Draft Report of the Group of Experts on Temporary Admission

1. In accordance with its terms of reference laid down by Decision of the Council at its session of 8 May 1961, during the Council meeting the Group of Experts examined the Draft Convention on Temporary Importation of Professional Equipment and the Draft Customs Convention on the Carnet for the Temporary Admission of Goods, (transmitted by the Customs Co-operation Council (I/1460)) with a view to submitting recommendations to the CONTRACTING PARTIES at their eighteenth session.

2. It was again made clear on this occasion that the views expressed by the Experts within the Group did not necessarily reflect their Governments' views; therefore they could not indicate whether or not their countries would agree to sign or adhere to the Convention as it is finally drawn up. The Belgian and Netherlands Experts stressed that they were not authorized to withdraw any reservation made by the experts of their countries at the meeting of the Technical Committee in Brussels.

DRAFT CONVENTION ON TEMPORARY IMPORTATION OF PROFESSIONAL EQUIPMENT

3. The Group examined the Draft Customs Convention transmitted by the Customs Co-operation Council for the information of the CONTRACTING PARTIES. It was noted with satisfaction that the wishes expressed by the Group of Experts regarding this Convention, as laid down in BISD, Ninth Supplement, page 224, had been taken into account and incorporated in the draft, where necessary. The following remarks were made by the Group of Experts in connexion with the study of this draft:

4. The Group felt that certain important explanations should be issued separately as interpretative notes, similar to those prepared in connexion with the Convention on the Temporary Importation of Packings (BISD, Ninth Supplement, page 211).

5. It was felt that the first interpretative note should relate to paragraph 1(b) and should be similar to the relevant note in the Packings Convention, and read: "Article 1: The provisions of Article 1(b) should be deemed to be met if under an import licensing system, import licences were always issued to permit the temporary importation of packings, subject to their re-exportation".

Article 4

6. It was stressed that this Article limits the security to 110 per cent of the duty chargeable. It was explained that, regardless of whether a country has recourse to the ATA Carnet or not, the term "import duties chargeable" means the duties which would have to be collected, should they become due.

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Article 7

7. The Australian Expert drew attention to the fact that he was now in a position to withdraw the reservation he had made at the previous meeting of the GATT Group of Experts. (BISD Ninth Supplement, page 225.)

Article 10

8. The United States Expert recalled that he had already requested, in connexion with the Packings Convention, that the term "public security" required some explanation. He remarked that the relevant interpretative note to the Packings Convention (BISD, Ninth Supplement, page 212) referred only to Article XXI (b)(iii) of the General Agreement, while his intention was to ensure that the exceptions extended to all cases mentioned in Article XXI, paragraph (b). The Group considered that sub-paragraph (iii) only had been mentioned in the interpretative note to the Packings Convention because sub-paragraphs (i) and (ii) were felt to be irrelevant to that Convention. They felt, however, that all exceptions included in paragraph (b) of Article XXI could be understood as falling within the term "public security". It was therefore decided that a second interpretative note should be added, as follows: "Article 10. The term "public security" covers both internal and external security, and consequently extends to measures taken by the Government in time of war or other emergency in international relations, as envisaged in Article XXI(b) of the General Agreement on Tariffs and Trade".

Article 19

9. It was noted that in this Article the principle of a negative amendment procedure had been maintained and that a more elaborate procedure had been provided for than in the Convention on Packings. This had been necessary because of legal difficulties in certain countries. It was felt that the new safeguards to ensure that countries could express their opinion on an amendment were such that countries should no longer have difficulty in accepting this procedure.

10. Although it was felt that no amendment or addition to the interpretative notes was necessary, it was stressed that, under the provisions of paragraph 5, the rejection of a proposed amendment by a single contracting party meant that such an amendment would not enter into force for any contracting party to this Convention.

Article 20

11. It was noted that Article 20 of the previous draft (BISD, Ninth Supplement, page 219) had been dropped and that thus the special procedure for amending the illustrative lists had been removed. It was further noted that any change in the items included in the illustrative lists were required to be carried unanimously under the general amendment procedure of Article 19. This met the wish expressed by the Group of Experts at their last meeting, that such changes could only take place if unanimously agreed.
12. It was further stressed that the fact that the lists are illustrative meant that the interpretation of the items falling under one heading, e.g. equipment necessary for business men, lies with the national authorities of the importing country. In case of dispute, however, whether an unlisted item should benefit from the facilities, the procedure for ensuring conformity of application provided for in Article 14 would apply.

CONVENTION ON THE CARNET FOR THE TEMPORARY ADMISSION OF GOODS

13. The Group stressed the importance of this Convention for the trading community and for Governments alike. It was noted in particular that the technical provisions were firmly based on experience gained with the ECS Carnet used for the temporary importation of samples. In addition, it included special provisions which make it a valuable complement to Conventions on temporary importation of goods other than samples, in particular professional equipment.

14. It was also stressed that the new carnets would be used not only in connexion with Conventions on temporary importation, but also for other national facilities for temporary importation, at the discretion of a contracting party.

15. Recognizing that this Convention has not yet reached the same stage of elaboration as the Convention on Professional Equipment, and that revision of the draft is envisaged within the Brussels Customs Co-operation Council, some suggestions for change were made.

Article 2

16. It was suggested that the first words in the first and second paragraphs should read: "Each contracting party to the present Convention...".

Article 5

17. It was felt that paragraph 2 of this Article should be understood to mean that the guaranteeing association cannot be required to give security for possible penalties.

Articles 19 to 21

18. The Group of Experts felt that these articles needed redrafting, so as to make clear when the Convention comes into force and for what temporary importation procedures countries will apply the Convention. The redrafted Articles should bring out:

(i) that the present Convention enters into force when five States have accepted it;

(ii) that if such States are already contracting parties to temporary importation Conventions requiring the application of the ATA Carnet, they must accept the use of the ATA Carnet for the products covered by those Conventions;
(iii) that a special notification procedure should be provided for those countries applying the carnet to other classes of temporary importation under the optional provisions of Article 2(a).

Article 21

19. It was felt that provision should be made to enable Carnets issued before a denunciation became effective to remain operative for the whole period of their validity.

Article 25

20. Certain consequential changes to this Article will be necessary if Articles 19-21 are amended.

Recommendations of the CONTRACTING PARTIES of GATT to the Brussels Customs Co-operation Council

21. The GATT Group of Experts suggests that the CONTRACTING PARTIES might accept the following recommendations to the Customs Co-operation Council:

(1) Draft Customs Convention on the temporary importation of professional equipment

The CONTRACTING PARTIES greatly appreciate that, in the new draft of the Customs Convention on Temporary Importation of Professional Equipment, prepared by the Technical Committee of the Customs Co-operation Council, account has been taken of the suggestions made by the GATT Group of Experts to the Customs Co-operation Council in November 1960.

The CONTRACTING PARTIES express themselves in favour of the new draft, which they consider a step in the direction of freeing trade from international barriers.

(2) Draft Customs Convention on the ATA Carnet for the temporary importation of goods

The CONTRACTING PARTIES recognize that adherence to a Customs Convention on the ATA Carnet for the temporary importation of goods will provide great facilities for international trade.

The CONTRACTING PARTIES recommend that the Customs Co-operation Council revise the text of the Convention, taking into account the comments made by the GATT Group of Experts.

The CONTRACTING PARTIES suggest that further progress will be advanced by the continued close co-operation of the CONTRACTING PARTIES with the Customs Co-operation Council.
(3) **General**

"In making these recommendations, the CONTRACTING PARTIES stress that they are not pre-judging the issue whether individual governments may decide to sign or adhere to one of the resulting Conventions. However, the CONTRACTING PARTIES express the hope that both Conventions will meet with wide acceptance."