The Contracting Parties, in deciding at their Sixth Session to give governments time for a thorough examination of the above question, invited them to comment on the drafts, which were circulated in GATT/CP.6/36, in order that the texts could be given definite form at the Seventh Session. Comments have been received to date from the following:

- Belgium and Luxembourg
- Finland
- Greece
- Haiti
- Norway
- Southern Rhodesia

and from the International Chamber of Commerce, and are attached hereto.

It is hoped that other governments which wish to submit comments will do so before the end of August in order that they may be translated and distributed promptly for final consideration at the Seventh Session.
In the report members of the Working Party explain that they preferred the formula "negligible value" rather than the expression "no saleable value". This formula is rather vague and may give rise to abuses.

In the concept which was discarded, the introduction of the word "saleable" offers the advantage that it could prohibit the possible sale of any sample imported duty free. It would therefore seem desirable to substitute the words "negligible saleable value" or "no important saleable value" for the words "negligible value".

Such a definition would afford additional guarantees in cases where samples could not be made useless by tearing or perforation, as provided for in paragraph 2 of Article II.

Furthermore, it should be noted that the present wording of the article may create some confusion because it does not indicate whether the value to be taken into account is the value of all the samples constituting one aggregate shipment or the value of each individual sample. It would not be logical to leave it open to each contracting party to interpret this essential point. It would be better to have an article that implied a restricted but clear-cut and formal commitment rather than a vague provision involving no precise obligation. It is believed that the convention should provide at least for the exemption from customs duties in the case of any aggregate shipment when each quality or category of product is represented only by one sample of negligible value.

To that end, Article II para. 1 could be supplemented as follows:

"Exemption shall always be granted for an aggregate shipment of samples when each category or quality of product is represented only by one sample of negligible value."

The system now existing in the Belgian Congo and Ruanda Urundi is as follows:

Under Article 131 of the Governor-General's Order of 6 January 1950 enacted by virtue of the decree of 29 January 1949 relating to the customs system of the Belgian Congo and Ruanda Urundi, a sample is defined as follows:

"Any small quantity of an object or product destined exclusively for the purpose of making it known and which cannot be used for any other purpose."
Samples are taxed under the tariff items under which the goods they represent are classified.

They can be exempted from import duties in the following cases and circumstances:

a) Samples of piece goods, when imported in such small pieces that they cannot be used except as specimens or samples. In other cases, for instance in the case of whole pieces or complete articles such as shawls, handkerchiefs, etc., samples can be entitled to duty-free admission only after they have been cut or perforated so as to deprive them of any saleable value.

Any sample of piece goods of 30 centimeters in length, over the whole width of the material, shall be subject to customs duties.

b) Samples of wines in bottles containing not more than 15 centiliters, provided the customs authorities have no doubt whatever as regards their final destination.

This requirement does not apply to distilled beverages or to wines of more than 15 degrees of alcoholic strength.

c) Samples of unmanufactured tobacco of less than 100 grams in net weight shipped through the post office.

d) Samples of manufactured tobacco, sent through the post office, of less than 10 grams in net weight shipped directly in single specimens to consignees.

e) Any quantity of any product shipped through the post office as ordinary correspondence (see Article 147) provided that the declared value is less than 20 Belgian Francs.

ad Annex to Article II

1. The principle of the insertion of a non-limitative list of examples

As regards the Annex to Article II the report of the Working Party does not conceal the fact that this was the object of lengthy discussions and that the unanimity could not be reached. The question arises whether it will be necessary to insert a list of samples of products entitled to duty-free admission. It seems that the answer is "yes", provided such a list is not limitative.

Theoretically, a definition should not be followed with a non-limitative enumeration of objects responding to such a definition.

However, it should be recognized that Article II is far from providing a precise definition of samples that should be entitled to exemption from
import duties. Hence, a non-limitative enumeration of examples would be of real practical value because:

i) it supplements, in fact, a vague theoretical definition by illustrating with concrete examples the views of the authors of the definition;

ii) it secures in a wide domain a uniform interpretation of the definition.

For this reason the retention of a list of examples is not without positive interest.

Perhaps it should be suggested that the list in question should be re-examined at a later stage in the light of experience gained and on the basis of any confusion or abuses which might have occurred.

2. The form of the list

In view of the fact that under the opening paragraph of the Annex importing countries can lay down limits, it would be preferable to delete the following closing words in paragraphs 1 and 11: "... and that the weight or volume of these products does not exceed the limits laid down by the importing country as compatible with the character of samples".

In its present wording in paragraphs 1 and 11 this phrase is of a mandatory character. In view of the great diversity of products which can be classified under the items listed in these paragraphs, it is practically impossible to lay down limits for each product whether in weight or volume; furthermore, the difference in the value of these products does not make it possible to lay down a uniform quantitative limitation.

Generally speaking, the Benelux countries have not laid down any limits whether in terms of weight, quantity or value, but exemption is granted to products imported as samples into Belgium when the amount of duties involved does not exceed 5 Belgian francs. A similar practice is followed in the Netherlands.

One could however accept the determination of a maximum volume as regards samples of wines and distilled beverages. In this respect, the figure of 15 centiliters could be suggested.

Lastly, it appears that, if the Annex to Article II were adopted, agricultural products should be added to foodstuffs in paragraph 1 relating to the goods enumerated.

ad Article III

The text of Article III makes it possible to deny temporary duty-free admission when the goods concerned are imported in such quantity or aggregate value that they can no longer be regarded as samples. In view of the fact that no indication is given as to the demarcation line beyond which such items
could no longer be regarded as samples, each contracting party is free to consider or not to consider as "samples" items imported for the purpose of soliciting orders.

Therefore the proposed definition does not give any guarantee as to entitlement to temporary exemption. For that reason, it would be preferable to provide that such treatment is applicable so long as only one item of the same category or quality is being imported. The following definition would cover this point much more adequately:

"1. For the purpose of this article, the term "samples" shall mean objects representative of a particular category of goods, provided:

a) that they are such that they can be duly identified on re-exportation;

b) that each category or quality of goods be represented by one object only;

c) that they have not been manufactured abroad on behalf of a manufacturer or trader established in the territory of importation."

In paragraph 2, the words "temporarily admitted ... free of import duties" do not render correctly the underlying idea. The following text is proposed:

"... be temporarily exempted from customs duties when imported into the territory of any of the contracting parties."

In the Benelux countries, as in the great majority of countries represented on the Working Party, the identity card referred to in paragraphs 3, 7 and 8 is not required. It would therefore seem that the inclusion of the identity card requirement would compel most contracting parties to establish a special procedure for commercial travellers without which the convention might well become inapplicable.

ad Article IV

In order to facilitate the prospecting of markets with a view to the hiring of objects (such as machines), it is proposed that the final part of the first sentence should be worded as follows:

"... and relating to goods offered for sale or for hire by a manufacturer or trader established in the territory of another contracting party."

Article IV does not deal with the global weight of catalogues or price lists which shall be exempted from import duties. As it is not clear what interest there would be for any country to misuse duty-free admission in order to export exaggerated numbers of catalogues or price lists, it should be possible to accept the highest figure proposed. The Benelux countries could at once accept the maximum figure of 1000 grams.
ad Article V

For the reason mentioned with respect to Article IV, the text of sub-paragraph a) should be worded as follows:

"a) ... relate to products or equipment offered for sale or hire whether by a manufacturer or trader established in the territory of another contracting party."

The minimum duration for temporary admission could be one month. The time limit within which films would have to be re-exported could be six months.

As regards sub-paragraph b) which deals with one of the conditions in which films can be regarded as samples, it should be noted that this sub-paragraph stipulates that such films must be "of a kind suitable for exhibition to prospective customers, but not for general exhibition to the public".

It might be useful to stress the difficulty that might arise in determining what films are not suitable for general exhibition to the public. One could thus quote as an example the case of a film of a purely commercial character which, on account of its technical qualities, would be exhibited to the general public on a paying basis. It would therefore seem that the following wording would be more appropriate:

"b) ... are of a kind suitable for exhibition to prospective customers but in no case for general exhibition to the public."

ad Article VI

The enumeration which appears in paragraph 3, sub-paragraph d) makes it possible in particular to apply prohibitions or restrictions "necessary to secure compliance with laws and regulations relating to customs enforcement".

This wording lacks clarity and would easily afford pretexts for denying duty-free admission or temporary admission. The wording should therefore be elaborated.

As regards prohibitions or restrictions other than import duties it should be mentioned that existing colonial legislation does not include any provision which would hamper the importation of commercial samples into the territory of the Belgian Congo and Ruanda Urundi. In fact, subject of course to the exemption provided for under paragraph 3 of Article VI, such articles can be imported freely because such importation is not subject to import licences as is the case with other goods imported into the Belgian Congo and Ruanda Urundi for consumption purposes.

ad Article VIII

The decisions rendered on the occasion of the interpretation of the application of the convention should constitute a jurisprudence for all contracting parties.
Article VIII in its present wording does not achieve this objective.

It would therefore be preferable to refer any dispute to a representative body of the contracting parties to the convention, whose decisions would be binding on all contracting parties.

**Annexes "B" and "C"**

As regards the draft recommendations incorporated in Annexes B and C, it would seem desirable not to reexamine the question before the Working Party has met again.

However, as regards Annex B, it would be useful to indicate precisely in what circumstances certificates of origin and health certificates can be required because these two items are of some importance as regards imports of vegetable and animal products.

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**FINLAND**

**Annex "A"**

The term "sample of negligible value" used in Article II is preferable to the term "no saleable value". It may be said that the former expression is too vague, but it will hardly cause any direct difficulties in practice especially if account is taken of the provisions of Article II entitling the customs authorities to require that in order to be exempted from import duties, the samples be rendered unusable for other purposes than as samples. Another question is that the importers of the samples often are reluctant to do it. Apparently, it is also difficult to define more precisely the term "negligible value", this depending on the different character and commercial qualification of the commodities.

The list of examples included in the Annex to Article II may be considered useful, although it is not and cannot be perfect. Sometimes, on the occasion of customs clearance, there may be uncertainty as to whether certain kinds of samples can actually be considered as "samples of negligible value", and to provide for such eventualities, the list could have its importance, since it suitably illustrates the conception of a sample of negligible value. However, the wording of the list ought to be revised. The condition at the end of its introductory sentence "and provided that the weight or volume of each consignment does not exceed the limits, if any, laid down by the importing country as compatible with the character of samples" reappears at the end of Articles I and II of the same Annex. It may be thought whether such a condition of general nature, if it is considered necessary, could not be included in the text of Article II itself.
In Finland no maximum weight or value limits have been fixed for samples of duty-free articles except in a few cases. Thus, a duty-free sample packet of coffee is not allowed to weigh more than 2 kilograms net and contain more than 300 grams net of each quality of coffee. In duty-free tobacco sample packets not more than 50 grams of each quality is allowed. However, if any provisions concerning specified limitations are to be included in the final convention, these quite liberal maximum weight limits should not be increased taking into consideration the quality of the goods in question.

As to the commercial travellers' identity card system referred to in passages 3, 7 and 8 of Article III of the draft convention, it may be considered unnecessary. In Finland such an identity card is at present not always required.

In the cases mentioned in Articles IV and V of the draft convention, a considerably greater exemption from import duties and other taxes in connection with the importation is, at present, granted in Finland than that implied in the draft convention. The printed matters mentioned in Article IV are, in general, already in virtue of the Customs Tariff Law free from duty, no matter in which way they are imported. The cinematograph films of a width not exceeding 16 mm. mentioned in Article V, are in Finland already now exempted from import duty, provided that they are exhibited free of charge and will be returned abroad. The period of re-exportation is 6 months, in addition to which the Board of Customs may still prolong it according to its own judgment. Thus it would be suitable that the period to be mentioned in the convention would not be less than 6 months.

As to the provisions of Article VI that the goods which according to the draft convention are exempted from import duties, are to be exempted also from quantitative import restrictions, if they are imported without payment and on the condition that they will be returned in the cases referred to in Articles III and V, they are in general lines in harmony with the existing Finnish licensing regulations.

As a country that joins in this convention must, in virtue of the General Agreement on Tariffs and Trade or the most-favoured-nation clause included in its bilateral agreements, apply it to many countries outside of the Convention, it would be advisable, in order to ensure at least some measure of reciprocity, to make the final enforcement of the convention depend on the condition that a sufficient number of countries, e.g. 20, join it (Article XI).

The irrevocable period of enforcement of the convention (Article XII) could be perhaps 3 years.

Annexes "B" and "C"

As to both draft recommendations (Annex B, on Documentary Requirements for the Importation of Goods, and Annex C, on Consular Formalities), the Finnish Government is in favour of accepting them. Especially worth accepting and putting into practice is the draft on Consular Formalities.
Annex "A"

General

In principle, the Greek Government is prepared to accept the convention in question provided the text explicitly mentions that this convention deals with goods of any kind, whether the produce of the land or industrial products.

Greece, whose exports consist essentially of agricultural products, daily meets increasing difficulties as regards the marketing of her products. It is only fair that Greece, as it accepts this convention and grants all the facilities provided therein, should request reciprocal treatment for her own products. It is obvious that, without a reciprocity clause, this convention would be unacceptable to Greece because it would create for her unilateral obligations without any benefit for Greece.

It is true that the generalities in paragraph 1 of Article II of the draft convention refer to "samples of goods of all kinds", but the Greek delegation to the Sixth Session of the GATT noted, throughout the lengthy debates which lead to the framing of the draft, a tendency to grant nearly exclusive preference to industrial products and manufactured agricultural products without taking into account, or showing any specific concern for, the protection to be granted to raw products of the land such as fresh or dried fruit, tobacco leaves, etc.

This tendency towards extending to industrial products the facilities provided for in the convention led a delegation to oppose such a convention which would involve no benefits to agricultural or industrially less developed countries.

For the foregoing reasons Greece, in spite of its obvious desire to adhere to the convention, would not be in a position to sign it unless produce of the land were explicitly mentioned in paragraph 1 of Article II of the draft.

Comments on specific paragraphs

Article II

The substitution of the words "samples of negligible value" for the formula "samples of no saleable value" is accepted.

As to the question of the customs authorities being at liberty to appreciate the negligible value of each individual sample or of identical samples forming part of one consignment, the Greek Government does not feel the need for an amendment and leaves it to the Contracting Parties to reach any appropriate decision in this respect.
The appropriate services of the Greek Government hold the unanimous view that the addition of an annex is of no particular value. In fact, such a schedule could not possibly list all the products, samples of which could be exported. On the other hand, if this list remained purely illustrative in order to facilitate to the customs authorities the task of appreciating the value of samples, or avoiding frequent disputes, it is to be feared that each contracting party will wish to include in the schedule products interesting its own exports, though the annex could not meet the requirements of every country.

Therefore, even though the annex would be essentially illustrative, there would result therefrom serious inconvenience as regards samples of non-listed products. The Greek Government will therefore oppose the insertion of the annex and will be fully content with the general definition of a sample which, as already indicated above, should be supplemented by a formal reference to produce of the soil. However, if the Contracting Parties decide to retain the annex, the Greek Government would be prepared to accept it provided samples of produce of the soil and agricultural products be mentioned at the beginning of the annex as proposed by the Greek delegation to the Sixth Session of the GATT.

**Weight or volume of samples to be entitled to exemption**

The deletion of the schedule which gives indications in this respect would leave open the question of the weight or volume of samples which each country could exempt. The Contracting Parties have referred this question to governments. The Greek legislation does not determine the weight or volume of samples entitled to exemption. The Greek customs authorities are at liberty to decide in this domain. The criteria on which the estimation of the customs authorities is based are: specific packaging, presentation and, depending upon the nature of samples, the volume or weight which would exclude any use or trading purpose other than the publicity purpose of soliciting orders. In their appreciation, the customs authorities take account of the profession of the shipper (manufacturer, producer, trader, etc.), as well as the profession of the consignee. If one considers that samples shipped are essentially varied and that it is impossible to lay down uniform and rigid criteria for the importation of each individual product, it would seem that the system of criteria followed in Greece would, on account of its flexibility, facilitate the solution to be arrived at.

**Article III. The identity card to be held by traders and commercial travellers.**

The Greek Government does not feel the need for requiring that traders, commercial travellers and anyone carrying samples should be in possession of an identity card. The Greek Government believes that evidence of the profession of such persons is adequately supplied by their passports and the nature of the collections that they carry. The Greek Government therefore would favour the deletion of the sentences which appear between square brackets in paragraphs 3, 7 and 8 of Article III of the draft.
The refund of duties and the release of the security at the time of re-exportation

The Greek Government shares the concern voiced by the delegation of the United States as regards paragraph 6 of Article III. Existing Greek customs legislation greatly facilitates the release of the security for payment of duties in cases when re-exportation is effected at the same customs offices and by the same means of transportation, (customs offices in harbours, railway stations and airports) as importation. On the other hand, if samples with respect to which duty has been paid or security deposited at the time of import are re-exported through a customs office other than that through which importation was effected, reimbursement or release cannot possibly be affected without delay. Indeed it may occur that a small customs office at the frontier which has no revenue of its own is physically unable to effect the refund or release in question. Even in the case of a more important customs office it may be impossible to effect refund or release before correspondence in this respect has been exchanged with the office which has levied the duties or received the security, and before the necessary authorization is given.

Such difficulties might perhaps be overcome if the importer at the time when he enters the country indicates in advance the date and place of his leaving the country. If provisions of this nature were included in the convention the appropriate competent services could then issue orders which would facilitate the prompt transmission of official documents from one customs office to another. Unless the individual concerned submits a preliminary statement, any waiver to the existing Greek customs legislation is not possible.

Article IV: Price-lists, catalogues and publicity material

The Greek legislation provides for liberal exemptions for the importation of catalogues, price-lists, notices for use, and publicity material. The Greek Government therefore does not raise any objection to the adoption of Article IV of the draft in its entirety. The figure of 200 grams (indicated in square brackets as an illustration of the total weight to be exempted) is also acceptable. The Athens Chamber of Commerce and Industry even went a little further and proposed a higher figure.

Article V. Temporary importation of publicity films

The Greek Government, taking into account the rapid evolution of the cinema, holds the view that films constitute a new and excellent means for the presentation of samples and it therefore agrees in principle with the United Kingdom proposal. On the other hand, it would not accept the former British proposal that exemption from customs duties should be granted only in the cases of films publicising products of the heavy industry, samples of which are not moved easily or cannot be transported. Greece is not interested in accepting this new limitative clause which would not involve any reciprocal advantage for the type of products that it can export. The Greek Government holds the view that films constitute an effective means of conducting publicity and disseminating directives, and it would be pleased if the advantages resulting from publicity films could be extended to all products in conformity
with the spirit of Article II of the draft convention. If its views were shared, the Greek Government would accept the United Kingdom proposal supplemented by a formal reference to "produce of the soil or industrial products".

In the course of the discussions on the above-mentioned question, it was contended that duty-free importation of films dealing with the popularisation of means of production, cultivation and industrialisation or with the processing of the agricultural products of certain countries, are governed by the UNESCO Convention relating to the circulation of educational films. The Greek Government however does not believe that the UNESCO Convention also covers the case of films exhibiting samples of different products and which therefore are of an exclusively publicity nature. Consequently, it would be desirable that this question be dealt with by means of wider and more up-to-date provisions.

As regards the period allowed for re-exportation, Greece is agreeable to this period not exceeding six months.

Article VI. Importation of samples having some commercial value and of products for exhibitions and fairs

In view of its adverse balance-of-payments and of its limited availabilities in foreign exchange, Greece has had to impose drastic restrictions on imports. The Greek Trade Ministry does not envisage the possibility of allowing importers of samples having some commercial value not to comply with the requirements relating to the preliminary issuance of an import licence. No other regulations could be followed even in the case of samples imported for publicity purposes and destined for re-exportation, even though their importation might not involve any loss in foreign exchange.

In view of this categorical denial by the competent authorities, the only possible solution in this domain would lie in the adoption of a simpler system which might render more flexible the formalities concerning the issuing of import permits for samples to be re-exported.

It is understood that such import restrictions do not apply to samples of negligible value. In the case of samples, the value of which does not exceed $75.00, an import permit can be easily secured by means of the deposit of security which is released at the time of re-exportation.

Commercial exhibitions and fairs

In order to facilitate duty-free import of products and samples for exhibitions and fairs, the Greek Trade Ministry proposes to include in the convention special provisions relating to this matter. Such clauses would deal with the duty-free importation, on a reciprocal basis, of industrial and agricultural products and samples thereof shipped to international exhibitions and fairs to be distributed free of charge to visitors, for publicity purposes. Such shipments should be effected in limited quantities and if need be should be submitted to postage requirements in order to avoid any misuse. The Greek Government requests that the above-mentioned proposals be submitted to the Contracting Parties for consideration.
Article VII

The Greek Government shares the opinion expressed by the majority of contracting parties that Article VIII deals exclusively with differences and disputes which may arise between governments concerning the application of the convention. It is on the basis of this interpretation that the Greek Government accepts the text of this Article in the draft and the Greek Government is of the opinion that the addition proposed by the Italian delegation is unnecessary. Of course ordinary disputes between importers of samples and the national customs authorities shall be settled in conformity with the existing legislation of each country.

Time limit and number of ratifications necessary for the entry into force of the convention

The Greek Government holds the view that a minimum time limit of four months should be granted to countries whether or not members of the GATT for the signature of the convention (Article IX). As regards Article XI, the Greek Government is of the opinion that the convention should enter into force only when 20 countries at least have deposited their instruments of accession.

No contracting state should be allowed to denounce the convention unless the convention has been in force for two years already (Article XII).

Reciprocity treatment

The Greek Government attaches particular importance to the reciprocal clause which should be formally included. It is only with the operation of such a clause that a government could be in a position to grant the benefits involved in the convention. The question of reciprocity does not arise as regards members of the GATT which would accede to the convention. But differences might arise between GATT members which have acceded to the convention and GATT members which have not done so. It was contended during the discussions that the operation of the most-favoured-nation clause incorporated in Article I of the General Agreement on Tariffs and Trade should apply equally as between members of the GATT whether they have acceded to the new convention or not. The view that most-favoured-nation treatment should apply to this convention did not meet with general agreement. Furthermore, as this is a separate convention of a special type and with a scope much wider than that of the General Agreement which is rather limited, the Greek Government is of the opinion that the convention relating to samples should be applied subject to absolute reciprocity treatment. Furthermore, the new convention represents a step forward in the direction of free trade and constitutes, so to speak, a widening of the Convention on the Simplification of Customs Formalities concluded in 1923, under the auspices of the League of Nations and applied by Greece ever since 1927. Again, this latter Convention on Customs Formalities is applicable only as between signatory states and does not apply to other states even though these may have entered into bilateral commercial agreements with the most-favoured-nation clause. For all the foregoing reasons, the Greek Government proposes to include in the text of the new convention a specific article dealing with reciprocity treatment.
The Greek delegation to the Sixth Session of the Contracting Parties has already made this proposal (See document GATT/CP.6/W/8 of 29 September 1951).

Polyptych for the movement of samples

The Greek Government believes that the French proposal relating to the setting up of a system of polyptych (Carnet de passages) to facilitate the movement of samples could render useful services. As in the case of automobiles, such assistance would render unnecessary a number of inconvenient formalities relating to the deposit of securities. However, in view of the difficulties encountered in the setting up of an international office for the issuance of polyptychs giving every possible guarantee to national offices, the Greek Government proposes to support the French proposal after this has been submitted in a more concrete form to the consideration of the International Chamber of Commerce.

Annex "B"

General

Considering that there would be every interest in reducing the documentary requirements laid down by various national legislations to the strict minimum necessary, and in view of the advantages which would result if such documents were provided in a standard form accepted by every country, the Greek Government is of opinion that the Contracting Parties should not limit themselves to a set of suggestions. They should direct their efforts towards the drawing up of a convention like the one adopted for instance by the Brussels Study Group concerning the common nomenclature and the determination of dutiable value.

Experience has shown that the "standard practices for the administration of import and export restrictions and exchange controls" adopted in Torquay and circulated in the form of a recommendation to the Contracting Parties, have yielded no concrete results. Though these "standard practices" have been promptly transmitted to services which administer restrictions and though urgent recommendations have been made as to the advantages which would accrue therefrom, no great attention has been paid to them and they have not contributed in any way to the alleviation of the difficulties raised by the application of the projects relating to quantitative restrictions which have been exchanged. We have however reasons to believe that the "standard practices" have not met with a greater measure of success in other European countries. It is on the basis of such findings that we firmly believe that only a convention will make it possible to impose provisions regarded as advantageous for the purpose of facilitating international trade.

1. The Greek Government recognises that the main commercial documents which accompany shipments of goods are the bill of lading and the commercial invoice. But we cannot forget the usefulness of a certificate of origin which makes it possible to compute, in conformity with Greek legislation, the amount of duty to be paid in each case. The onus of submitting other indispensable documents is not on the shipper; the declaration should be presented by the party which
effects transportation (ship's captain, air navigation company, railway company, etc.); the import permit, when required on account of restrictions, is to be supplied by the importer. In several cases a certificate indicating the cost of transportation and of insurance is necessary for the valuation of the goods. In some cases a health certificate is also required.

2. Under Greek legislation, no consular certificate indicating the price and origin of the goods is required in principle. Such certificates issued by the Chamber of Commerce meet governmental requirements, except in cases where the goods are imported through a third country and not directly from the producing country. In this latter case a certificate from the consulate of the transit country is required. Therefore, the question of a combined consular form does not arise as far as Greece is concerned.

3. In Greece, statistical information is submitted by the customs authorities and the special statistical service, free of charge for the shipper.

4. As regards the classification of goods under the Greek customs nomenclature, the exporter or shipper has no obligation. Such classification should be done by the importer or consignee, and the customs authorities. Furthermore, the Greek governmental authorities have not laid down any requirements concerning the weights and measures in terms of which import and export documents shall be made out.

Annex "C"

General

The Greek Government is quite favourable to the reduction of cases in which consular visas are necessary, and to the principle of imposing no or at least minimum consular fees in cases where a consular visa is absolutely required.

Draft recommendations

On this particular point, the Greek Government does not rely on the efficacy of recommendations and would favour formal obligations imposed on governments by means of conventions.

Generally there is no case in which the consular visa is required in Greece for customs or commercial documents. In exceptional circumstances and by way of reprisals, such visas are required in the case of goods shipped from countries which impose such formalities.

Therefore we fully agree with the six points in the draft recommendations.
Annex to Article II

This enumeration does not seem to be necessary in view of the fact that such a list would never be complete and its application could give rise to difficulties if some products were omitted. However, such a list, if it were of a purely illustrative nature, could be inserted in the convention as a list of samples.

Article III

From the point of view of Haiti, the identity card for commercial travellers is not justified. As samples are either exempt or liable to duty, as the case may be, any individual can import them or carry them in his personal baggage provided he has complied with customs formalities of a revenue nature. Furthermore, under the existing customs regulations, any traveller who imports samples in order to solicit orders on the domestic market must, if his firm is not already represented in Haiti, buy a licence before he can clear through the customs any samples he carries.

Article V

Films, as defined in Article V, could be entitled to the facilities provided for in Article III both as regards exemption and duty free admission. As in the case of samples, a period of six months could be allowed for re-exportation.

Article XII

The number of ratifications required for the entry into force of the convention could be half the number of contracting parties plus one.

Article XII

As regards the period during which the convention would have to remain in force, the convention could remain indefinitely in force but it would be open to any contracting party to denounce the convention by notification of denunciation to the Secretary-General of the United Nations.
Annex "B"

Point 1

Number of documents required.- Under existing Haitian customs legislation, commercial invoices, bills of lading and consular manifests are required. To maintain orderliness and control the Government of Haiti does not propose for the time being to alter these requirements.

Points 3 and 4

Statistical information and tariff classification of goods.- As regards the collection of statistical information and the tariff classification of goods mentioned in the draft, it is obligatory for importers to submit to shippers the data required by the customs legislation in order that shippers may include such data in their consular invoices because it is not, in fact, possible for any shipper to be cognizant of all the details relating to the various customs tariffs when they prepare statements required by the customs legislation of the country of destination.

Point 5

Weights and measures.- Advantage should be taken of the discussion of the draft during the Seventh Session of the Contracting Parties in order to recommend to all governments the use of the metric system.

Annex "C"

As in the case of documentary requirements for the importation of goods, the Haitian Government does not propose to abolish consular invoices.

1) Consular fees charged by the Haitian Consulates are as follows:
   $2. - per invoice when f.o.b. value does not exceed $200. - and 1 per cent when value exceeds $200.
   $20. - and $25. - for the manifest visa.
   $2. - for the bill of lading visa.

2) Consular fees may be paid to the country of exportation, may be settled in the currency of the country of exportation provided the consul effects conversion on the basis of the rate corresponding with the value in dollars.

3) In cases of bona fide mistakes on the part of the shipper in the documents, corrections may be made by the importer on Haitian territory under existing customs legislation.

4) Consular invoice forms are issued against payment of a moderate tax.
For instance, American shippers pay $0.15 duty per batch of five copies, $1.30 for ten batches and $8.50 for 100 batches. If forms were to be issued free of charge to American exporters, the expenditure incurred by the Haitian Government, on the basis of information obtained from the Haitian Consulate in New York, would amount to $800 per year for an approximate amount of 24,000 batches of five forms.

5) The number of copies required by Haitian legislation on the consular service is:

   For consular invoices: 5 copies plus one original
   For consular bills of lading: 5 copies plus three originals.

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NORWAY

The Norwegian Government would like to direct its comments mainly to the different questions in the report to which the Working Party particularly has drawn the attention. The information required by the working party is contained in the following comments.

Annex "A"

Article II

According to the Norwegian regulations in force commercial samples which are considered not to be intended for sale are admitted free of duty. Although the proposed formula "negligible value" in some respect may cover a broader field than the actual Norwegian regulations, the formula could be accepted.

Annex 1 to Article II

The Norwegian Government would favour the deletion of the Annex and agrees with the arguments put forward to this end by several members of the Working Party.

To what extent articles covered by paragraphs 1-12 of the draft convention of 1935 can be imported into Norway free of duty is determined in accordance with the above mentioned rule (see comments to Article II) which applies to commercial samples in general.

Article III

In the opinion of the Norwegian Government the last passage of paragraph 3 and paragraphs 7 and 8 should be deleted, the reason being that the
the question of identity cards for commercial travellers does not seem to fall within the natural scope of the proposed convention.

In this connection it should be mentioned that identity cards for commercial travellers are not required in Norway. On the other hand foreign commercial travellers operating in Norway have to obtain a special commercial card issued by the Norwegian authorities.

**Article IV**

The article as a whole as well as the weight limit suggested (200 grams) are acceptable.

**Article V**

In principle Article V is acceptable. As to the period to be fixed for the reexportation of the cinematographic films a period of six months is suggested.

The other articles of the draft convention are found to be satisfactory to the Norwegian Government.

**Annexes "B" and "C"**

The Norwegian Government has no objections to the present texts of these drafts, and is in principle strongly in favour of such recommendations.

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**SOUTHERN RHODESIA**

**Annex "A"**

In reply to the request for comments by contracting parties, contained in GATT/CP.6/36 and GATT/CP/131, my Government has directed me to advise you that it finds the principle of the convention generally acceptable, although, of course, there are a number of points and questions of detail which it may wish to raise when the Working Party report is discussed at the Seventh Session.

Meanwhile, my Government has the following suggestions and comments to make:

**Article V**

It is considered that a further proviso should be added to Article V of the draft convention to prohibit the exhibition of films of the type described (a) under any conditions which require payment to be made by the persons to
whom they are exhibited, or (b) in conjunction with any form of entertainment for which payment is required.

**Article II, paragraph 1**

The concept of "negligible value" is acceptable to my Government and the Department of Customs and Excise does not, in fact, collect any duty on any item where the duty is less than 1s.-d.

**Article II, paragraph 2**

The Southern Rhodesian customs authorities at present require that in order to qualify for exemption from import duty samples of clothing must be rendered unsaleable by the cutting out from each garment of a portion of the material of not less than 2" square from a prominent part, both back and front.

**Annex to Article II**

The present maximum duty-free amounts permissible in respect of foodstuffs and beverages listed in paragraph 1 are 1 lb. or 1 pint according to the nature of the samples; and in respect of the commodities listed in paragraph 11, 1/2 lb. or 1/2 pint. The Department of Customs and Excise has indicated that it will be prepared to modify these limits should the proposal for the retention of the Annex be generally accepted.

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**INTERNATIONAL CHAMBER OF COMMERCE**

This report, approved by the Council of the I.C.C. at its 77th Session on May 13th, 1952, is submitted to the Contracting Parties to the General Agreement on Tariffs and Trade (GATT), with the support of the International Cooperative Alliance and the International League of Commercial Travellers and Agents, as well as, for the sections dealing with documentary requirements and consular formalities, of the International Air Transport Association and the International Chamber of Shipping.

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On behalf of the industrial and trading communities of its member countries, the International Chamber of Commerce warmly welcomes the initiative taken by the Contracting Parties to the General Agreement on Tariffs and Trade (GATT), at their Sixth Session in October 1951, in drawing up a Draft International Convention for the Purpose of Facilitating the Importation of Commercial Samples and Advertising Material and Draft Recommendations on Documentary Requirements and Consular Formalities. Simplification in these three fields would help greatly to smooth the path of trade, and the I.C.C.
therefore hopes that at their Seventh Session opening October 2nd, 1952, the Contracting Parties to GATT will find it possible to reach final agreement on these proposals.

In view of the urgent importance of giving practical effect to the recommendations concerning documentary requirements and consular formalities, the I.C.C. suggests that some kind of follow-up machinery be created, for instance the submission by each contracting party at the end of each year of a report on action taken since the recommendations were issued.

The I.C.C. hopes that the Seventh Session of the Contracting Parties will also be able to adopt recommendations regarding two other basic problems raised by it in its Lisbon Congress Report (Brochure 153), namely customs valuation of goods and the definition of the nationality of manufactured products.

Whilst deeply appreciating the courtesies extended to its representatives at the Sixth Session, the I.C.C. would be glad if arrangements could be made at the Seventh Session for fuller and more regular participation in the discussions of the appropriate Working Party when its own proposals are under consideration.

Annex "A"

While approving in substance the draft convention drawn up by the Sixth Session of the Contracting Parties, which satisfies in large measure the requirements of trade and industry, the I.C.C. submits the following observations and suggestions for consideration by the Contracting Parties at their Seventh Session.

Article II

Paragraph 1

The I.C.C. is of the opinion that the question of whether the value of each sample or the aggregate value of the whole consignment is to be taken into account should be settled in the convention. According to the majority view, it is the value of each sample which should count and not the aggregate value, except in exceptional circumstances which could be covered in the list appended to Article II, if such a list is conserved. In other words if each item is, or is made, valueless for customs purposes, the fact that one hundred such items are presented instead of one should normally speaking make no difference. In any case, if there is to be option, the option should be stated and carefully defined.

Particular importance is attached by the members of the I.C.C. to the rule that any treatment required by the customs to render a sample commercially unutilisable should not be such as to diminish its utility as a sample. The I.C.C. would therefore welcome a redrafting of this article so as to make this rule more imperative. The insertion of the word "marking" before "tearing" in paragraph 2 might also be useful, since for instance stamping the word "sample" indelibly on an article may in many cases render more drastic measures unnecessary.
The I.C.C. believes it to be essential to avoid the use of the term "value" at the end of paragraph 2. The word "value" should be replaced, in order to obviate any misunderstanding, by some such word as "utility" or "character".

Annex to Article II

As among the Contracting Parties, there is also a difference of opinion within the I.C.C. as to the advisability of appending a list of specific goods to Article II.

The majority view, however, is strongly in favour of retaining the list, in spite of the fact that it cannot pretend to be exhaustive. They feel that no general definition can give practical guidance to the customs authorities unless it is accompanied by concrete examples of the way in which it is meant to be applied.

If the list is retained, it is essential, the I.C.C. feels, that the introductory paragraph should state more clearly that the list is in no way intended to be exhaustive and consists simply of a certain number of examples for guidance to the customs authorities in the application of Article II of the convention. It should also be made clear that the list is subject to periodical revision on the basis of experience gained in its application. The attention of the I.C.C. was drawn in this connection to the fact that the list contains no reference to ironmongery, pharmaceutical products and perfumes.

If the list is not retained, the I.C.C. nevertheless believes it to be most important that the Contracting Parties should draw up a separate commentary on Article II in the form of a set of recommendations with concrete examples. Without such a commentary, there is great danger that the adoption of the very general definition contained in Article II will do little to achieve simplification and uniformity in practice.

The attention of the I.C.C. has been drawn to the following points of detail in connection with the existing list:

a) Item 1 (foodstuffs and beverages, etc.) would exclude the generally accepted practice of admitting free of duty without limitation of number small sample bottles of wine, spirits, etc.

b) Are coffee, tea and tobacco included under "foodstuffs"?

c) In item 4 (samples of threads ...) the words "sent by a supplier to a customer" should be struck out as being irrelevant to a list of this kind. The definition is, moreover, unsatisfactory for threads of jute which have to be long enough to show over a certain length whether or not they contain knots and that they have been spun with a certain degree of regularity.

d) Under paragraph 7, it is clear that a single shoe (i.e. not a pair) will be treated as a sample without "deep cuts"?

e) The list should perhaps be completed by reference to plastic materials which are now a substitute for certain articles mentioned (e.g. pottery, glass).
**Article III**

**Paragraph 1 (b)**

This paragraph appears to duplicate Article II and raises again the problem of unit value versus aggregate value. From this point of view the same remarks apply to it as have already been made concerning Article II.

The I.C.C. fails to understand the introduction in this paragraph of a limitation on the value of the samples. Samples of value and subject to duty are in fact the specific subject-matter of Article III. Moreover, no criterion is given, nor could it be found, by which the customs authorities are to decide when an article ceases to be a sample because it is too valuable.

The I.C.C. would suggest striking out sub-paragraph b) altogether.

**Paragraph 1 (c)**

This paragraph needs to be reworded. As it stands it might prevent an agent in country B from asking a manufacturer in country A for samples of his products. This cannot be the intention, but clearly the wording should be altered. Allowance should also be made for producers of agricultural products e.g. dried raisins, who are not perhaps covered by the term "manufacturers".

**Paragraphs 3, 7 and 8 (identity cards)**

The I.C.C. suggests that the proposed passages in square brackets relating to identity cards for commercial travellers should be deleted. It is important, however, that their absence should not be interpreted as implying the abolition of the system of identity cards in countries where the system at present exists. A paragraph should therefore be added at the end of Article III stating that the provisions of this Article are in no way intended to exclude any of the Contracting Parties from maintaining or introducing the system of identity cards for commercial travellers provided for in the 1923 Convention for the Simplification of Customs Formalities.

**Article IV**

The I.C.C. urges the Contracting Parties to fix the weight limit in paragraph 1 (b) as high as possible. A low limit such as 200 grs. would not be in harmony with modern developments in advertising and trading practice. A single copy of a catalogue, particularly when illustrated or issued by a trade association or syndicate, may easily exceed that weight. A producer in one country, moreover, frequently has to forward quite a large number of copies to an agent or representative abroad.

In the opinion of the I.C.C., the weight-limit should be 2 kgs., if necessary with the additional proviso that the number of copies should not exceed 20.

The present wording of Article IV appears to the I.C.C. to be too restrictive. Duty-free entry is granted only to catalogues, price-lists and trade notices "relating to goods offered for sale by a manufacturer or trader
established in the territory of another contracting party". This definition should be broadened to include producers other than manufacturers and also suppliers of services, such as insurance companies, shipping companies and travel agencies. Secondly, allowance should be made for the very common practice of sending prospectuses etc. along with a consignment of goods already sold.

The suggestion concerning producers and suppliers of services also applies to paragraph 2 of this Article.

As regards paragraph 2 (a), it should be made clear that this restriction refers exclusively to catalogues etc. printed abroad for the account and at the expense of a manufacturer or trader in the territory of importation.

Article V

If customs practice is to keep pace with modern technical developments, the I.C.C. feels that this Article should be redrafted in a more liberal spirit.

Developed cinematographical films designed for advertising purposes, as defined in Article V, should not be treated as temporary imports of value under Article III, but should be admitted free of duty without the obligation to re-export, under the regime applied to samples in Article II.

As in the case of Article IV, provision should also be made not only for manufacturers and traders but also for producers and suppliers of services.

Nor should the facilities be limited to films dealing with products or equipment "whose qualities cannot be adequately demonstrated by samples or catalogues". This is not a point which the customs authorities are in a position to decide.

The following amendments are therefore proposed:

Opening paragraph
- replace "Article III" by "Article II";
- delete the following phrase "... whose qualities cannot be adequately demonstrated by samples or catalogues".

Sub-paragraph a)
Add the word "services" after the word "products" and the words "or for hire" after the words "for sale".

Concluding paragraph
If the I.C.C.'s suggestion in favour of referring to Article II instead of Article III in the opening paragraph is accepted, this final paragraph could be deleted. If it is not accepted, the minimum period allowed for re-exportation should be six months.
Article VI

The last sentence of paragraph 2 should be completed by adding after the words "deposit of special security" the words "which should not exceed 20 per cent of the value".

Paragraph 3 (e) requires clarification.

Proposed system of "carnets de passages" or triptyques for samples of value

The I.C.C. has studied with great interest and sympathy the recommendation of the French Government delegation at the Sixth Session of the Contracting Parties to GATT in favour of the introduction of a system of triptyques or "carnets de passages" for samples of value. There can be no difference of opinion on the question of principle. The I.C.C. would warmly support any workable system designed to alleviate the financial burdens and administrative formalities imposed upon firms sending representatives abroad with samples of value. The practical difficulties are, however, very great indeed, and neither the I.C.C. itself nor its national committees are in a position to take on the responsibilities involved. It appears too from the I.C.C.'s investigations that most chambers of commerce and other trade or industrial associations of a general character are in the same position.

In the course of its inquiry, the I.C.C. was informed by the International League of Commercial Travellers and Agents that the League and its constituent national associations were prepared in principle to examine the possibility of acting as guarantors under such a scheme, and the I.C.C. is glad to transmit this information to the Contracting Parties. The International League is in the meantime continuing its investigation of the practical details of finance and organization involved.

In conclusion, the I.C.C. suggests that progress in the direction of a more general agreement might well be made through the conclusion of bilateral agreements between those contracting parties who are able and willing to adopt a system such as that proposed by the French Government.

Two suggestions of a different order have been made in response to the I.C.C.'s inquiry. The first is that the necessary guarantee could be given by an approved bank, thus establishing at the same time the bona fides of the commercial traveller. The second is that the same system of control could be applied to imports of samples of value carried by commercial travellers as is applied in certain countries to the import of foreign currency. In other words, the traveller would receive a copy of the customs declaration and the number of this declaration would be entered in his passport. On leaving the country, the traveller would be obliged to produce the samples mentioned on the declaration or to pay duty.
Annex "B"

The I.C.C. strongly supports the adoption by the Contracting Parties of the draft recommendations drawn up at the Sixth Session on documentary requirements for the importation of goods, which are in substantial accord with the views expressed by the I.C.C. in its Lisbon Congress report (Brochure 153).

The following amendments are suggested:

Rule 1. (Number of documents required).

Add to the list of commercial documents:

iii) manifest, in the case of sea or air transport.

Rule 2. (Combined standard invoice form).

The following words might usefully be added at the end of the last sentence: "not proportionate to the value of the goods".

Redraft the concluding paragraph as follows:

"The specification of these commercial documents does not mean that customs documents such as. entry or declaration forms or import licences can be dispensed with. It is also to be understood that, where necessary, the customs authorities may require the declarer to produce, in support of his declaration, other documents such as certificates of origin, insurance papers, sanitary certificates, etc."

The purpose of this amendment is to establish a clearer distinction between the general rule and the exception. It is also felt to be essential to delete all reference to consular invoices in the concluding sentence.

Annex "C"

The I.C.C. fully supports the proposed recommendations, while regretting that they could not take the form of a binding convention, but would like to see the opening recommendation in favour of the abolition of consular invoices and of consular visas expressed in even stronger terms. This might perhaps be done by adding a clause at the end of the opening sentence of the recommendations to the effect that such invoices and visas are in the opinion of the Contracting Parties totally unnecessary except in very special circumstances.

The introductory part of the second paragraph is rendered somewhat obscure by the reference to "these documents and visas". These words should be replaced by "such consular invoices and visas".
It is suggested to delete the words "by the exporter and" in Rule 2.

The following additional rules are proposed:

a) additional documents such as certificates of origin should not be required.

(The point of this rule is that where consular documents and visas are required, these are by their nature substitutes for other documents and particularly for certificates of origin. A consular invoice should not for instance have to be accompanied by copies of the commercial invoice and separate certificates of origin)

b) if an assurance regarding the issue of an import licence is required as a condition of consular legalization of shipping documents in the country of exportation, a reliable communication giving the number of the import licence should suffice.

c) each Contracting State should make arrangements by which consignments of cargo destined to its territory and not exceeding an f.o.b. value specified by that State will be free of governmental documentary requirements, such as consular invoices, certificates of origin, and visas, and will be exempt from related consular fees.

(This recommendation is taken from Annex 9 to the Convention on International Civil Aviation.)

d) where time-limits are laid down for the presentation of documents to the consular offices, due account should be taken of the incidence of public holidays.