Article 27

Non-Discriminatory Administration of Quantitative Restrictions

1. No prohibition or restriction shall be applied by any Member on the importation of any product of any other Member country or on the exportation of any product destined for any other Member country, unless the importation of the like product of all third countries or the exportation of the like product to all third countries is similarly prohibited or restricted.

2. Members shall observe the following provisions in applying import restrictions:

(a) The administration of these restrictions should be carried out in such a way as to result in a distribution of trade which approaches as closely as possible to the share which the various Member countries might be expected to obtain as the result of international competition in the absence of restrictions.

(b) Wherever practicable, quotas representing the total amount of permitted imports (whether allocated among supplying countries or not) shall be fixed, and notice given of their amount in accordance with sub-paragraph 8 (b).

(c) In cases in which quotas are not practicable, the restrictions may be applied by means of import licenses or permits without a quota.

(d) Import licenses or permits, whether or not issued in connection with quotas shall not (save for purposes of operating quotas...
allocated in accordance with sub-paragraph (e)) require or provide that the license or permit be utilized for the importation of the product concerned from a particular country or source.

(e) In cases in which a quota is allocated among supplying countries, the shares of the various supplying Member countries should in principle be determined in accordance with commercial considerations such as, e.g., price, quality and customary sources of supply. For the purpose of appraising such commercial considerations, the Member applying the restrictions may seek agreement with respect to the allocation of shares in the quota with all other Members having a substantial interest in supplying the product concerned. In cases in which this method is not reasonably practicable, the Member concerned shall allot to Member countries having a substantial interest in supplying the product, shares based upon the proportions of the total quantity or value of the product supplied by such Member countries during a previous representative period, due account being taken of any special factors which may have affected or may be affecting the trade in the product.

3. (a) In cases where import licenses are issued in connection with import restrictions, the Member applying the restriction shall provide, upon the request of any Member having an interest in the trade in the product concerned, all relevant information as to the administration of the restriction, the import licenses granted over a past recent period and as to the distribution of such licenses among supplying countries. Provided, however, that there shall be no obligation to supply information as to the names of importing or supplying enterprises.

(b) In the case of import restrictions involving the fixing of quotas (whether or not allocated among supplying countries), the Member applying the restrictions shall give public notice of the total quantity or value of the product or products which will be permitted to be imported during a
during a specified future period and of any change in such quantity or value.

(c) In the case of quotas allocated among supplying countries, the Member applying the restriction shall promptly inform all other Members having an interest in supplying the product concerned of the shares in the quota, by quantity or value, currently allocated to the various supplying countries.*

4. With regard to restrictions imposed in accordance with sub-paragraph (d) of paragraph 2 of this Article or under sub-paragraph (e) of paragraph 2 of Article 25, the selection of a representative period for any product and the appraisal of any special factors affecting the trade in the product shall be made initially by the Member imposing the restriction. Provided that such Member shall, upon the request of any other Member having a substantial interest in supplying that product or upon the request of the Organization, consult promptly with the other Member of the Organization regarding the need for an adjustment of the base period selected or for the re-appraisal of the special factors involved.

5. The provisions of this Article shall apply mutatis mutandis to (a) any export restriction by quantity or value and (b) any tariff quota established or maintained by any Member.

* Sub-paragraphs (b) and (c) were referred for redrafting to the Legal Drafting Sub-Committee so that the concept that public notice should be given in the cases foreseen under paragraph (c), should be incorporated.