LICENSING TO ADMINISTER IMPORT RESTRICTIONS

1. It is recognized that the procedures adopted for the issue of licences for administration of quantitative restrictions may, in some cases, have additional restrictive effects on imports. In such cases, imports under quantitative restrictions shall, wherever practicable, therefore be allowed in accordance with procedures worked out in agreement between exporting and importing countries, on the basis of normal customs documents or on the basis of export permits issued by the exporting countries.

2. The following provisions shall apply when a licensing system is considered necessary for the administration of quotas and other import restrictions.

(a) Information

3. All useful information concerning formalities for filing applications for licences shall be published by the government which imposes or maintains the licensing requirement, as far in advance as possible of any opening date for submission of applications for licences.

4. In the case of import licences issued in connexion with import restrictions, all relevant information shall, upon request, be provided to governmental authorities concerning the administration of the restrictions, the import licences granted over a recent period, and the distribution of such licences among supplying countries, including - wherever possible on a confidential basis - names of importing enterprises.
5. As required by Article XIII of the General Agreement, the overall amount of quotas, by quantity or value, including revisions during the quota period, of goods that could be imported during that specified period, dates of opening of quotas and, where applicable, the amount allocated by country, shall be published.

(b) Procedures for and processing of licence applications

6. A reasonable period shall be allowed for submission of applications for licences.

7. Licensing systems to administer import restrictions shall not be designed nor operated in such a manner as to discriminate between sources of imports, unless otherwise permitted under the General Agreement.

8. Any person, form or institution which fulfils the legal requirements shall, to the extent possible having regard to the provisions of paragraph 13 below, be equally eligible to apply for licences and to get their applications considered accordingly.

9. Application forms and procedures shall be as simple as possible, and the period for processing of applications shall be as short as possible.

10. In the case of quotas allocated by country, applications for licences should be formulated in such a way that no persons, forms or institutions other than those to whom licences are issued can utilize them unless permission for transfer is expressly provided for in the licences themselves.

11. In the event of refusal of an application, the applicant shall be given on request the reasons for such refusal and shall have the right of appeal.
Procedure of allocating quotas and validity of licence

12. The authorities of the importing country shall take all possible steps, when administering quotas, to ensure that licences can be issued and importation effected within the period prescribed for this purpose and to facilitate the full utilization of the quotas.

13. Licences shall not be issued to importers for goods in such small quantities as to make imports uneconomical while avoiding allocations to an unduly small number of importers.

14. The administrative authority issuing the licence shall take into account *inter alia* whether the licences issued in a previous period had been utilized or not.

15. Special consideration shall be given to ensuring a reasonable distribution of licences to new importers, taking into account the desirability of issuing licences for goods in economic quantities.

16. Imports for re-export purposes and samples and other items entering on a temporary basis shall not be counted against quotas.

17. The validity of the licence shall be of reasonable duration, and in no case so short as to prevent imports from countries situated at a distance, taking into account transport and communications conditions.

18. Procedures for renewal of licences and, if applicable, for carrying over quantities licensed as an addition to permitted imports in the next following period, shall be as simple as possible.

(d) General conditions

19. In the case of quotas not allocated among supplying countries administered through licensing, licence-holders shall be free to choose the sources of imports.
20. Where export permits are issued by exporting countries according to a procedure worked out in common agreement with an importing country, but where the importing country for certain purposes requires import licences, the latter shall be issued automatically, within the limit of the quotas, in accordance where appropriate with the provisions of (the instrument on automatic licensing).

21. The foreign exchange necessary for the payment of imports shall, where required, be made automatically available to import licence holders.