Committee on Import Licensing

INFORMATION RELEVANT TO ITEMS D, E AND F OF THE
WORK PROGRAMME OF THE COMMITTEE

Note by the Secretariat

Introduction

1. Items D, E and F of the Work Programme of the Committee on Import Licensing cover, respectively, Article 3(g), Article 3(h), and Articles 3(k) and 3(l) of the Agreement on Import Licensing Procedures. The present document contains information with regard to the manner in which these provisions are applied by signatories to the Agreement. This information is based on the replies to the GATT questionnaire on import licensing procedures.

2. Part I (period of processing of applications) is based on the replies to item 6(e) in the questionnaire; Part II (period of licence validity) reproduces the replies to item 14 in the questionnaire. Part III (allocation of licences) covers Articles 3(k) and 3(l) of the Agreement and is based on the replies to items 6(h), 15 and 16 of the questionnaire on import licensing procedures.

3. A few general observations can be made which members of the Committee might want to bear in mind when considering these points of the Work Programme. First, with regard to the period of processing of applications it would seem useful to distinguish between licensing systems in which applications are examined as and when received, and licensing systems where all applications are considered simultaneously. (In the latter category one could distinguish tendering systems from other systems.) In cases where applications are examined as and when received, one could specify a period from the date of receipt of the application; in cases where applications are examined together, one could specify a period either from the date of receipt of applications, or from the opening date for the submission of applications. Available information suggests that where applications are examined as and when received, the period of processing generally is not longer than three weeks. Another aspect which should be taken into account in reflections on Article 3(g) of the Agreement is that some countries (e.g. Australia and Japan) apply a two-tier system, requiring licences and permits, or certificates of quota allocation and certificates of import approval.
4. Secondly, with respect to the period of licence validity, there are important differences between the licensing systems applied by signatories, but also between the various licensing systems applied by some signatories. It would seem that as regards the period of licence validity there is less convergence than in the case of the period of processing of applications.

5. Finally, with regard to item F of the Work Programme, it appears that although most signatories take into account past performance of applicants in a recent period as well as the interests of new importers, only a few signatories apply precise and fixed rules in this respect. Most countries leave the responsible administrative body a considerable measure of discretion in applying these criteria, in particular where applications are examined as and when received.
PART I: PERIOD OF PROCESSING OF APPLICATIONS
(Item D of the Work Programme)

I. Argentina (L/5640/Add.27)

The minimum length of time is twenty days, the maximum is sixty days.

II. Australia (L/5640/Add.13 and Corr.1)

1. Customs (Import Licensing) Regulations Covering Industrial Products

Applications can be processed in a minimum of twenty-four hours; the maximum is indefinite where the number of applicants is high or where further information is required from applicants. The maximum is generally not in excess of three weeks from closing of applications. Separate provision is sometimes made (minimum delay) for goods in transit. Special applications are considered for goods arriving prior (maximum four days) to general issue of licences.

2. Fourth Schedule of the Customs Regulations Covering Narcotic Drugs and Certain Psychotropic Substances

As explained in the reply to item 1 of the questionnaire, the system used to control the importation of narcotics and certain psychotropic substances into Australia is a two-tiered structure in which an importer must first be licensed and then an import permit must be obtained for every importation of the controlled drug. In special circumstances, an importer may be licensed for a single importation if certain conditions are satisfied. This enables a university or other institution to import drugs for a specified purpose, although they do not normally hold an import licence. In such cases an import permit is issued and endorsed to constitute a licence for that consignment. Regarding the period of the processing of applications for permits, in urgent situations an import permit can be issued immediately (this can also constitute a licence in the special circumstances referred to above). Applications for import licences and import permits are reviewed as they are received. An import permit is usually issued within two or three days.

III. Austria (L/5111, L/5640/Add.3 and Corr.1)

Applications for licences have to be processed within three weeks. Usually such applications are processed within a period of less than one week.
IV. **Canada** (L/5640/Add.10/Rev.1)

1. **Narcotic Control Act, Food and Drugs Act: Narcotics and Drugs**

   All the import permits are issued within five working days of receipt of application provided the Canadian quota has not been utilized for the calendar year.

2. **Plant Quarantine Act: Plants and Plant Products**

   When application is received it takes two to five days.

3. **Canadian Wheat Board Act: Grains**

   Permits are issued immediately provided that the application is in order.

4. **National Energy Board Act: Natural Gas and Ethane**

   For processing applications, the minimum length of time is approximately one month, while the maximum length depends on whether a public hearing is required which could take up to four months or longer. Applications for emergency import purposes can be approved immediately.

5. **Export and Import Permits Act**

   (a) **Clothing and Handbags, and Textiles**

   Quantitative restrictions on clothing products and handbags, and on textiles, are established in accordance with bilateral export restraint arrangements negotiated under the International Arrangement Regarding Trade in Textiles. The administration of all such arrangements is maintained in the exporting source. The Canadian import licensing system is therefore a back-to-back licensing system with that of the exporting sources. Canadian import permits are issued on a single shipment basis to the holders of valid export licences from the export authorities.

   Import permits are available immediately at numerous computer terminals across Canada provided that proper documentation from the exporting source is presented.

   (b) **Footwear**

   Individual import permits are available at thirty-six computer terminals across Canada provided that the applicant has sufficient quota. Processing time from application to permit print out can be as short as one minute or less and only rarely would require up to twenty-five-thirty minutes.
(c) Dairy products

Products subject to global quotas: import permits are available at numerous computer terminals across Canada with a turn-round time measured in seconds.

Products subject to discretionary licensing: import permits are available immediately at numerous computer terminals across Canada for all permits issued automatically. However, for products subject to discretionary licensing, each application is authorized individually, usually with a turn-round time of one or two days.

(d) Turkey, Eggs and Chicken

Import permits are available immediately at numerous computer terminals across Canada, provided that the applicant has unused allocation.

(e) Beef and Veal

Import permits are available immediately at thirty-six computer terminals across Canada or upon demand at the Special Trade Relations Bureau.

V. Chile (L/5640/Add.8/Rev.1)

Article 3 of the Agreement on Import Licensing Procedures is not applicable to the Chilean import certificate system as this system is not intended to restrict the quantity or value of imports.

VI. Czechoslovakia (L/5301)

1. Narcotics

Licences are granted within five working days of receipt of the application.

VII. European Economic Community and Member States (L/5640/Add.21/Rev.1 and Suppl.1)

The Community rules governing the application of quantitative restrictions on imports of industrial products have been laid down in a number of regulations which are listed in L/5640/Add.21/Rev.1, pages 2-4. When applications for licences are examined as and when received, the time between the date of receipt of the application and the decision on it may not exceed three weeks. Where all applications are examined together, the decision must be made within two months of submission of the application. Article 3 is not applicable to the import certificate system applied by the Community on imports of agricultural products as this system is not intended to restrict the quantity or value of imports.
Member States

**Benelux Economic Union:** Applications which are complete and properly submitted are examined when received and the licences are issued as soon as possible, normally within three weeks.

**Denmark:** The issue of licences against quotas to be allocated must be completed not later than three weeks after the opening date for submission of applications; the issue is normally completed in one or two weeks. Other licences are issued three to ten days after receipt of applications.

**Federal Republic of Germany:** In the event of large-scale imports, licences are often granted on the day on which the application is submitted. In other instances, periods of up to three weeks are necessary.

**France:** Licences are issued either as and when applications are received or after simultaneous examination. There is no general rule in this respect; the choice of the procedure is based on factual considerations such as the probable number of applications in relation to the size of the quota.

**Greece:** The length of time for processing applications and supporting documents varies from twenty to forty days.

**United Kingdom:** Five working days is the time-limit set by Community rules for licences to be issued in respect of certain textile products from supplying countries with which the Community has negotiated bilateral agreements. In the case of unilaterally established restrictions, the maximum time allowed by Community rules is three weeks where applications are examined as and when received, or two months from the date set for receipt of applications where all applications are to be examined at the same time.

VIII. **Finland** (L/5130/Rev.1 and Suppl., and L/5640/Add.6 and Corr.1)

The period of processing licences varies between one and fourteen days.

IX. **Hong Kong** (L/5640/Add.4/Rev.1)

Article 3 is not applicable to the import licensing procedures applied by Hong Kong described in L/5640/Add.4/Rev.1 as these procedures are not intended to limit the value or quantity of imports.

X. **Hungary** (L/5194, and L/5640/Add.12)

Licences for the quota of consumer goods are issued immediately after registration, for other applications generally within ten days.
XI. **India (L/5640/Add.7/Rev.1)**

Time-limits have been prescribed administratively for processing of import applications. If the application is complete in all respects, import licences can be granted immediately or within the shortest possible time.

XII. **Japan (L/5168)**

The minimum length of time for processing applications for quotas is one week, its maximum being three weeks except in some special cases.

XIII. **New Zealand (L/5640/Add.18)**

Depending on the type of licence, the processing of an application can be done immediately (subject to a fourteen-day processing period) or take up to several weeks.

XIV. **Norway (L/5374, and L/5640/Add.2 and Add.23)**

1. **Import licensing for industrial products**

   The maximum time allowed for processing applications is two weeks. In general the licences are issued in the course of two to four days.

2. **Import licensing for agricultural products**

   The time for processing the applications may vary from two days up to two months depending on the category of product. Normally within a week.

XV. **Philippines (L/5640/Add.26)**

Under normal circumstances, an application for an import licence if complete in all respects can be granted within two weeks or even sooner.

XVI. **Singapore (L/5639)**

Licences can be processed within a day.

XVII. **South Africa (L/5640/Add.17/Rev.1)**

The length of time for processing applications is dependent on the volume of work involved, but in general applications are dealt with immediately upon receipt.

XVIII. **Sweden (L/5640/Add.14 and Corr.1)**

1. **Import licensing procedures for products falling within CCCN Chapters 1-24.**

   The procedure normally takes a maximum of ten working days.
2. Import licensing procedures for products falling within CCCN Chapters 25-99.

Usually the time required for the handling of licence applications is one to ten working days.

XIX. Switzerland (L/5223 and Corr. and L/5640/Add.19)

1. Import licensing procedures for products falling within CCCN Chapters 1-24.

Applications are decided upon within a period of one to three days, depending upon the product concerned. In certain cases consultation with another administrative organ may involve a delay of one or two weeks.

2. Import licensing procedures for products falling within CCCN Chapters 25-29.

Import permits are granted immediately upon request.

XX. United States (L/5131 and Corr.1 and Corr.2, L/5131/Add.1 and Add.2, L/5640/Add.5 and Add.22)

1. Certain dairy products

Applications are processed as received. Calculation of the individual quota shares is completed after the 1 November deadline for applying. Licences are issued for use beginning 1 January.

2. Controlled substances

Applications are processed as and when received.

XXI. Yugoslavia (L/5146/Rev.1 and L/5640/Add.20)

The maximum length of time is twenty days. In case that within twenty days the Federal Secretariat for Foreign Trade fails to decide on a request for an import licence, it will be deemed that the import licence for the respective goods was issued. Subsequently, within three days, upon expiration of the twenty-day period, the Federal Secretariat for Foreign Trade is obliged to issue a certificate replacing the import licence in question.
PART II: PERIOD OF LICENCE VALIDITY  
(Item E of the Work Programme)

I. Argentina

The period of validity of a certificate is 180 days except for capital goods and the elements of the replacements of fixed assets in which case the validity is infinite.

II. Australia

1. Customs (Import Licensing) Regulations Covering Industrial Products

The period of validity of a licence is generally twelve months.

2. Fourth Schedule of the Customs Regulations Covering Narcotic Drugs and Certain Psychotropic Substances

Import licences are valid for a finite period usually five years.

III. Austria

The period of validity of a licence is six months as a rule. This period can be extended by three months.

IV. Canada

1. Narcotic Control Act, Food and Drugs Act: Narcotics and Drugs

The period of licence validity is three months; this period may be extended upon application.

2. Plant and Quarantine Act: Plants and Plant Products

The permit is valid one year from date of issue except for corn or soybean where it may be valid for one or more multiple importations. Validity may be extended upon re-application by permit holder.

3. Canadian Wheat Board Act: Grains

Licences are normally valid for thirty days and if extension is required, new licences are issued.

4. National Energy Board: Natural Gas and Ethane

No import licence shall be issued for any period in excess of twenty-five years from a date to be fixed in the licence. The validity of a licence cannot be extended beyond this period without an amendment to the Act, by Parliament.
5. Export and Import Permits Act

Import permits have a validity of thirty days, which may be extended provided the request for extension is made prior to the original expiry date, by a simple amendment to the permit. Otherwise, if the permit has not been used the importer may apply for its cancellation and the issue of a new permit upon presentation of the unused permit.

V. Chile

Article 3 of the Agreement on Import Licensing Procedures is not applicable to the Chilean import licensing system.

VI. Czechoslovakia

1. Narcotics

Validity of the import licence enables imports under the annual quota.

VII. European Economic Community and Member States

European Economic Community: The duration of the period of validity of import licences used to administer quotas is left to the discretion of the Member States.

Member States:

Benelux Economic Union: The period of validity is as a rule four months, or six months in the case of overseas countries.

Denmark: Licences are generally valid for nine months; they may normally be extended by another six months and thereafter by another three months.

Federal Republic of Germany: The period of validity of a licence is as a rule six months. It can be reduced exceptionally, and it frequently covers a longer period. Upon request it can be extended by the competent authorities.

France: The period of validity is limited to six months, but a different period may be established in the quota notice published in the Official Journal.

Greece: A licence is valid for six months for loading plus three months for transport. It may be extended without difficulty. For machinery, the licence is valid for twelve months for loading plus three months for transport.

Italy: The period of validity of an import licence is normally six months from the date of issue but it may be shorter in certain cases.
United Kingdom: There are no specific rules governing the validity of licences used to administer quantitative restrictions. Licences may be issued for the quota period, for a particular consignment or for a limited period within that of the overall quota period.

VIII. Finland

The maximum period of validity of a licence is three to six months, which is not usually extended.

IX. Hong Kong

Article 3 of the Agreement on Import Licensing Procedures is not applicable to the import licensing procedures maintained by Hong Kong.

X. Hungary

Unless otherwise specified in the licence the period of validity is until 31 December of the year. In case of expiry it is possible to request its modification.

XI. India

Import licences are issued with a specified period of validity for shipments of goods. In the case of import licences for capital goods, the validity period is twenty-four months. In respect of licences for raw materials/components, consumables and spares, the validity is eighteen months. The period of validity of an Emergency Licence is twelve months. Licences issued against foreign credits are normally valid for twelve months or to the terminal date of the credit. The validity of an import licence is not generally extended. However, in the case of licences granted for capital goods, the period of shipments can be extended by twelve months beyond the period set down in the licence, if the licensing authority is satisfied that the import could not be made within the initial validity for genuine reasons.

XII. Japan

The period of validity of the certificate of import quota allocation is four months, but in cases where the extension of the period is required the period can be extended on the approval of the Minister of International Trade and Industry. Import approval is obtainable with the certificate of import quota allocation, as long as the certificate is valid.

The period of validity of the certificate of import approval is six months. But if it is known in advance that extension of the period of validity beyond the six-month period is necessary, the longer period can be approved to the extent necessary. And in such cases where the customs clearance is not considered feasible within the period of six months, the period of validity can be extended to the extent necessary for customs clearance.
XIII. New Zealand

The normal period of validity of a licence is from 1 July to 30 June of the following year. However, in certain circumstances and in the case of tender licences, they may be issued for any period up to twelve months outside of the usual June year licensing period.

XIV. Norway

1. **Import licensing on industrial products**

   The period of validity of a licence is usually six months except when the conditions mentioned in the application otherwise require.

2. **Import licensing on agricultural products**

   The period of validity of the licence varies according to the period of importation which is necessary in the case concerned.

XV. Philippines

There are no set rules for the period of validity of a licence. Some licences are issued for a particular shipment only, with a validity period adequate to cover the whole process of importation. Others are issued with a period of validity identical with that of the period of the quota. The period of validity ranges from one month to one year (but for fifteen days only with regard to NEC and UC commodities) and in all cases is renewable upon written application by interested parties to the concerned agency/bureau.

XVI. Singapore

Usually, the validity of a licence can be extended for six months by submitting a new application for extension with a fee of S$10.00.

XVII. South Africa

A licence is valid for the calendar year during which it is issued but may be used for Customs Clearance of goods ordered up to 31 December of that year and shipped until 31 March of the following year.

XVIII. Sweden

1. **Import licensing procedures for products falling within CCCN Chapters 1-24**

   An import licence is valid for three to six months, or, as regards certain kinds of fish, for a considerably shorter period of time.
2. Import licensing procedures for products under CCCN Chapters 25-99

The normal period of validity of a licence is the current month plus three months, however not exceeding the period of licensing.

XIX. Switzerland

1. Import licensing procedures for products falling within CCCN Chapters 1-24

The period of validity of a licence varies from two weeks to six months, according to the product concerned.

2. Import licensing procedures for products falling within CCCN Chapters 25-29

Depending on the products concerned, the period of validity of a licence varies between three to twelve months.

XX. United States

1. Certain dairy products

Licences are valid from the date of issue through 31 December of that year. Licence validity cannot be extended into the next quota period.

2. Controlled substances

Permits are valid for six months.

3. Sugar

The certificates of eligibility are valid only for the quota period for which they were issued. Under the re-export programmes licences are valid for an indefinite period of time and are subject only to the quantitative limitation as mentioned above. The licences issued under these programmes will expire upon written notice to the licence holders by the Licensing Authority. A certificate for specialty sugar is valid only for the quota year in which it is issued.

XXI. Yugoslavia

For products which may be imported only under licence, the validity is included in the licence itself and is not prescribed in advance.
PART III: ALLOCATION OF LICENCES ON THE BASIS OF PAST PERFORMANCE OF
APPLICATIONS IN A RECENT REPRESENTATIVE PERIOD/REASONABLE
DISTRIBUTION OF LICENCES TO NEW IMPORTERS
(Item F of the Work Programme)

I. Argentina

When similar goods are produced domestically certificates can be
issued if it is shown that importation of the goods concerned is necessary
for a precise use for which local goods are either not available, or not
available in sufficient quantity to satisfy the demand.

There is no penalty for the non-utilization of a licence.

Licences are not transferable between importers.

II. Australia

1. Customs (import licensing) regulations covering industrial products

The allocation of licences is generally on the basis of import
performance in a recent representative period.

No penalties attach to under-use of licences.

Individual licences are not transferable but licence entitlement may
be transferred.

2. Fourth schedule of the customs (prohibited imports) regulations
covering narcotic drugs and certain psychotropic substances.

Licences are issued on the basis of normal trade requirements. Applicants
are approved if they meet specified conditions including
previous history in the market, security provisions, record-keeping, State
approval etc. Import permits are issued to licensed importers as required,
within quota limits, based on medical and scientific needs. Quotas for
narcotics and certain psychotropic substances are set within national
estimates submitted to the INCB. The system is flexible enough to allow
part of individual quotas to be transferred from one licensee to another
and for new licence holders to enter the market.

There is no penalty for the non-utilization of a licence or a permit. However, if a licence is not operated on for a period of approximately three years, the licence may be revoked.

Licences and permits are not transferable between importers.
III. Austria

The last period of reference is, in fact, the previous year. The non-utilization of a licence has no legal disadvantage. Licences are not transferable between importers.

IV. Canada

1. Narcotic Control Act, Food and Drugs Act: Narcotics and Drugs

Permits are issued to licensed manufacturers and distributors on a first-come, first-served and past performance basis.

There is no penalty for non-utilization of permits.

Permits are not transferable between importers.

2. Canadian Wheat Board Act: Grains

Quotas are allocated and licences granted on the basis of the market situation in Canada at the time. Licences are normally issued on a first-come, first-served basis. New importers are treated in the same manner as previous importers.

There is no penalty for the non-utilization of a licence.

Licences are not transferable between importers.

3. National Energy Board Act: Natural Gas and Ethane

Applications are examined on receipt except for special situations arising as a result of emergency conditions. To date there has been no need to allocate import licences. Any licences authorized to date have recognized the special circumstances of export-imports (passage through foreign soil only), emergency situations and trade-offs.

There is no penalty for the non-utilization of a licence or a portion of a licence. Licences are permissive only.

Licences are not transferable between importers without authorization of the Board.

4. Export and Import Permits Act

(a) Clothing and handbags, and textiles

Regarding the distribution of licences to importers, see page 4.

There is no penalty for non-utilization of a licence.

Licences are not transferable between importers.
(b) Footwear

Quota allocations per importer are attributed on their past performances in recent periods. A portion of the total quota amount is reserved for allocation to applicants who are new importers. Applications are considered once a year by the Office of Special Trade Relations.

There is no penalty for the non-utilization of a licence.

Licences are not transferable between importers.

(c) Dairy products

The basic procedure is that a quantitative limit is established for a one-year period. At the beginning of a quota year individual importers are informed of their allocation (which is based upon import performance in recent periods). Applications for single shipments are made against these allocations at any time during the thirty days preceding the expected date of arrival of the shipment or at any time after the arrival. In the case of cheese, a small share of the global quota is set aside for new importers who submit requests for allocations in order to be able to obtain the necessary import permits at the appropriate time.

There is no penalty for non-utilization of a licence.

Licences are not transferable between importers.

(d) Turkey, eggs, and chicken

The basic procedure applying to imports of chicken, turkeys, shell eggs and egg products is that a quantitative limit for all sources is established yearly. At the beginning of a quota year, individual importers are informed of their allocations which are based upon import performance in recent periods. In the case of turkeys, individual allocations may be utilized at any time during the quota year. However, for chicken and egg products, individual allocations are distributed on a quarterly basis whereas for shell eggs entitlements are distributed on a monthly basis at a volume ratio in keeping with traditional demand. Applications for single shipment permits are made against these allocations at any time during the thirty days preceding the expected date of arrival of the shipment. New importers may submit requests for entitlements with a view to obtaining the necessary import permits at a later date.

There is no penalty for the non-utilization of a licence.

Licences are not transferable between importers.

(e) Beef and veal

Individual allocations are made to importers based on their share of the market in the preceding year. Since the Meat Import Act is invoked for only one year at the time no provision for new importers is made.
There is no penalty for the non-utilization of a licence.

Licences are not transferable between importers.

V. Chile

Article 3 of the Agreement on Import Licensing Procedures is not applicable to Chilean import licensing procedures.

VI. Czechoslovakia

Licences are granted on a first-come, first-served basis.

There is no penalty for the non-utilization of a licence or a portion of a licence.

Licences cannot be transferred between importers.

VII. European Economic Community and member States

European Economic Community:

Within the limits of their quota-shares member States are in principle at liberty to issue import authorizations either as and when received, or after examination of all applications together.

The question of penalization of the non-utilization of a licence, and of the transferability of licences is left to the discretion of the member States.

Member States:

Benelux Economic Union: If the demand for licences cannot be fully satisfied, allocation to applicants is made on the basis of the past performance by the parties concerned. New importers can also obtain licences without the amount allotted to traditional importers being appreciably reduced. Applications are processed as and when received. There is no penalty for the non-utilization of a licence. Licences cannot be transferred between importers.

Denmark: When a quota is to be allocated, the allocations are normally made on the basis of the applicants' imports of the same commodities during the last two calendar years. No maximum amount or share has been fixed. A share - as a rule representing 5 per cent of the whole quota - is earmarked for new importers. Applications for licences under a quota to be allocated will be considered simultaneously after the expiry of the period for submission of applications. All other applications are considered on receipt (first-come, first-served.) No fine or other penalty is imposed for non-utilization of a licence or part of a licence. Licences are generally transferable from one importer to another, provided that the
importer to whom a licence is transferred buys a corresponding amount of commodities from the importer by whom the licence was transferred. In other cases transfer of licences between importers is prohibited.

**Federal Republic of Germany:** In the case of small-scale quotas, sufficient time is allowed for submitting an application. Applications are examined simultaneously. In apportioning amounts either the import operations effected over a reference period are taken as the basis, or the quantities requested by the importers are reduced in an equal proportion, or each applicant receives the same quantity irrespective of the amount he wishes to import. In some instances maximum time-limits are fixed for applications from a particular importer. They must be economically justified. Newcomers are also considered. There are no penalties for non-utilization of a licence. Licences are not transferable.

**France:** Applications for licences are examined by the responsible Ministries in accordance with two different procedures: on a first come, first served basis, and simultaneously. Quotas are allocated by the responsible Ministries among the importer applicants after consultation with professional technical committees, which propose rules for the allocation. There is no statutory provision limiting their freedom of action in this respect. In very many instances the criteria are based on past performance or the destination of goods; thus some quotas are set aside for direct users or for importers operating on their own account. As a general rule, a portion of the quota is set aside for new importers. Once they have imported, this initial portion may be extended in the future. There is no statutory penalty for the non-utilization of a licence. Licences are not transferable between importers.

**Greece:** The specified import quantity for goods subject to quantitative restriction is allocated to interested importers in general on the basis of their imports during an earlier period, but allocation is also made to new importers. Applications are examined simultaneously within a reasonable period, after the deadline fixed for submission. There is no penalty for non-utilization of a licence or part of a licence. Licences are transferable between importers, with the exception of licences issued under the allocation system.

**Italy:** In cases where licence applications cannot all be satisfied the allocation is generally made on a preliminary basis according to pre-determined criteria. There is no maximum amount to be allocated per applicant. Provision is made for new importers. Licence applications are examined as and when received by the appropriate office. No financial penalty is applied in the event of non-utilization of an authorization. Licences are transferable only in cases where the importer has sold the goods to another importer prior to customs clearance.
United Kingdom: When the demand for licences cannot be satisfied there are no set rules for allocating them within an overall quota but such criteria as past trading performance, the claims of newcomers, minimum allocations are employed as appropriate in the circumstances. In such cases the first-come, first-served basis is not generally used. Applications are examined on receipt, but the actual issue of a licence may be made later, e.g. after a closing date for submitting applications. There is no penalty for not using a licence in whole or in part. Licences are not transferable between importers.

VIII. Finland

If the demand for licences cannot be fully satisfied, the allocation of quotas is carried out on the basis of past import performance. A reasonable amount, about 10 per cent, of each quota is reserved for new importers. If the importer needs a smaller share, his theoretical unused amount is divided between other importers in proportion to their past performance. Applications are examined on receipt.

No penalty exists for the non-utilization of a licence.

Licences cannot be transferred between importers.

IX. Hong Kong

Article 3 of the Agreement on Import Licensing Procedures is not applicable to the import licensing system maintained by Hong Kong.

X. Hungary

In Hungary, only one company deals with the import of the product concerned. Licence applications against the quota for consumer goods are examined on receipt. Licences are granted immediately, in the order of arrival of applications, until the quota is used up.

There is no penalty for the non-utilization of a licence.

Licences cannot be transferred by one foreign trade company to another.

XI. India

No quota system is maintained. Licences are granted to the Actual Users to the extent considered necessary. If the value of the licence is subsequently found not sufficient to meet the requirements, Actual Users are entitled to make further applications. Import applications are considered in chronological order based on the date of receipt of the applications.
There is no provision for taking action for non-utilization or part-utilization of the import licence, but this provision is not normally invoked.

Import licences issued to Actual Users, including the imports under "Open General Licence" by Actual User, carry a specific condition to the effect that the imported goods shall be used by the licence holder or in the importer's factory, as the case may be, and for the purpose for which the import is allowed. However, import licences issued by way of replenishment of imported material required for the manufacture of products already exported, are freely transferable and they do not bear Actual-User condition. An exception in this regard has been made in the case of additional replenishment licences issued to recognized export houses in relation to their past exports and used for importing OGL items for Actual Users. These are not transferable.

XII. Japan

If the demand exceeds the quota, the allocation is made on the basis of (1) past import records on customs clearance basis (past performance allocation) (2) distribution of equal amounts of quota to applicants (equal allocation) or a combination of (1) and (2). In the case of quota allocation to users, the allocation is determined on the basis of the import requirements by users. There is no maximum amount of quotas to be allocated per applicant. Where appropriate, new importers, with or without qualifications, are permitted to apply for quotas. In such cases the allocation is usually made evenly to new importers. Applications for quotas are generally examined simultaneously.

There is no penalty for the non-utilization of either certificate of import quota allocation or certificate of import approval.

Import quotas are, in principle, not transferable.

XIII. New Zealand

Where the demand for licences cannot be fully satisfied allocation is normally made to applicants on the basis of past performance, that is, importing history. New importers are entitled to bid for licences offered for tender and may also be eligible to apply for other licences. Generally applications are considered on receipt.

The Government does not as a general rule penalize an importer if he does not use his basic licence in a particular period.

Licences are currently not transferable between importers except when businesses or agencies are sold. (There is some provision for transfer from one item code to another.) The question of transferability was recently addressed by the Government and it is the intention to allow basic licences to be freely transferable between importers.
XIV. Norway

1. Import licensing on industrial products

If the demand for licences cannot be fully satisfied, the allocation is usually made on the basis of past performance, but with some allowance for new importers. There is no maximum per applicant. If a new quota is opened up the applications are examined simultaneously, otherwise they are examined on receipt.

There is no penalty for the non-utilization of a licence or a portion of a licence.

Licences are not transferable between importers without a permission from the Ministry of Commerce and Shipping.

2. Import licensing on agricultural products

The allocation of import quotas is mainly based on import performance during the last three years. New importers may be granted "commencement quotas".

There is no penalty for the non-utilization of a licence.

Licences cannot be transferred between importers.

XV. Philippines

Import quotas are usually allocated on a first-come, first-served basis or on a quarterly or half-yearly basis directly to qualified or registered importers (See Annex C in L/5640/Add.26). Some quotas are granted on the basis of an importer's past performance in relation to the historical growth of sales. Applications are not considered on an arbitrary or formula basis but on the merits of each individual case.

There is no penalty for the non-utilization of a licence subject to quota or a portion of it.

Licences are made in the name of applicant-importers only and they are non-transferable.

XVI. Singapore

Licences are allocated on the basis of past performance. Applications from new importers are given due consideration. Applications are examined on receipt.

There is no penalty for the non-utilization of a licence or a portion of a licence.
Licences are not transferable, except for quota licences on proof of transfer of product agency or agreement between the two parties concerned. However, such transfers are rare.

XVII. South Africa

Licences are made available on the basis of an importer's past import performance, and the amount allocated to each applicant is based on such performance in relation to turnover growth. New importers receive an initial import allocation on the understanding that further allocations will be made available for stock replenishment purposes. Applications are not dealt with on an arbitrary or formula basis but on the merits of each individual case.

There is no penalty for the non-use of a licence or portion of a licence.

Licences are not transferable between importers.

XVIII. Sweden

1. Import licensing procedures for goods under CCCN Chapters 1-24

Quotas, if any, are allocated mainly on the basis of the applicant's imports during an earlier base period. A reasonable part of the quota is then reserved for new importers. Applications are examined simultaneously. In cases where restrictions are not combined with fixed quotas, applications are examined on receipt.

There is no penalty for non-utilization of a licence.

Licences are not transferable between importers.

2. Import licensing procedures for goods under CCCN Chapters 25-99

If the amounts of licences applied for are greater than available total amounts or quantities, allocation is made on the basis of the applicants' imports during an earlier base period. There is no upper limit for such allocations. New importers are granted a minor share of the total amount or quantity. Applications from such importers are dealt with on a case-by-case basis. Licence applications are in general examined on receipt.

There is no penalty for non-utilization of a licence.

Licences are not transferable between importers.
XIX. Switzerland

Import licensing procedures for goods under CCCN Chapters 1-24

The allocation of quotas is normally based on previous imports although in certain cases the business turnover of the applicant is also taken into account. A reserve is sometimes held to provide for the grant of licences to new importers.

There is no penalty for the non-utilization of a licence.

Licences cannot be transferred between importers.

XX. United States

1. Certain dairy products

Allocation of quota shares are made first to historical licensees i.e., those who were importing prior to the imposition of the quotas. Allocation of the balance of the quotas is to non-historical and supplementary import licences. Historical licensees are given priority from one year to the next provided they either use at least 85 per cent of the licence amount or voluntarily surrender that portion of the licence amount they are not able to use. Eligibility requirements for supplementary licences are the same as for non-historical licences. Allocations of supplementary licences are made to eligible applicants on a first-come, first-served basis except that the Government of countries that were assigned specific quotas as a result of the Trade Agreements Act of 1979 may name preferred importers for that portion of the quota not allocated to historical importers.

Historical licence eligibility can be revoked if the licensee fails to import against his quota share for two consecutive years or any three years within a five year period. Licensees must use at least 85 per cent of the licence amount or voluntarily surrender the portion that they are unable to use. The licence for that item for the next year will be reduced to the amount imported in the last year or one quarter of the basic Annual Allocation whichever is greater. Non-historical licensees and supplementary licensees must use at least 85 per cent of the licence amount or voluntarily surrender that portion they are unable to use in order to be eligible for a licence for that item in the following year. Revocation of historical licences may be appealed within thirty days of the notification of revocation.

Licences are not transferable between importers.
2. Controlled substances

Registration is based, in part, on security, records, history of violations, State approval. Import permits are based upon supply and legitimate need for the substance in the United States.

There is no penalty for the non-utilization of a permit.

Permits cannot be transferred between importers.

XXI. Yugoslavia

Requests for import licences are considered individually and decisions are taken in view of the real needs to import certain goods and the international obligations of Yugoslavia.

No penalties have been described for the non-utilization of issued licences.

Licences are not transferable between importers as they are issued to a specific importer.