute licensing procedures in terms of the Agreement. Two approaches were suggested: (i) to draw up a positive illustrative list of procedures which could be considered as import licensing; (ii) to evolve criteria to distinguish between pure customs clearance procedures which are not covered by the Agreement and other procedures involving some licensing elements, which should be covered. It was subsequently suggested by the EC that an illustrative list of such procedures for automatic licences might be drawn up, while a descriptive definition might be agreed upon in the case of non-automatic licences.

This question continues to be under discussion.

(c) Use of discretionary licensing

This subject has not previously been raised as a general issue, although questions have been put to individual parties to the Agreement from time to time on discretionary aspects of their licensing systems.

(d) Export licensing

Again, this question has not previously been raised in the context of the Agreement.