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Committee on Import Licensing

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IMPORT LICENSING SYSTEM OF BRAZIL

REPLIES FROM BRAZIL TO QUESTIONS FROM THE EUROPEAN UNION

The following communication, dated 16 April 2018, is being circulated at the request of the delegation of Brazil.

EU question No 1: Could Brazil submit additional information on the tasks of the inter-ministerial Technical Group on Import Licenses, notably about the participants and its scope? Could also Brazil clarify the expected timeline of the review? What sectors will the review cover?

Reply from Brazil: The Brazilian Working Group on Import and Export Licensing was established within the scope of the National Committee on Trade Facilitation ("CONFAC") under the auspices of the Brazilian Foreign Trade Council (CAMEX). The main objective of the Working Group is to "reduce the number of products that need import or export licensing" in Brazil. CAMEX and the Foreign Trade Secretariat of the Ministry of Industry, Foreign Trade and Services (SECEX) are the coordinators of this working group and the participants are all the 15 public entities that require import licensing (ANCINE - Agência Nacional do Cinema; ANEEL - Agência Nacional de Energia Elétrica; ANP - Agência Nacional de Petróleo; ANVISA - Agência Nacional de Vigilância Sanitária; CNEN - Comissão Nacional de Energia Nuclear; DECEX - Departamento de Operações de Comércio Exterior; DFPC - Exército Brasileiro / Diretoria de Fiscalização de Produtos Controlados; DNPM - Departamento Nacional de Produção Mineral; DPF - Departamento de Polícia Federal, ECT - Empresa Brasileira de Correios e Telégrafos; IBAMA - Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis; INMETRO - Instituto Nacional de Metrologia, Normalização e Qualidade Industrial; MAPA - Ministério da Agricultura, Pecuária e Abastecimento; MCT - Ministério da Ciência e Tecnologia; and SUFRAMA - Superintendência da Zona Franca de Manaus); as well as all the 11 public entities that require export licensing (ANEEL - Agência Nacional de Energia Elétrica; ANP - Agência Nacional de Petróleo; ANVISA - Agência Nacional de Vigilância Sanitária; CNEN - Comissão Nacional de Energia Nuclear; DECEX - Departamento de Operações de Comércio Exterior; DFPC - Exército Brasileiro / Diretoria de Fiscalização de Produtos Controlados; DNPM - Departamento Nacional de Produção Mineral; DPF - Departamento de Polícia Federal; IBAMA - Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis; MCTI - Ministério da Ciência e Tecnologia e Inovação; MIN. DEFESA - Ministério da Defesa).

There are several steps and deadlines for the activities developed by this Working Group. Details are available at: www.camex.gov.br/images/PDF/Negociacoes/Plano-de-Trabalho-CONFAC.pdf

EU question No 2: Could Brazil confirm that the Technical Group is in charge of the review of the import procedures applied to nitrocellulose?

Reply from Brazil: All of the items that require export or import licensing are under the scope of this Working Group. The actual decision to revise a given procedure, however, falls within the responsibility of the governmental entity that requires the license. In the case of nitrocellulose, its import, export and domestic trade are regulated by the Brazilian Army ("Diretoria de Fiscalização de Produtos Controlados, DFPC", or Direction for the Enforcement of Controlled Goods). And indeed, among the regulations under revision by the Brazilian Army is Decree 3.665, of 20

November 2000, which currently regulates the importation of several sensitive products, including nitrocellulose.

EU question No 3: Could Brazil present in details with reference to the procedures to be followed for the importation of nitrocellulose?

Reply from Brazil: The Brazilian Government considers that a tight control and monitoring of nitrocellulose trade is necessary, in light of the explosive characteristics of these products. As previously informed, administrative procedures for the importation of nitrocellulose can be accessed at "<http://www.mdic.gov.br/index.php/comercio-exterior/importacao/tratamento-administrativo-de-importacao>". Those procedures include registration by the Army, as provided for under Portaria 56/2017; abide by the provisions of Portaria 9/2004 of the Army's Logistics Department, which regulates Import Licensing of products subject to control by the Army; and filing an International Certificate of Importation to the Brazilian Army's DFPC, according to Decree 3.665 of 20 November 2000. The latter is currently being revised, under the above mentioned whole-of-government effort to streamline import and export licenses.

As in other non-automatic import licenses, it falls under the authority of corresponding authority to issue the license or not. In the case of Nitrocellulose, DFPC considers each request on a case-by-case base and is authorized to issue import licenses after considering, among others, national security and public safety aspects.

EU question No 4: Could Brazil clarify what it is meant with "national security interests"?

Reply from Brazil: In light of its explosive characteristics, security concerns related to Nitrocellulose (391220) are multifold. Nitrocellulose is part of the production chain of defense products such as rockets and grenades, and the security concerns involved in its trade range from the risks of accidents throughout the products' life cycle, to the threat of deliberate misuse by terrorists and regular criminals, as sadly illustrated by recent events. Some of such events are public and were documented and reported by the international press, other of restricted nature.

EU question No 5: Could Brazil clarify why the nitrocellulose for industrial use originating in Uruguay can be imported?

Reply from Brazil: There are no provisions entailing different treatment for the importation of Nitrocellulose (39.12.20) originating from Uruguay.

EU question No 6: Is it due to a specific bilateral agreement between Brazil and Uruguay? Could Brazil submit the legal basis?

Reply from Brazil: There are no provisions entailing different treatment for the importation of Nitrocellulose (39.12.20) originating from Uruguay.

EU question No 7: Could Brazil clarify why the nitrocellulose for industrial use originating in Uruguay is different from the EU products?

Reply from Brazil: There are no provisions entailing different treatment for the importation of Nitrocellulose (39.12.20) originating from Uruguay.
