SECOND SESSION OF THE PREPARATORY COMMITTEE OF THE UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT

WORKING PARTY ON TECHNICAL ARTICLES

Summary Record of the First Meeting held on Friday, 9 May 1947 at 10.30 a.m. in the Palais des Nations, Geneva

Chairman: H. E. Erik Colban

The CHAIRMAN announced that when possible a verbatim record of the Working Party's discussions would be taken, but this would be retained for the use of the Secretariat and for reference by Delegates and would not be distributed; a Summary Record of the discussions at each meeting incorporating the decisions and resolutions adopted would, however, be distributed to each Delegation.

The Chairman explained during the course of the discussion that he proposed asking the Secretariat to issue each Article, as amended by the Working Party for a Second Reading; thus it would be possible for Delegations to agree to the adoption of Articles, even though they were not entirely satisfied, in the knowledge that an opportunity would occur during the Second Reading for them to propose further amendments.

Further, the Chairman requested Delegates who discovered mistakes in the French version of the Charter to notify the Secretariat.
1. Article 19 - Customs Formalities

Title agreed.

Paragraph 1. It was agreed to delete the words "the principle" from the first line.

On the recommendation of the United States Delegation (W.23) it was agreed to insert the following paragraph after paragraph 1:

"2. The Organization is authorized to study and recommend to Members specific measures for the simplification and standardization of customs formalities and techniques and for the elimination of unnecessary customs requirements."

Subsequent paragraphs were to be re-numbered accordingly.

In view of the insertion of this new paragraph, the Czechoslovak Delegation withdrew their proposal that a new paragraph (5) should be added at the end of the Article (see W.50).

Paragraph 2/3. It was agreed that the words "undertake to" in the first line and the word "undertake" in the fourth line should be replaced by the word "shall"; also that the word "to" in the fifth line should be deleted.

The Chinese Delegate declared that he might wish, in the Second Reading, to suggest insertion of the words "and upon due consideration by the Organization of its merits" after "Member" in the fifth line.

Paragraph 3/4. On the proposal of the French and Benelux Delegations (W.39) the following paragraph (as amended by the Working Party) was adopted to replace the former paragraph 3:

"4. Members shall not impose substantial penalties for minor breaches of customs procedure or regulations. In
particular no penalty in respect of any omission or mistake in customs documentation which is easily rectifiable and obviously made without fraudulent intent or gross negligence should be greater than necessary to serve merely as a warning."

Paragraph 475. Consideration was given to the proposals of the United States Delegation that sub-paragraph (d) should be amended to read "Foreign exchange transactions" (to which the United Kingdom Delegate suggested the addition of "relating to imports and exports") and that the following sub-paragraph should be added at the end of the paragraph:

"(i) Port Facilities."

During the discussion it was further suggested that the preamble to the paragraph should be altered to read:

"The provisions of this Article shall extend to public fees, charges, formalities and requirements relating to all matters of importation and exportation, including:"

The Working Party accepted the proposal of the CHAIRMAN that those Delegates who had taken part in the discussions should meet and endeavour to reach an agreed text for the consideration of the Working Party during Second Reading. In addition the CHAIRMAN proposed that these Delegates should give consideration to the proposal of the United Kingdom Delegate that the title of the Article should be altered to read "Formalities Relating to Imports and Exports."
2. Article 20

Paragraph 1. Adopted

Paragraph 2. Adopted

Paragraph 3. It was proposed by the Delegate for Czecho-slovakia and supported by the Delegate for the United States that the word "should" in the second line should be altered to "shall" as it appeared in the United States Draft Charter. The United Kingdom Delegate, on the other hand, stated that unless the word "should" was allowed to remain he would have to maintain his reservation and suggest deletion of this paragraph.

The Chairman drew attention to the commitment in paragraph 5 requiring the Organization to investigate and recommend measures directed toward the early elimination of unnecessary requirements as to marks of origin, and suggested that in view of this commitment the Working Party might accept the wording established by the Drafting Committee.

The paragraph was adopted without alteration subject to reconsideration in Second Reading.

It was agreed that the next meeting should be held at 10.30 a.m. on Saturday, 10 May 1947.

The meeting rose at 1 p.m.
ANNEX

ARTICLE 19: CUSTOMS FORMALITIES
(as amended by the Working Party on Technical Articles, 9 May)

1. The Members recognize that subsidiary fees and charges....

2. The Organization is authorized to study and recommend to Members specific measures for the simplification and standardization of customs formalities and techniques and for the elimination of unnecessary customs requirements.

3. Members shall give effect to the principles and objectives of paragraph 1 of this Article at the earliest practicable date. Moreover, they shall, upon request by another Member, review the operation .........

4. Members shall not impose substantial penalties for minor breaches of customs procedure or regulations. In particular no penalty in respect of any omission or mistake in customs documentation which is easily rectifiable and obviously made without fraudulent intent or gross negligence should be greater than necessary to serve merely as a warning.

5. The following alternative preamble has been proposed:

"The provisions of this article shall extend to public fees, charges, formalities and requirements relating to all matters of importation and exportation, including:"

The following alternative has been suggested for sub-paragraph (d):

"(d) Foreign exchange transactions relating to imports and exports."

The following additional sub-paragraph has been suggested:

"(i) Port Facilities"