1. At its May 1975 meeting the Sub-Group invited the "countries which felt it necessary to retain consular formalities to explain in detail the justification for their continued existence and possible problems associated with their abolition. This would enable possible solutions to be sought within the MTN context" (MTN/NTM/4, paragraph 9).

At its October 1975 meeting the Sub-Group reiterated its wish that countries who had not yet done so be invited to explain in detail the justification for the continued existence of consular formalities and fees in their countries and possible problems associated with their abolition (MTN/NTM/7, paragraph 10). The Sub-Group also requested the secretariat to prepare a list, on the basis of available information and after verification with importing countries, of existing consular formalities and fees as well as a list of countries who during the last few years, have abolished such formalities and fees (MTN/NTM/7, paragraph 12).

2. Following this request the secretariat issued GATT/AIR/1225 inviting communications on this subject and wrote to the delegations of the countries which according to the documents MTN/3B/2 or 5\(^1\) and MTN/NTM/U/22\(^2\) had been mentioned as still maintaining consular formalities and/or fees. These countries are: Argentina, Bolivia, Chile, Columbia, Dominican Republic, Ecuador, Greece, Guatemala, Haiti, Honduras, Iran, Iraq, Korea, Mexico, Nicaragua, Panama, Peru, Philippines, Spain, Tunisia, Turkey and Uruguay.

\(^1\)Notification numbers: 178 Egypt; 180 Argentina; 183 Bolivia; 184 Brazil; 191 Chile; 196 Dominican Republic; 203 Haiti; 205 Honduras; 215 Nicaragua; 217, 219 Peru; 221 Philippines; 226 Spain; 228 Turkey; 231 Uruguay; 650 Argentina; 686 Mexico; 694 Peru; 723 Uruguay.

\(^2\)Paragraph 24, pages 11, 12.
3. Four other countries, i.e. Bahrain, Kuwait, Qatar and Yemen, which were also singled out for maintaining consular formalities and fees, were not approached by the secretariat, as they are not participating in the multilateral trade negotiations.

4. As of 15 February 1975 replies have been received from the following countries: Iran, Korea, Uruguay. The following is an account of the situation as described in these replies.

5. Maintenance of consular formalities and fees:

   **Iran:** At present commercial documents are not subject to consular procedure unless, in special cases, where legalization of the documents may be required by the customs authorities. The special cases, requiring legalization of commercial documents, are instances when correctness of the contents of the documents, such as prices shown therein are doubtful or there are such indications that due to special arrangements between the supplier and the purchaser, the documents presented to the customs authorities appear to be at variance with the supplier's books.

   **Uruguay:** Uruguay has drawn attention to the full explanation of the reduction in the consular charges which was put into effect in the course of 1975 and which appears in the Inventory of Non-Tariff Measures (MTN/3B/2, No. 231, pages 1-9). With regard to the justification of the maintenance of the formalities and fees, the delegation of Uruguay has replied that its authorities had not yet responded to the Sub-Group's invitation.

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1Notification numbers: 182.1 Bahrain; 211 Kuwait; 221.1 Qatar; 231.1 Yemen (MTN/3B/2).
6. **Abolition of formalities and fees:**

**Korea:** Korea has abolished its consular invoice system as of 1 May 1967.

7. Although no replies have been received from other countries concerned, the secretariat has gathered the following information concerning abolition from available sources:

- **Algeria:** (see former Inventory Notification 177).
- **Brazil:** (see former Inventory Notification 184): legalization fees abolished, on a reciprocity basis, by Article 56 of Law No. 5025 of 1965.
- **Italy:** (see former Inventory Notification 207): abolition of fees.
- **Peru:** (see ECE document TRADE/WP.4/GE.2/16/Rev.1): abolition of consular invoice for imports from the United States only.
- **Venezuela:** (see ECE document TRADE/WP.4/GE.2/16/Rev.1): abolition of consular invoice for imports from the United States only.

"The Consulate General of Uruguay in New York has advised us, according to Decree 123/975, that consular invoices are abolished, effective with steamers sailing after 22 March 1975. The commercial invoice replaces the consular invoice and consular fees will be paid in Uruguay. For all shipments, regardless of value of mode of transportation, four (4) commercial invoices, showing the country of origin, together with bills of lading, must be presented by the steamship company to the Consulate for legalization. The bill of lading and/or the airway bill charges still apply and must be paid to the Consulate. Certificates of origin are no longer necessary, and consular fees need not be shown on the commercial invoice. In the case of air shipments, shippers should follow the prior procedure; i.e., the airway bill and the commercial invoice are presented to the Consulate by the shipper or broker and the airway bill fee is paid to the Consulate. All other charges for documents as shown in our Summary dated September 1974, still apply and are payable at the Consulate. We repeat, the Consulate no longer has authority to legalize consular invoices, so outstanding letters of credit calling for same should be amended."