

BRAZIL'S NON-AUTOMATIC IMPORT LICENSING PROCEDURES

Replies by BRAZIL to Mexico

The following communication, dated 8 January 2010, is being circulated at the request of the delegation of Brazil.

**Questions from Mexico to Brazil Regarding Brazil's
Import Licensing Requirements for Motor Vehicles**

1. Could Brazil explain the procedures followed when considering applications for non-automatic import licences for motor vehicles?

REPLY: The general import licensing procedures followed by Brazil are set forth in Chapter I of Ministerial Act No. 25/2008 of the Foreign Trade Secretariat (SECEX), which can be consulted on the Ministry of Development, Industry and International Commerce website (www.desenvolvimento.gov.br).

The Brazilian Institute of the Environment and Renewable Natural Resources (IBAMA) is responsible for motor vehicle imports. Under Federal Law No. 8723/93, imported motor vehicles must comply with the same air pollution control requirements as domestically produced motor vehicles, in accordance with the procedures set out in National Council for the Environment (CONAMA) Resolutions Nos. 18/86 and 315/2002 (which can be consulted on the Ministry of the Environment website at www.mma.gov.br), IBAMA Ministerial Act No. 167/1997 and IBAMA Normative Instruction No. 17/2002.

In order to be imported into Brazil for marketing, motor vehicles must comply with the motor vehicle air pollution control programme (PROCONVE) requirements and obtain in advance either a licence for the use of a vehicle or engine configuration (LVCM) or a licence for the use of a moped, motorcycle or other similar configuration (LCM).

2. According to Brazil's notifications to the Committee on Import Licensing, non-automatic import licences are required for "products which may cause damage to human, plant or animal health; products capable of causing environmental damage; products classified as weapons or made for warlike purpose; products subject to non-tariff quotas; and products subject to tariff quotas". Into which of the above categories do new motor vehicles fall and what is the reason for placing them in this category?

REPLY: The non-automatic import licensing procedure is related to the government's motor vehicle air pollution control programme. In this respect, the key element would be the pollution potential associated with motor vehicles and the potential effects on human health and the environment.

3. Our exporters have told us that, when submitting to the authorities the non-automatic import licence for new automobiles already authorized, if the slightest amendment has to be made in respect of the number of vehicles in the corresponding shipment, the authorities require a new application to be made without taking into account the fact that the vehicles are already at the port. Can Brazil indicate what specific criteria are used to reject amendments to the import licence when these are solely for the purpose of making insignificant changes to it, for example, some variation in quantity as provided in Article 1 of the Agreement, and request the exporter to commence a new procedure in order to obtain another import licence, even though it is for the same product.

REPLY: Where discrepancies are detected between the terms of a licence and the status of the goods upon customs clearance in Brazil, the authorities request that the licence granted be rectified. Article 21 of SECEX Ministerial Act No. 25/2008 states that "the enterprise may request that a licence be modified, prior to the release of the goods and irrespective of the established arrangements, by means of the replacement, in the SISCOMEX system, of the licence previously granted". In such cases, the replacement licence will be subject to further review by the competent body, although the validity of the original licence will not be affected. Replacement licences for transactions which do not correspond to those of the original licences will not be accepted. This procedure is generally more flexible than that for obtaining the original licence.
