

BRAZIL'S IMPORT LICENSING REQUIREMENTS FOR TOYS

Questions from the UNITED STATES to BRAZIL

The following communication, dated 10 October 2008, is being circulated at the request of the delegation of the United States.

**Questions from the United States to Brazil regarding
Brazil's Import Licensing Requirements for Toys**

1. Our exporters have informed us that Brazil maintains a non-automatic import license system for imports of toys. It appears that this license requirement was implemented towards the end of 2005, shortly before Brazil's safeguard mechanism for toys was set to expire.

- Has Brazil notified this non-automatic import license requirement concerning toys to the WTO Committee?
- What provisions of Brazil's law establish and implement this requirement?

2. In its recent questionnaire response, submitted October 2007, Brazil indicated that non-automatic import licenses 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."

- Do all toys fall under one of these categories? If so, which?
- If not, what is the reason for the import license requirement?

3. The United States has been advised by our exporters that Brazil relies upon an unofficial reference price system to determine whether to issue an import license for toys. While these reference prices are apparently widely known in the industry, it does not appear that they have ever been published by the Government of Brazil.

- Brazil's most recent notification to the Committee does not include customs valuation as an authorized purpose for the application of import licensing requirements. Does Brazil use such a system to allocate import licenses?
- What specific criteria does Brazil use for approving or denying import license applications for shipments of toys?

- Are import license applications for toys not approved by Brazil in cases where the invoice value of the import falls below a reference price?

4. We note that in its most recent Questionnaire on Import Licensing Procedures (G/LIC/N/3/BRA/6), Brazil stated that the processing time for applications is in accordance with Articles 2 and 3 of the Agreement. However, our exporters continue to experience long processing delays, with several cases regularly experiencing delays in excess of 90 days.

- Please provide the maximum length of time for processing of an application for a license for the importation of toys.
- What is the amount of time it normally takes to process an application for a license to import toys?

5. Also of concern are the reports that we have received from our exporters, who state that in cases where the application has been pending a decision for more than 90 days, Brazil has simply cancelled the application and has not provided a determination.

- Under what circumstances would Brazil cancel an application without providing a determination?
- When an application is cancelled, does Brazil provide the importer with an explanation for why it was cancelled?

6. We ask that Brazil please notify the Committee of the full scope of its import licensing regime as outlined in Articles 5, 7 and 8 of the WTO Agreement on Import Licensing Procedures, including all import approvals administered by Ministries that meet the definition of an import license in Article 1. The limited notifications provided by Brazil to date to lack necessary information regarding certain products of interest, including toys.
