1. In accordance with its terms of reference decided upon by the CONTRACTING PARTIES at their sixteenth session (SR.16/2), the Group of Experts studied the preliminary draft convention on temporary importation of professional equipment and cinematographic and television equipment, with a view to submitting their recommendations to the CONTRACTING PARTIES.

2. In this case as in all previous studies carried out by the Group, it was made clear that the views expressed by the various individual experts did not necessarily reflect their Government's views.

3. Recognizing that the draft prepared by the Customs Co-operation Council Working Party (L/1179) was provisional only, and that it had yet to be reviewed by the Council's Committee, the Group of Experts confined its consideration to points of principle.

Number of Conventions

4. While some experts preferred that a single convention should deal with temporary importation of the three classes of equipment involved, others expressed a preference for two conventions. Those favouring a single convention were anxious that Parliamentary time should not be wasted by presenting two conventions to deal with what were closely related subjects, especially when it was envisaged that a uniform customs carnet could be employed for the three kinds of temporary importations. It was also suggested that a single composite convention might encourage countries to accept the whole convention rather than to select those parts having a particular appeal.

5. Against this view those experts favouring the preparation of two conventions argued that the preparation of a single convention might result in drafting delays. These might retard the provision of temporary importation facilities for those classes of equipment (for example, cinematographic and television equipment) which appeared to admit a reasonably quick solution. Similar delays might also result at the Parliamentary stages in that reluctance to adopt any one part of the composite convention could hinder a country's acceptance of other parts.

6. The Group decided that it would be premature to arrive at a conclusion about the number of conventions at this stage. They felt it would be appropriate to indicate to the Customs Co-operation Council that drafting should proceed on the assumption that a single convention would deal with professional equipment, cinematographic and television equipment, but that there might be an advantage in providing for one convention on professional equipment and another on cinematographic and television equipment if it became obvious that one part could be advanced faster than the other and be near-finalized in time for the November meeting of the Council.

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7. Some stressed the importance of having an international agreement on temporary importation facilities for cinematographic equipment, others for assisting the passage of television and radio equipment. Experts and observers from countries in the process of industrial development felt however that an international convention on professional equipment should not be delayed.

Power given to administration

8. The preliminary draft convention provides for three annexes, each dealing with one of the classes of equipment involved. It envisages that while the usual formal amendment procedure would be involved for altering substantive Articles, definitions, conditions of temporary importation etc., a power might be included whereby the List of Articles or Equipment, only, could be amended by agreement between the customs or other competent administrations of contracting parties to the annex concerned. The aim of this procedure—given that it might be suitable, constitutionally, would be to enable speedy amendment of the list of goods eligible for duty-free temporary importation facilities under the convention in order to keep pace with technical developments. Such a procedure also offers a means to avoid Parliamentary concern with what might be relatively trivial amendments.

9. While it was generally felt that such a system would ensure the necessary flexibility in the convention, the Group recognized that it might entail difficulties of a constitutional character in some countries. There was a danger that in aiming at a progressive solution by providing, in the convention, for a restricted power of amendment, delegated to the customs administrations, a barrier to wide accession would be introduced.

10. It was therefore decided that the attention of the Customs Co-operation Council should be drawn to this problem, the Council being invited to continue drafting on the basis of a power given to the administrations to amend the lists of Articles in the various annexes if unanimous agreement can be reached. The decision whether or not such a provision should finally appear in the convention should depend on the reaction of governments contracting parties to GATT to a question to be transmitted to them whether or not they feel they could adhere to a convention containing such a provision.

Remarks concerning individual Articles

11. The majority of exporters expressed itself strongly in favour of an international document incorporating the necessary guarantees for re-exportation of imported equipment.

12. In this connexion it was stressed that under Article 3, it was open to a country not to accept the proposed international carnet system, by entering an appropriate reservation. If no such reservation had been entered, an importer would be free to choose whether he wished to use the international document or the national system of the country of temporary importation.

13. Exporters made various suggestions concerning the products to be included in the annexes. The representative of the CCC took note of these suggestions so as to transmit them to the Working Group of the Technical Committee of the CCC.
14. The hope was expressed that, based on the suggestion made by the Group of Experts, a more elaborated draft will be available to the CONTRACTING PARTIES very soon so as to make it possible for the convention(s) to be finalized if possible in the November meeting of the Customs Co-operation Council.

Recommendations to the CONTRACTING PARTIES

15. The Group of Experts suggest that the CONTRACTING PARTIES take note of the considerations in this report and that they agree these should be sent to the Customs Co-operation Council. The Group also suggests that further progress will best be advanced by continued close co-operation of the CONTRACTING PARTIES with the Customs Co-operation Council.