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Committee on Import Licensing

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REPLIES FROM BRAZIL TO THE EUROPEAN UNION

The following communication, dated 17 July 2017, is being circulated at the request of the delegation of Brazil.

Following Brazil's request, the EU would like to submit in writing the questions raised during the last meeting of the Import Licensing Committee.

1. Reference is done to the notifications submitted by Brazil and circulated as document G/LIC/N/1/BRA/7+ G/LIC/N/1/BRA/7/corr.1 (in accordance to Art. 1.4 and 8.2 of the ILA) and as document G/LIC/N/2/BRA/7 (in accordance to Art. 5 of the ILA).

In the EU's understanding, the notifications submitted by Brazil do not refer to a specific product or to any specific changes in the import licensing procedures of one or more products. The notifications rather refer to the general import procedures system in place. Therefore:

- Could Brazil clarify how to read those notifications?
- Could Brazil clarify what are the new import licensing schemes and/or the amendments to existing import licensing procedures that have been notified?

Answer:

The Brazilian notification presents a general overview of import licensing in Brazil and it indicates, whenever necessary, the specific legislation of every agency involved. The website indicated in the notification (<http://www.mdic.gov.br/index.php/comercio-exterior/importacao/tratamento-administrativo-de-importacao>) displays the lists of products subject to administrative procedures. We are taking into consideration the Secretariat remarks and Members questions to analyse different models to present the data, so we can make the system even more transparent.

2. Reference is done to the annual notification submitted by Brazil in accordance with Art. 7.3 of the ILA and circulated as document G/LIC/N/3/BRA/11.

In the EU's view, this notification does not comply with the requirements set in the questionnaire and contained in document G/LIC/3 (annex).

According to the current notification's rules, the annual notification should give a brief presentation of *each system* as a whole and, with respect to each import procedure system, Members should reply to the questions as relevant.

Brazil has limited itself to refer to its SISCOMEX without presenting a detailed description of the import procedures for each product. Furthermore, it seems that the SISCOMEX online procedures are not yet fully operational (see reply to point 6.d).

Therefore, the EU would like to receive the following clarifications:

- Could Brazil provide a complete description of the procedures in place, for each single product subject to import licensing requirements?

Answer:

The general proceedings are included in the "Portaria SECEX nº 23/2011", which can be downloaded at <http://portal.siscomex.gov.br/legislacao/biblioteca-de-arquivos/secex/portaria-no-23-de-14-de-julho-de-2011>. In order to obtain specific proceedings by each product, it is also important to consult the legislation of the concerning agency. All ordinances related to foreign trade can be downloaded at <http://portal.siscomex.gov.br/legislacao>.

- Could Brazil provide the list of tariff lines clearly indicating whether an automatic or a non-automatic import license procedure is applicable?

Answer:

The complete lists of tariff lines requiring automatic or non-automatic licences can be downloaded at <http://www.mdic.gov.br/index.php/comercio-exterior/importacao/tratamento-administrativo-de-importacao>

- According to the information available, it seems that an import licence would be necessary for the importation of the products corresponding to more than 5,000 tariff lines. In this respect:

- Could Brazil clarify whether this information is correct?

Answer:

The information is correct. There are more than five thousand products requiring import licensing, as informed in the Brazilian Trade Policy Review.

- Could Brazil clarify the reasons for such extensive use of import licenses?

Answer:

With the expressive evolution of Brazilian foreign trade in recent decades, the governmental entities needed different controls in order to enforce important public policies in areas such as human health, food safety, environment, public safety and consumers` rights. This broad use of import licensing is partially due to the lack of proper systems and tools so each agency concerned could be properly informed of the necessary data on each import process. To resolve these occurrences, the Brazilian government is revising the procedures and building one system to meet the needs of all agencies related to the foreign trade. The Brazilian Single Window is being gradually implemented and will integrate new tools and all systems of the agencies concerned.

- Could Brazil explain how this could be justified taking also into account that in its annual notification Brazil declares that, *as a rule*, the Brazilian import regime does not require licensing?

Answer:

Yes, as a rule, the Brazilian import regime does not require licensing, as stated in the "Portaria SECEX nº 23/2011". Nevertheless, there are cases in which governmental entities require specific information, so they were grouped in the lists mentioned in the website <http://www.mdic.gov.br/index.php/comercio-exterior/importacao/tratamento-administrativo-de-importacao>.

- Could Brazil clarify when the new SISCOMEX single window will be fully operational as regards import licenses?

Answer:

The new import proceeding in the Brazilian Single Window will be fully operational by the end of 2018.

Additionally, as the products are not clearly defined, the EU would reiterate its concerns on the procedures in place for the importation of nitrocellulose and would like to ask Brazil further clarifications.

In particular, the EU notes that Brazil's notification includes the reference to the ministry of industry where a table is provided for import procedures (<http://www.mdic.gov.br/comercio-exterior/importacao/tratamento-administrativo-de-importacao>). According to that table, it seems that the importation of nitrocellulose is subject to an automatic import licence.

- Could Brazil clarify whether the importation of products under NCM 3912.20 (nitratos de cellulose/ nitrocellulose) are subject to automatic import licences, as stated in the notification, or to non-automatic import licenses, as declared during the meeting?

Answer:

The correct information was delivered during the meeting (non-automatic import licences). The actual table which reflects the Brazilian proceeding regarding nitrocellulose can be downloaded at "www.mdic.gov.br/index.php/comercio-exterior/importacao/tratamento-administrativo-de-importacao".

- In case non-automatic import licenses are required, does Brazil envisage amending its notification? Could Brazil submit detailed information on the procedures for the importation of these products?

Answer:

The Brazilian government is engaged in amending the notification. We have studies in advanced stages to update both this document and the notification of quantitative restrictions (G/MA/QR/N/BRA/1).
