Committee on Import Licensing

WORK PROGRAMME: FIRST STAGE

Note by the Secretariat

Revision

1. At its eleventh meeting (October 1984), The Committee on Import Licensing adopted procedures outlined by the Chairman regarding the first stage of its work programme concerning "simplification" of the Agreement. To assist the Committee in its attempt to reach a common understanding on the meaning of certain provisions formulated in vague terms, it was decided that the secretariat would examine notifications by signatories concerning existing legislative procedures on the first three points which had been set out in an earlier informal secretariat document, namely:

A. Publication: Articles 1.4, 3(e)
B. Public Notice: Article 3 (d)
C. Application Procedures: Article 1.6

and compile an inventory thereof. In addition, delegations were invited to submit new information or to correct information appearing in LIC/W/25 (LIC/M/12, paragraph 27). Delegations also were invited to communicate their comments, observations and suggestions as to how to proceed concerning these points. The secretariat would also prepare a résumé of these submissions (LIC/M/11, paragraphs 29-30 and LIC/M/13, paragraph 11).

2. The following note is organized in two parts: part I is an inventory of existing legislative practices relevant to the vague language on which the Committee decided to focus in the points A, B and C referred to above. The inventory is based on the replies to the Questionnaire on Import Licensing Procedures supplied by signatories to the Agreement and on additional information supplied by signatories.

3. Part II of this note concerns the submissions by delegations relating to the work programme.

I. Inventory of Existing Legislative Procedures

4. Item 6(a) of the GATT Questionnaire on Import Licensing Procedures is generally applicable to the question of publication, and in fact covers items A and B of the Work Programme. In some cases, however, relevant information may be provided under other items of the questionnaire. For example, responses to question 6(d) provide in some cases specific information relating to article 3(e). Similarly, information about application procedures (Article 1.6) normally expected to be found in responses to question 6(d) may also be provided in responses to questions 6 (f) or 7(a). In this inventory, only information relevant to the vague language on which the Committee has decided to focus (see underlined phrases in points A, B and C below) has been included.
The text of the Agreement reads as follows:

Article 1.4: "The rules and all information concerning procedures for the submission of applications, including the eligibility of persons, firms and institutions to make such applications, and the lists of products subject to the licensing requirement shall be published promptly in such a manner as to enable governments and traders to become acquainted with them."

Article 3 (e): "where there is a specific opening date for the submission of licensing applications, the rules and product lists referred to in paragraph 4 of Article 1 shall be published as far in advance as possible of such date, or immediately after the announcement of the quota or other measure involving an import licensing requirement."

Information relevant to the meaning of "promptly", "as far in advance as possible" and "immediately after" has been provided as follows:

Canada:

I. Explosives Act: explosives: Articles 1.4 and 3(e) are not applicable because:

(1) The system is intended only to ensure that the same degree of safety exists with imported explosives as with those of domestic manufacture. There is no intent whatsoever to restrict quantity or value of the explosives imported.

(2) There is no specific opening date for the submission of licensing applications.

II. Plant Quarantine Act: plants and plant products: Articles 1.4 and 3(e) are not applicable because:

(1) The permit system is intended to ensure that plant materials imported conform with Canada's phytosanitary regulations.

(2) There is no specific opening date for the submission of licensing applications.

III. Animal Disease and Protection Act: live animals, animal products, birds and veterinary biologies: Articles 1.4 and 3(e) are not applicable because:

(1) The permit system is intended to ensure that all items identified in number 1 (see page 14, paragraph 1 of Replies to Questionnaire on Import Licensing Procedures) are imported in conformity with Canada's sanitary health regulations.

(2) There is no specific opening date for the submission of licensing applications.
IV. National Energy Board Act: Section A; natural gas and ethane

Articles 1.4 and 3(e) are not applicable because:

(1) The licensing of imports is for regulatory and emergency purposes. Therefore, the purpose of licensing has not been to restrict the quantity or value of imports per se.

(2) There is no specific opening date for the submission of licensing applications.

V. (i) Export and Import Permits Act: Clothing and Handbags:

Article 1.4 is not applicable because:

Quantitative restrictions on clothing products and handbags are established in accordance with bilateral export restraint arrangements negotiated under the International Arrangement Regarding Trade in Textiles.

(ii) Export and Import Permits Act: textiles:

Article 1.4 is not applicable because:

Individual import licensing for textile products is intended to restrict quantities in accordance with bilaterally negotiated restraint arrangements under the MFA (Arrangements Regarding International Trade in Textiles - Multi-Fibre Arrangement). In addition, it is used for import surveillance.

(iii) Export and Import Permits Act: sugar and coffee:

Articles 1.4 and 3(e) are not applicable because:

(1) Pursuant to Canada's undertakings under the International Sugar and Coffee Organizations, the system is intended to monitor the volume and the origin of sugar and coffee imports, plus in the case of sugar, the contribution to the organization's Stock Financing Fund.

(2) There is no specific opening date for the submission of licensing application.

Chile: Articles 1.4 and 3(e): NA.

Czechoslovakia: Articles 1.4 and 3(e): NA.

European Economic Community and Member States:

European Economic Community: Articles 1.4 and 3(e): The size of Community quotas, the products to which they apply and their distribution between member States is laid down in regulations

1The abbreviation NA means "not applicable" and appears only when this is given as a response in the reply to the Questionnaire on Import Licensing Procedures.
which are automatically published in the "Official Journal of the European Community". Publication is made, wherever possible, in advance of the opening date of the quota, particularly where quotas are renewed on an annual basis. Procedures for the submission of applications differ to some extent between member States and are published nationally. Member States are obliged to publish, not later than three weeks after quotas have been allocated, the products and authorization procedures. For agricultural products, no non-automatic licensing procedures are applied.

Member States:

**Denmark:** Article 1.4: When the need arises - about 10 times per year.

**Federal Republic of Germany:** Articles 1.4 and 3(e): Information about quota allocations and formalities in applying for licences is announced by notices to importers in the official journal Bundesanzeiger.

**Ireland:** Article 1.4: Information regarding annual quota period orders is published in the "Iris Oifigiul" (Official Gazette) and national daily newspapers.

**Italy:** Articles 1.4 and 3(e): Information concerning quota allocation is published in, inter alia, the weekly bulletin of the National External Trade Institute (ICE).

**United Kingdom:** Articles 1.4 and 3(e): Information about quota allocation and formalities for applying for licences is announced, inter alia, by notices to importers in the weekly journal "British Business".

**Finland:** Articles 1.4 and 3(e): Information about the global quota programme, commodities subject to individual licensing and formalities for applying for licences is published annually by the Export and Import Permits Office. All changes in the licensing régimes are published immediately.

**Hong Kong:** Articles 1.4 and 3(e): New rules and information concerning procedures for the submission of import licence applications are promulgated in circulars which are distributed to the trade and shippers. It is the Hong Kong Government's policy to give as much advance public notice as possible on any new rules. Details of existing rules are described in a handout entitled "Guide to Import and Export Licensing Requirements" which is available free of charge on request. Hong Kong's rice import control scheme has a specific date for opening of licensing applications. However, as the rice quotas are only allocated to rice importers registered with the Government, information about quota allocation and licensing procedures is notified to these importers individually.
Hungary: Articles 1.4 and 3(e): The dollar value of the (consumer goods) quota is published annually.

India: Articles 1.4 and 3(e): Detailed policy and procedures for making applications are announced at the beginning of each financial year in The Import and Export Policy, Volume I.

Japan: Articles 1.4 and 3(e): The list of import licences is determined by import notice, whose content is published in the Official Gazette, the International Trade and Industry Official Bulletin and by the International Trade Public Bulletin. Rules and procedures for submission are decided by an import announcement, and are published in the International Trade and Industry Official Bulletin and the International Trade Public Bulletin. Where there is a specific opening date for licences, rules and lists of products are published almost two weeks prior to the opening date of the submission of licences.

New Zealand: Articles 1.4 and 3(e): Information concerning licence allocations and application formalities are in the annual Import Licensing Schedule. Information on licences under tendering procedures is published before tenders are called.

Norway: Article 1.4: For industrial products: formalities of filing applications for licences are laid down in a bulletin distributed to all importers when needed.

Pakistan: Articles 1.4 and 3(e): Detailed policy and procedures for making applications are announced in Import Policy Order issued at the beginning of each fiscal year. Another publication "Handbook on Procedures and Regulations on Pakistan's Import Trade" issued by the Import and Export (Control) Department of the Ministry of Commerce, Government of Pakistan, also contains detailed information on the import régime in Pakistan.

Philippines: Article 1.4: All regulations are published in The Official Gazette and/or in the nation's newspapers.

South Africa: Articles 1.4 and 3(e): Licensing notices are issued by the relevant Minister and regulations published in the Government Gazette, prior to their effective dates in order to allow governments and traders to become acquainted with it timeously.

United States:

(1) Department of Agriculture: plant and plant products: Articles 1.4 and 3(e): NA.

(2) Department of Agriculture: animals and animal products: Articles 1.4 and 3(e): NA.

(3) Department of Energy: natural gas: Articles 1.4 and 3(e): NA.
(4) **Department of Interior:** fish and wildlife: (including endangered species): Articles 1.4 and 3(e): NA.

(5) **Department of Justice:** controlled substances: Articles 1.4 and 3(e): Annual notice of publication of aggregate production quotas for all Schedule I and II Controlled Substances published in Federal Register about July 1 of year prior to which quota applies. Additional notices of regulations are published at unspecified time.

(6) **Department of the Treasury - Bureau of Alcohol, Tobacco and Firearms:** distilled spirits (beverages); wine and malt beverages: Articles 1.4 and 3(e): NA.

(7) **U.S. Nuclear Regulatory Commission:** nuclear facilities and materials: Articles 1.4 and 3(e): NA.

(8) **Petroleum and Petroleum Products:** Article 1.4: Overall allocations and those to each importer are published annually.

(9) **Crude Opium:** Articles 1.4 and 3(e): Allocation of quotas published annually on April 1 of each year. Changes are published periodically in The Federal Register. Overall amount published annually.

**B. Public Notice**

The text of the Agreement reads as follows:

Article 3(d): "In the case of quotas allocated among supplying countries, the Party applying the restrictions shall promptly inform all other Parties having an interest in supplying the product concerned of the share in the quota currently allocated by quantity or value, to the various supplying countries and shall give public notice thereof;"

Information relevant to the meaning of "promptly inform" has been provided as follows:

**Canada:**

I. Narcotics Control Act; Food and Drugs Act; narcotics and food: Does not allocate quotas by country.

II. Explosives Act: explosives: NA

III. Plant Quarantine Act: plant and plant products: NA.

IV. Animal Disease and Protection Act: live animals; animal products, birds and veterinary biologies: NA.

V. National Energy Board Act:

   Section A: Natural gas and ethane: NA.
VI. Export and Import Permits Act:

(1) Dairy Products: Individual importers are informed of their allocation at the beginning of the quota year.

(2) Turkey, Eggs and Chicken: Individual importers are informed of their allocations at the beginning of a quota year.

(3) Sugar and Coffee: NA.

(4) Whale Products and By-Products: NA.

(5) Endangered Species: NA.

Chile: NA.

Czechoslovakia: NA.

European Economic Community and Member States:

European Economic Community: Where Community quotas are allocated between supplying countries, this information is in the regulation published in the "Official Journal of the European Community" (see A, above).

Member States:

Italy: Global amount and amount by country is published in, inter alia; the weekly bulletin of the National External Trade Institute (ICE).

United Kingdom: Overall amount and imports from particular sources, where applicable, although not according to each importer, is published in the notices to importers in the weekly journal "British Business".

Finland: Quotas are not allocated between countries.

Hong Kong: N.A. As regards Hong Kong's rice import control scheme, quotas are maintained for domestic consumption; and quotas are allocated among importers registered with the Trade Department of Hong Kong and not among supplying countries.

Hungary: The quota is not broken down to countries or to importers.

India: Does not publish quota amounts by country of origin.

Japan: Quotas not broken down by country of origin.

New Zealand: Quotas not allocated on basis of country of origin.
Norway: Global quotas are not allocated between countries.

Pakistan: Does not publish quota amounts by country of origin.

Romania: NA.

Singapore: Does not publish overall amount, by country of origin or maximum amount allocated to each importer.

South Africa: Import permits may be utilised for the importation of goods from any country in the world and there are no quota schemes for supplying countries in operation.

Sweden: Each importer is informed directly about his quota.

Switzerland: Importers are informed in writing concerning the size of quotas and allocation, etc.

United States:

(1) Department of Agriculture. plant and plant products: NA.

(2) Department of Agriculture: animal and animal products: NA.

(3) Department of Energy: natural gas: NA.

(4) Department of Interior: fish and wildlife (including endangered species): NA.

(5) Department of Treasury - Bureau of Alcohol, Tobacco and Firearms: distilled spirits (beverages), wine and malt beverages: NA.

(6) Department of Health and Human Services, Public Health Service - Food and Drug Administration: biological products: No quotas involved.

(7) Petroleum and Petroleum Products: Overall allocations and allocations to each importer are published annually.

(8) Crude Opium: Amount allocated to each country is not published.

Yugoslavia: Quotas by country of origin not determined in advance.
C. Application Procedures

The text of the Agreement reads as follows:

Article 1.6: "Applicants shall have to approach only one administrative body previously specified in the rules referred to in paragraph 4 above in connection with an application and shall be allowed a reasonable period therefore."

Information relevant to the meaning of "reasonable period" has been provided as follows:

Australia: Period of not less than twenty-one days for application for licences is allowed following imposition announcement.

Austria: Applications for licences can be submitted at any time.

Canada:

I. Narcotic Control Act; Food and Drugs Act: narcotics and drugs: Application may be made at any time of the year.

II. National Energy Board Act:

Section A: natural gas and ethane: Application for licences should be made a reasonable length of time prior to importation.

Section B: nos. 4, 5 and 6 heavy fuels, bunker "C" oil, "C" grade oil, residual fuel oil, heavy bunker oil, intermediate or thin bunker fuels and any other heavy fuel oils or blend of heavy fuel oils: Application for licences should be made a reasonable length of time prior to importation.

III. Export and Imports Permit Act:

(1) Clothing and Handbags: Within 30 days of arrival or anytime after arrival of goods.

(2) Textiles: Within 30 days of arrival or any time after arrival of goods.

(3) Footwear: Any time within quota period provided importer still has allocation. Import permits for goods under surveillance may be applied for 30 days prior to arrival or any time after arrival of goods.

(4) Dairy Products: Products subject to global import surveillance: 30 days prior or any time after arrival of shipment.

(5) Turkey, Eggs and Chicken: Applications for single shipment permits are made any time during 30 days prior to arrival.
(6) **Sugar and Coffee**: Thirty days prior to or any time after arrival of shipment.

(7) **Whale Products and By-Products**: Thirty days prior to or any time after arrival.

(8) **Endangered Species**: NA.

**Chile**: Application can be made at any time of the year.

**European Economic Community and Member States**:

**European Economic Community**: Not more than one month, where all applications are to be examined together. Alternatively, applications may be examined as and when they are received.

**Member States**:

**Benelux**: Any time within the quota period.

**Denmark**: Three weeks for products under quotas: no time limits for other applications.

**Federal Republic of Germany**: If large quotas, applications may be submitted immediately and continuously. For small quotas, usual time limit of two to three weeks.

**France**: Grace period between publication of notice and deadline date is as a rule at least a fortnight.

**Greece**: Applications should be submitted one to two months from the date of the opening of the quota.

**Ireland**: For goods not under quota, no time limit.

**Italy**: Normally within 30 days following publication of quota and accompanying criteria for allocation.

**United Kingdom**: For applications examined simultaneously, not more than one month to submit applications.

**Finland**: There is no time limit for submission of applications. However, firm orders for goods cannot be made before the import licence has been granted.

**Hong Kong**: N.A.

**India**: For actual users (industrial), seven months to apply for annual requirements; eleven months to apply for supplementary licences after publication of import policy. Actual users (non-industrial), nine months to apply to imports of non-permissible spares. All other applications, eleven months after announcement of import policy.

**Japan**: Two-week period to submit applications for quotas.
New Zealand: Application for normal licences may be submitted at any
time during the import licensing year. For tended licences, a period of
three weeks is normally available for the submission of tenders.

Norway: Applications should usually be submitted immediately after
announcement although they may be submitted within the course of the
quota period.

Pakistan: Applications for issue of import licences can be presented
with effect from the commencement of the import policy period on 1 July.
These applications are made on blank forms of import licences. Normally
this procedure takes 48 hours. This process goes on throughout the year
which ends on 30 June.

Philippines: For goods under quota, may file application until end of
authorised period; for non-quota goods, must file application at least
two weeks prior to estimated loading date.

Singapore: Within fourteen days after announcement to prove past
performance, though no time limit to apply for licences as long as
within quota period.

South Africa: Normally permits are transmitted through the post within
10 days after submission of an application. Urgent applications are
finalised on the day of application.

Sweden: A reasonable period of time.

Switzerland: No time limit for submission of applications, but must be
handed in within three to five days prior to actual importation.

United States:

(1) Department of Agriculture: certain dairy products: At least
thirty days after announcement of new quota and application
procedures.

(2) Department of Energy: natural gas: Ten days in advance (of
importation) except for natural gas.

(3) Department of Interior: fish and wildlife: (including
endangered species: No time limit in advance of importation.

(4) Sugar for re-export or polyhydric alcohol production: A
reasonable time before importation.

(5) U.S. Nuclear Regulatory Commission: nuclear facilities and
materials: No fixed period to receive application in advance
of importation, except for time required to give public notice
of receipt of application.
(6) **Petroleum and Petroleum Products:** Applications for allocations and licences without fees must be filed at least sixty days prior to start of each allocation period; licences subject to fees require only ten days.

(7) **Feathers of Wild Birds:** From 1 September to 30 September for allocation for succeeding calendar year.

(8) **Crude Opium:** NA.

**Yugoslavia:** No time limit.
II. Responses submitted by delegations

1. The Committee on Import Licensing invited all signatories to provide their comments and observations as to how to proceed on points A, B and C. Two signatories, the United States and the European Community, have responded thus far. The texts of their submissions are reproduced below.

United States

The Committee on Import Licensing invited all signatories to provide their comments and observations on certain provisions of the Agreement. The U.S. Government's (USG) comments on specific Licensing Code provisions are as follows:

Publication: Articles 1.4 and 3(e)

Article 1.4 - Currently reads "The rules and all information concerning procedures for the submission of application, including the eligibility of persons, firms and institutions to make such applications, and the lists of products subject to the licensing requirement shall be published promptly in such manner as to enable governments and traders to become acquainted with them. Any changes in either the rules concerning licensing procedures or the list of products subject to import licensing shall also be promptly published in the same manner. Copies of these publications shall also be made available to the GATT secretariat". The USG believes that it would promote uniform interpretation and application of the Code to recommend that "promptly" mean, where possible, 30 days prior to the intended effective date of the licensing. Regarding the last sentence of Article 1.4, we believe that relevant licensing publications should be supplied to the GATT, where possible, no more than 30 days after the effective date of the licensing.

Article 3(e) - Currently reads "Where there is a specific opening date for the submission of licensing applications, the rules and product lists referred to in Paragraph 4 of Article 1 shall be published as far in advance as possible, or immediately after the announcement of the quota or other measure involving an import licensing requirement". The USG recommends that the Committee interpret "as far in advance as possible, or immediately after" to mean, where possible, 30 days prior to the opening date and no more than 30 days after the announcement of the quota or other measure.

Public Notice: Article 3(d) - Now reads "In the case of quotas allocated among supplying countries, the party applying the restrictions shall promptly inform all other parties having an interest in supplying the product concerned of the shares in the quota currently allocated, by quantity or value, to the various supplying countries and shall give public notice thereof". Again, the USG would recommend that the Committee interpret "promptly" to mean, where possible, 30 days prior to the effective date of the licensing.
Application Procedures: Article 1.6 - Presently states that "Application procedures and, where applicable, renewal procedures shall be as simple as possible. Applicants shall have to approach only one administrative body previously specified in the rules referred to in Paragraph 4 above in connection with an application and shall be allowed a reasonable period therefor. In cases where it is strictly indispensable that more than one administrative body is to be approached in connection with an application, these shall be kept to the minimum number possible." The USG recommends that the Committee interpret "a reasonable period" to mean that an applicant be allowed, where possible, 30 days prior to the effective date of licensing to apply for that license with the appropriate administrative body, and that "the minimum number possible" mean no more than two administrative bodies.

European Community

In response to the proposals by the United States Delegation circulated in document LIC/W/25, European Community would like to propose the following alternative formulations:

Publication: For changes in rules on import licensing procedures, minimum notice should be at least three weeks before introduction of changes.

For publication of the list of products subject to licensing, this should, where a renewal of an existing measure is concerned, normally be made at least three weeks before the opening of the quota period.

Public notice: As for publication.

Application Procedures: Where a closing date for application for licenses is specified (i.e. where all applications are examined together), this date should normally allow three weeks for submission of applications.