

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Multilateral Trade Negotiations

GROUP 3(b) - REPORT TO THE TRADE NEGOTIATIONS COMMITTEE

Draft Section on Task 14

Task 14: Continuation of the Study relating to Import Documentation (Chapters 1-99)

1. The Group took up this task at its March meeting and held two meetings at technical level on this subject, on 9-10 May and on 20-21 June 1974. Details of the discussion are contained in Notes by the secretariat (MTN/3B/7 paragraphs 19-21 and MTN/3B/11).
2. There was consensus in the Group that an essential goal under this task was the simplification and harmonization of import documents and the data required for customs clearance purposes. Possible approaches were suggested; one would be the establishment of guidelines or sets of principles; another one would be the encouragement of accelerated work on documentation in other international organizations such as the CCC and the ECE and a third one the holding of bilateral negotiations on particular measures existing in this field. It was pointed out that these approaches were not mutually exclusive and might be combined.
3. In connexion with the establishment of guidelines, a proposal was made that the work of the Group should continue in two steps, namely by identifying precisely the nature of the trade problems involved and by examining areas where solutions should be sought. In this connexion it was proposed that as a first step the problems could be identified under three categories: those arising from (1) the nature or the form of the documentation (2) the information required in it and (3) penalties or procedures related to documentation requirements. It was also stressed that an essential aim,

inter alia, under this task was the elimination of excessive severity of penalties both for failure to give correct replies on a wide range of questions and for inexactitude which might have crept into the documentation forms. There was disagreement, however, as to whether penalties fell within the Group's task.

4. The Group agreed that at this stage there was a need to concentrate on the kind of information required by the customs authorities rather than the nature and the form of the documents in which this information might appear. The Group also agreed that, whilst duplication with the work of the Economic Commission for Europe and the Customs Co-operation Council should be avoided, it should nevertheless proceed with a view to formulating - at a later stage - general principles on the type of information required or possibly prohibited for the clearance of imported goods. The hope was expressed that the ongoing work in these organizations be accelerated. At the same time their work was highly appreciated and with regard to the ECE, the hope was expressed that more countries would support its work and would be able to adopt the ECE lay-out key. A proposal was also made that it would be desirable to base future work on paragraph 21 of the draft Annex concerning clearance for Home Use to the CCC's International Convention on the Simplification and Harmonization of Customs Procedures and the ECE Aligned Invoice Requirements (MTN/3B/13 page 7 and MTN/3B/14 pages 2 to 4 respectively).

5. The Group discussed a proposal that customs invoices should be abolished and that commercial invoices and customs entry forms should be the basis for customs clearance. In this connexion, a proposal received a wide measure of support that special declarations concerning the correctness of the invoice and the origin of the goods should be required only in cases where they were strictly indispensable; in such cases the text of these declarations should be harmonized. It was said in

this respect that information requirements concerning valuation and origin in customs invoices often facilitated the flow of goods. If this information could be provided in commercial invoices this might obviate the need for special customs invoices. However, it was stressed that it seemed unlikely that the numerous individual commercial entities would be able to agree on a common commercial invoice. The opinion was also expressed that the adoption of the various Brussels Conventions, the implementation of the Kyoto Convention, the adoption of the contents of the CCC Draft Annex on the Declaration of Goods for Home Use and of the ECE Commercial Invoice should make it possible to dispense with customs invoices in countries which used them. Some delegations also said that as long as the customs valuation systems necessitated particular data which were not normally included in a commercial invoice, the countries requiring such data should try to harmonize their customs invoices so that exporters would use the same form when exporting to at least most of these countries.

6. It was agreed that to a great extent problems in connexion with import documentation resulted from the information needed to administer the requirements of underlying legislation and policy such as valuation for duty. Solutions to these requirements should go some way towards solving related import documentation problems. In this regard the Group exchanged views on a proposal according to which the adoption of the Brussels Definition of Value would contribute to the simplification of customs documentation requirements. Mention was made of the fact that under a recent decision of the Customs Co-operation Council, the acceptance of the Brussels Definition had been made easier for those countries not yet applying it. However, it was underlined that the Brussels Definition was not necessarily the ideal one and that at any rate under this definition, no standardized documentation existed.

7. It was proposed that the Group examine the possibility of establishing two lists; firstly, a harmonized positive list of items, and secondly a negative list of items which should in no case be included as a permanent feature of import documentation requirements. Clearly, there would remain an intermediate category of items falling outside the two lists but in cases where such information would be required, countries concerned should offer justification for them and for these a consultation procedure could be established upon request to control any possible harmful trade effects. The positive list would be based on the work already carried out in other international organizations. There was general agreement that these ideas should be retained for further reflection and consideration.

8. Delegations from developing countries stressed that priority attention should be given to the elaboration of guidelines for the simplification and harmonization of the requirements for import documentation which create special difficulties for developing countries because of their inability to comply with these requirements. They also stated that developed countries should show greater flexibility in the application of documentation requirements in respect to imports from the developing countries and that technical assistance would be required in this field. This would enable the latter to cope with the increasingly difficult regulations.

9. The attention of the Group was drawn to the provisions of Article VIII:1 and the Recommendation of the CONTRACTING PARTIES adopted in 1952 under which all consular fees and formalities should be abolished. The Group noted with satisfaction that the 1952 Recommendation had been moderately successful in that a number of countries had abolished, or were to abolish, these requirements. The Group also noted that several countries still maintained these restrictions and that a

considerable number of the notifications in the Inventory dealt with consular formalities and fees. It was for this reason that a proposal for an interpretative note to Article VIII had been made which would state that consular formalities be abolished by a date to be agreed upon. As against this, it was pointed out that the problem of consular formalities was a relatively minor one and that it was legitimate for countries to request payment for the actual costs of services rendered.