GENERAL AGREEMENT ON TARIFFS AND TRADE

Villa Le Bocage,
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RECOMMENDATIONS ADOPTED BY THE CONTRACTING PARTIES
TO THE GENERAL AGREEMENT ON TARIFFS AND TRADE
ON
CERTIFICATES OF ORIGIN,
DOCUMENTARY REQUIREMENTS
AND
CONSULAR FORMALITIES
Introduction

The GATT secretariat has decided to bring together and make available the up-to-date texts of the Recommendation on Certificates of Origin, the Standard Practices for Documentary Requirements for the Importation of Goods, and the Recommendation on the Abolition of Consular Formalities. These texts are set out in full and incorporate amendments, as indicated in footnotes. In order that these texts may be considered within the general context of the work done by the GATT on the so-called administrative barriers to trade the following introductory comments are appended.

Before the Second World War international organizations made various attempts to bring about agreements among governments with a view to simplifying customs and other formalities relating to international trade and to removing what were called "indirect" or "administrative" protective measures. There were also efforts towards unifying or at least harmonizing customs regulations in the various countries. The League of Nations adopted a number of recommendations in this field and made a number of comparative studies.

When the Havana Charter and the GATT were drafted it was realized that the tariff concessions which the participating governments had negotiated could be easily impaired or nullified if the governments were free to interfere with the flow of goods by administrative action. For that reason the contracting parties to the Agreement undertook not only to refrain from certain practices, but also to accept certain rules for the application of customs regulations, rules which had a direct bearing on trade.

Many of the "administrative" provisions incorporated into GATT are the same as those which were already included in existing conventions. For instance, the provisions of Article V on the freedom of transit are substantially the same as the corresponding provisions of the Barcelona Convention. However, the incorporation of such provisions in the GATT has a value in itself because GATT has been accepted by countries which were not parties to those conventions and GATT provides a machinery for carrying out these provisions. In particular, under Article XXIII the parties to GATT may consult with each other on the application of the provisions and, in case of differences, may bring the matter to the notice of the CONTRACTING PARTIES for conciliation or for a ruling under the provisions of Article XXIII. Finally, the amendment procedure of GATT enables the provisions to be adjusted to changing circumstances; further, the provisions of Article XXV:5 provide in special circumstances a greater measure of flexibility than the conventions of the traditional type.
When GATT was negotiated in 1947 and came into operation on a provisional basis in 1948, it was agreed that the parties would not be obliged to discontinue practices which might be in conflict with GATT provisions, but which were mandatorily required by existing legislation. In the field of customs formalities, therefore, there was no immediate commitment to apply the rules if these were in conflict with existing legislation.

In their continuous effort to free international trade from unnecessary barriers the CONTRACTING PARTIES have tackled administrative problems on a wide front. This is clear from the work undertaken in relation to problems of particular interest to international trade such as the studies on "Valuation for Customs Purposes"\(^1\) and on "Anti-Dumping Duties"\(^2\), the assistance given in the preparation of conventions which exist independently of GATT such as the "Samples Convention"\(^3\), and finally the preparation of recommendations, of which the following have been adopted by the CONTRACTING PARTIES:

2. Documentary Requirements for the Importation of Goods (7 November 1952)
3. Abolition of Consular Formalities (7 November 1952)
4. Certificates of Origin (23 October 1953)
5. Marks of Origin (21 November 1958)\(^4\)

The recommendations contained in 2, 3 and 4 above are reproduced, as amended, in the following pages.

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\(^1\) *Methods of Valuation for Customs Purposes*, 2 March 1955. Available from GATT secretariat only - free of charge.


\(^3\) *International Convention to Facilitate the Importation of Commercial Samples and Advertising Material*. 7 November 1952. US $0.10. Available from the GATT secretariat only.

\(^4\) These Recommendations are available on request from the secretariat free of charge.
The CONTRACTING PARTIES recommended that:

(a) Certificates of origin should be required only in cases where they are strictly indispensable.

(b) In order to avoid delay to traders, governments should authorize a sufficient number of competent offices and bodies to issue certificates of origin and/or the visa certificates issued by traders.

(c) Differences between the goods accompanied by a certificate of origin and the description in the certificate should not lead to a refusal to allow importation when the differences are due to minor clerical errors such as mistakes in the numbering of sacks, etc.

(d) When, for any sufficient reason, an importer is unable to produce a certificate of origin at the time of importation the customs authorities should grant the period of grace necessary to obtain this document, subject to such conditions as they may judge necessary to guarantee the charges which may eventually be payable. Upon the certificate being subsequently produced, the charges which may have been deposited, or the amount paid in excess, should be refunded at the earliest possible moment.

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STANDARD PRACTICES
FOR
DOCUMENTARY REQUIREMENTS FOR THE IMPORTATION OF GOODS

WHEREAS in Article VIII of the General Agreement on Tariffs and Trade the CONTRACTING PARTIES recognize the need for minimizing the incidence and complexity of import and export formalities and for decreasing and simplifying import and export documentation requirements,

CONSIDERING that the large number of documents which traders, forwarding agents and carriers are required to compile for different authorities constitutes an appreciable obstacle to the smooth flow of goods between countries, that additional expense and clerical work are imposed on the parties to an international commercial transaction, and that the misplacement of one of these documents or an error of compilation may result in severe hardship wholly out of proportion to the usefulness of the documents,

The CONTRACTING PARTIES DECIDE to adopt the following code of standard practices on documentary requirements:

1. Documents Required

Facts relating to imported goods which are required for customs or other governmental purposes should, to the greatest possible extent, be ascertained from the commercial documents relating to the transaction in question. In principle the following commercial documents should suffice to meet governmental requirements:

(i) transport document (bill of lading, consignment note); and
(ii) commercial invoice, accompanied where necessary by a packing list.

The specification of these documents does not mean that documents such as manifests, customs entry or declaration forms or import licences can be dispensed with. It is also to be understood that in certain circumstances the production of other documents such as certificates of origin /consular invoices/ freight or insurance papers, sanitary certificates etc. may be required.

2. Combined Invoice Form

Where governments require two or more of the following documents:

(i) commercial invoice;
(ii) consular invoice;
(iii) certificate of origin

they should alternatively accept, at the trader's option, either separate documents or a combined form taking their place, provided the combined form incorporates all the information normally contained in the separate documents.

1 Recommendation of 7 November 1952 (GATT, Basic Instruments and Selected Documents, First Supplement, page 23).

2 The reference to consular requirements in this Recommendation was, however, suppressed by the last paragraph of the Recommendation on Consular Formalities on 30 November 1957 (BISD, Sixth Supplement, page 27).
3. **Copies of Documents**

   Governments should keep down to a strict minimum the number of copies of documents required. As far as possible any government-issued forms should be supplied to traders free of charge or at approximate cost.

4. **Collection of Statistical Information**

   Where statistical information is required by governments, it should as far as possible be taken from the customs and other documents normally submitted by the exporter or importer for customs purposes. The exporters should not be required to fill in statistical forms for the government of the importing country and the importer should not be required to provide statistical information for the country of export. In other words, the government of the exporting country should get its data from the exporter and the government of the importing country from the importer.

5. **Tariff Classification of Goods**

   It should not be obligatory for the exporter or shipper to classify his goods according to the customs tariff of the country of import. Such classification should be done by the importer, if required, subject of course to review by customs authorities.

6. **Weights and Measures**

   While governmental authorities should be free to require their import and export documents to be made out in terms of the weights and measures in force in their territory, commercial documents expressed in terms of the weights and measures of the country of exportation or in terms of any weights or measures used internationally in the trade concerned should be accepted in support of import documents. Similarly, export invoices expressed in terms of the weights and measures of the importing country or in terms of any weights or measures used internationally in the trade concerned should be accepted in support of export documents.
RECOMMENDATION ON

THE ABOLITION OF CONSULAR FORMALITIES

WHEREAS in Article VIII of the General Agreement on Tariffs and Trade the CONTRACTING PARTIES recognize that fees and charges, other than duties, imposed by governmental authorities on or in connection with importation or exportation, should be limited in amount to the approximate cost of services rendered and should not represent an indirect protection to domestic products or a taxation of imports or exports for fiscal purposes,

WHEREAS in that Article the CONTRACTING PARTIES also recognize the need for reducing the number and diversity of such fees and charges, for minimizing the incidence and complexity of import and export formalities, and for decreasing and simplifying import and export documentation requirements,

CONSIDERING (a) that the complexity of consular formalities required by some countries and the excessive charges accompanying them are among the most serious of the invisible barriers to international trade, (b) that, not only must exporters fill in and sign a disproportionate number of copies of the documents required, often in the language of the country of destination, but the fee charged is in many cases a high percentage of the value of the goods, (c) that, moreover, fines are frequently imposed for minor error, or the importer is obliged to make out documents again in their entirety, (d) that, shipowners and shippers, as well as the ultimate consumers, are as much affected by this state of affairs as the exporters, and (e) that a large part of the world's trade is carried on without consular invoices or visas,

The CONTRACTING PARTIES

RECOMMEND the abolition of consular invoices and of consular visas for commercial invoices, certificates of origin, manifests, etc.,

CONSIDER that the abolition should be completed at the earliest possible date and, in any case, not later than 31 December 1956

RECOMMEND that the contracting parties, pending full compliance with the aforementioned Recommendation of 1952, should:


2 This deadline was intentionally left untouched in the 1957 revision of the Recommendation.
(a) abolish the requirement of a separate consular invoice form, accept in lieu thereof the commercial invoice (visa'd or legalized if necessary) with the right, however, to require that the information which was previously entered on the consular form should be contained in the commercial invoice;¹

(b) require that consular charges, except administrative fees for visaing or legalizing, should be paid at destination and not in the exporting country.

RECOMMEND further, in order to ensure the fairest possible administration of consular formalities where these are maintained, that the following rules be observed:

1. No consular charge should be assessed as a percentage of the value of the goods but should be a flat charge.

2. Where certification or visaing of commercial documents is required it should be carried out free-of-charge or at a nominal rate.

3. Consular visas or certificates should not be required for consignments of goods, the invoice value of which does not exceed US $100.

4. Delays in dealing with documents and charges for overtime should be reduced to a minimum.

5. There should be no requirement for commercial documents to be presented for consular legalization or certification prior up to exportation; if possible those documents should be accepted up to the date of importation.

6. As far as penalties are concerned the application of the provisions of Article VIII, paragraph 3, should be observed in connection with the requirements of consular formalities.

INVITE all contracting parties applying consular formalities to report to the secretariat as soon as any further progress in this matter has been achieved and at any rate each year before 1 September.

¹ In adopting this Recommendation the CONTRACTING PARTIES expressly noted that "if the customs authorities require a special invoice form which may serve as the commercial invoice for traders' purposes, this special form shall be considered as fulfilling this Recommendation".