Note by the Secretariat on the Meeting of 22 June 1972

1. The Working Group met on 22 June 1972, under the chairmanship of Mr. E. Kekomäki (Finland) to organize its work.

As part of the preparations for the meeting, the secretariat had drafted a background note - document COM.IND/W/79 - setting out the main lines of action in GATT and elsewhere on both import documentation and consular formalities.

Import documentation

2. In view of the need to avoid duplication with the work of other organizations concerned with import documentation, representatives of other organizations, in particular the Customs Co-operation Council and the Economic Commission for Europe, were invited to give a summary of the activities of their respective organizations in this field.

3. The representative of the Customs Co-operation Council said that his organization attached special importance to the harmonization and simplification of customs documentation. The Permanent Technical Committee had been working on these matters since 1963. A lay-out key for the goods declaration (exports) had been drafted and put into force by twelve countries. A preliminary lay-out key for the goods declaration for home use had also been drafted, and the incidence of electronic data processing in this form was being studied. Some member countries had expressed doubts as to the need for harmonizing the goods declaration for home use, considering this to be an exclusively national matter. The CCC was interested in the views of trade policy circles on this subject. A model certificate of origin, based on the ECE lay-out key, had also been prepared, and a very comprehensive questionnaire sent out to determine the information requirements of customs administrations. The answers to this questionnaire were presently being processed and would be available during the month of September.

The statement is contained in Annex I to this note.

4. The representative of the ECE indicated that his organization had started work on the normalization of international trade documents in 1960. The Working Group on the Simplification of Export Documentation had prepared a form known as "the ECE lay-out key". This key served as a basis for the dimensions and contents of several other documents, such as transport documents, control documentation, customs declarations
for exports, and port and postal documentation. Efforts were being made to harmonize banking, air transport, and insurance documentation. One group of experts within the ECE was working on the automatic data processing and coding of information, and another on the information and documentation needs. GATT's initiative to establish a customs standard invoice would be welcome, provided it was aligned with the ECE lay-out key, and prepared in consultation with the most competent technical body - the Customs Co-operation Council. This form might be based upon commercial invoices and replace consular invoices and perhaps certificates of origin. The full text of the statement is contained in Annex II to this note.

5. A short statement was also made by Mr. G. Roos, Inter-regional Adviser on Trade Documentation, indicating that UNCTAD was providing assistance and advice to those developing countries that requested its services on import documentation. He said that nothing was being done in UNCTAD in connexion with customs invoices, and stressed the need for co-operation among all international organizations which were active in this field.

6. Some members of the Working Group proposed that the Customs Co-operation Council should take over the work of drawing up lists of common requirements for a standard customs invoice and for an all-purpose entry document (Annexes D and E to the secretariat's background note), and should consider in general the notifications on import documentation contained in the inventory of non-tariff barriers. In their view this highly technical task could best be conducted in the Customs Co-operation Council, which should report its results back to the Group. Ad referendum texts would, however, have to be drawn up in GATT as part of its non-tariff barrier exercise.

7. Other members of the Working Group pointed out that, as could be seen from its 1970 report (COM.IND/W/47), there had been considerable support in the Working Group for a proposal to set up an expert group in GATT to draw up lists of common requirements for a standard customs invoice, and for an all-purpose entry document. Many members considered that the Group itself should discuss, on the basis of material to be provided by other organizations, what has been done, what is being done, and what it would be realistic to do in GATT and elsewhere in the field of import documentation, before taking any decision as to what type of work should be undertaken by GATT. Once the necessary information had been collected and circulated, the Group should have a meeting, with the attendance of both customs and trade policy experts. Steps should be taken to ensure that all notifications on import documentation in the Non-Tariff Barrier Inventory would be taken care of.

8. The Working Group asked the secretariat to circulate a document indicating what had been done and was being done on import documentation in GATT, as well as in other organizations well in advance of the next meeting.

Consular formalities

9. The Working Group discussed the question of consular formalities, basing itself on the information contained in paragraphs 9 to 13 of document COM.IND/W/79. Particular consideration was given to Annex J, which reproduces the solutions proposed in COM.IND/W/47 and the views of the countries still maintaining consular
formalities. The main suggestions referred to in this connexion were the proposals to draw up an interpretative note to Article VIII of the General Agreement, the possibility of a decision to phase out consular formalities and the decision to carry out a special study on this subject.

10. It was agreed that a progress report on the present situation in contracting parties maintaining consular formalities be prepared by the secretariat prior to a discussion of possible solutions.

11. It was recalled that the CONTRACTING PARTIES had already recommended, in 1952, 1957 and 1962, that consular formalities should be eliminated. A draft interpretative note to Article VIII of the General Agreement, containing a date for the elimination of consular formalities, would be prepared by one member of the Working Group and circulated before the next meeting.
The Customs Co-operation Council attaches particular importance to the harmonization and simplification of customs documents because of the repercussions that this question can have with a view to lightening the work of the customs and promoting international trade expansion.

The work already done by the Council in this field can be briefly outlined as follows:

The question of the harmonization and simplification of customs documents was included in the agenda of the Permanent Technical Committee in 1963.

In June 1965, the Council approved the Recommendation concerning the adoption of a lay-out key for the goods declaration (outwards). This lay-out key is based on the one drawn up by the ECE/UN.

To date, the Recommendation has been adopted by twelve States members of the Council.

At its meeting in September 1965, the Permanent Technical Committee decided to continue its work with a view to the preparation of a lay-out key for the goods declaration for home use.

For the preparation of this lay-out key, the Secretariat drew up a list of the particulars required by all customs administrations in their declaration forms. That list was adopted by the Committee at its March 1966 meeting (Annex 1 to document 13.109).

The Secretariat then prepared a preliminary draft lay-out key for the goods declaration for home use, based on the lay-out key drawn up by the ECE/UN. The preliminary draft lay-out key was then submitted to member States for their comments.

The Permanent Technical Committee decided to suspend examination of the Secretariat's preliminary draft and of the comments by member States (documents 13.361 and 13.601) until such time as it was apprised of the possible repercussions
that the use of electronic facilities for customs clearance of goods, which was under study in a number of countries, could have with respect to the establishment of an international lay-out key.¹

At its meeting in March 1972, the Permanent Technical Committee decided that work should be continued on this matter, taking into account the implications of the use of computers.

In response to an invitation received from the ECE/UN Group of Experts on automatic data processing and coding, the Committee decided to ascertain the particulars needed by the customs for import formalities.

Inquiries are currently being made from member States. Results will be available shortly.

In the light of the information received, the Committee will decide upon the direction that its work should take with a view to the establishment of a harmonized lay-out key for the goods declaration for home use.

The Secretariat of the Council nevertheless wishes to state that at the March 1972 meeting of the Permanent Technical Committee, a number of delegates expressed the view that goods declarations for home use were designed particularly to meet national needs, and harmonization at international level was not necessary from the point of view of the customs authorities.

It might be very useful to know what are the arguments, from the viewpoint of international trade, in favour of such harmonization.

The Permanent Technical Committee will appreciate any clarification that Working Group 2 can give on this point.

**

The Permanent Technical Committee has also considered the harmonization of certificate of origin forms.

¹Some delegations in the Technical Committee expressed doubts as to the compatibility of the ECE/UN lay-out key with automatic data processing, although the ECE/UN had concluded that the form was not incompatible with ADP.
The Special Working Group established by the Permanent Technical Committee to study customs problems concerning the origin of goods has drawn up, in collaboration with the UNCTAD Inter-regional Adviser, a draft model certificate designed to certify the origin of goods.

The model is based on the ECE/UN lay-out key and is compatible with the lay-out key for the goods declaration (outwards) which was the subject of the Council Recommendation of 1 June 1965.

The Permanent Technical Committee having suggested that member States be invited to adopt this model certificate, a draft recommendation has been submitted to them for comments.
ANNEX II

Statement by Mr. H. Gornil - Economic Commission for Europe

Work on the standardization of international trade documents has been proceeding since 1960 in the Economic Commission for Europe, when a Working Party on the Simplification of Export Documentation was established as a subsidiary body of the Committee on the Development of Trade.

In its ten years of activity, the Working Party has drawn up a model "ECE lay-out key" which serves as a basis or norm for the dimensions and contents of the various documents required in international trade.

This lay-out key has been recognized as useful by the member governments of the Economic Commission for Europe and by the international organizations concerned. Most transport documents (bills of lading, way-bills, etc.) have been harmonized by the organizations concerned (International Chamber of Shipping, International Union of River Navigation, Central Office for International Railway Transport, International Road Transport Union, etc.) on the basis of the lay-out key. The official documents - control certificates, customs export declarations, port documents, etc., and certain postal forms - have also been brought into line with this lay-out key in most European countries. In the East European countries this standardization even extends to the various commercial invoices. Efforts still need to be made with respect to the various banking documents, insurance policies and air way bills before all the documents necessary in international trade are harmonized. Contacts have been established for this purpose with the international organizations concerned.

In view of the fact that the Economic Commission for Europe is of a governmental character, with a sphere of influence extending throughout Europe, it has been possible to achieve this standardization at European level. Nevertheless, this task has been greatly facilitated by the co-operation established with the various international organizations concerned, such as the International Chamber of Commerce, the Customs Co-operation Council, the transport organizations, the International Organization for Standardization, etc.

One fortunate consequence of the standardization of the foreign trade documents used in Europe has been that in fact it extends to the whole world. There are many reasons for this: harmonized transport documents from Europe have been used in other regions; for international trade purposes, the United States have adopted a model based on the lay-out key; some member States of the British Commonwealth have adopted documents similar to the harmonized documents of the United Kingdom; lastly, the regional economic commissions of the United Nations have realized the interest of standardization and co-operation has been established between the secretariats of the regional commissions and that of the Economic Commission for Europe through UNCTAD, which has established a post
of Inter-regional Adviser on Trade Documentation, the incumbent being the technical adviser of the Economic Commission for Europe on simplification and standardization of international trade documents.

Having achieved a high degree of standardization of foreign trade documents in Europe, and indirectly a beginning of standardization of such documents at world level, the Economic Commission for Europe decided that it would be appropriate to extend the terms of reference of the Working Party. Accordingly, since 1971, the Working Party has been concerned with the facilitation of international trade procedures and has appointed two groups of experts to help in this work; the first of these is concerned with the automatic data processing and coding of information given on foreign trade documents, and the second, with information and documentation needs. It is therefore to be expected that in coming years the Working Party will continue its standardization work, seeking solutions for the use of harmonized documents for international trade through the various computer systems.

The Economic Commission for Europe therefore has a working tool that in some cases can participate directly in the work of standardizing and coding international trade documents and, more generally, co-ordinate activities in this field at international government level.

As regards the GATT suggestion in regard to a customs invoice, one can only welcome this move toward simplification, provided of course that it takes place within the context of the standardization of international trade documents on the basis of the lay-out key. The draft would necessarily have to be prepared in close co-operation with the Customs Co-operation Council which has the necessary experience in this regard. The elaboration of a customs invoice could with advantage be based on a commercial invoice and should contain particulars which would enable the consular invoice and possibly the certificate of origin to be dispensed with.

If this GATT initiative takes shape, the Working Party of the Economic Commission for Europe could probably co-operate in the work, with the aid of the Customs Co-operation Council and the International Chamber of Commerce.