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GENERAL AGREEMENT ON TARIFFS AND TRADE

International Convention to facilitate Importation of Samples, Advertising Material open for signature

At their Seventh Session, October-November 1952, the Contracting Parties to the General Agreement on Tariffs and Trade adopted the text of a draft International Convention to facilitate the Importation of Commercial Samples and Advertising Material. In order to allow governments adequate time to examine the text it was agreed that the Convention should be opened for signature on 1 February 1953, at the Headquarters of the United Nations, New York.

The original proposal for a Convention was put forward by the International Chamber of Commerce. By a resolution of the 13th Congress of the International Chamber of Commerce (Lisbon, June 1951), the proposal for a Convention, together with other proposals which had the same general purpose of reducing and simplifying governmental regulations which hinder international trade, was submitted to the Contracting Parties to the General Agreement on Tariffs and Trade, (GATT).

The text of the Convention was prepared during the Sixth and Seventh GATT Sessions by a working party in consultation with representatives of the International Chamber of Commerce.

A Note on the action taken by the Contracting Parties to GATT on other resolutions of the International Chamber of Commerce and a list of the countries which are contracting parties to GATT is given at the end of this release.

The broad purpose of the Convention is to minimize the costs, and reduce the formalities and delays, with which traders and merchants are

-MORE-very often confronted in sending samples and advertising material from one country to another. Countries which adhere to the Convention undertake, between them, (a) to allow samples of negligible value to be imported duty free (b) to allow samples of value to be imported duty free on a temporary basis, subject to deposit or security being given (c) to allow specified types of advertising material including advertising films, to be imported duty free and (d) to exempt samples and advertising material, with specified exceptions, from import prohibitions and restrictions such as quotas.

The Convention will come into force when 15 governments have ratified or accepted it.

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The Convention summarized

The account of the various Articles of the Convention which follows is only a summary. Traders and others who wish to study the Convention in detail should request copies from the appropriate department of their governments or from the GATT secretariat.

The International Convention to facilitate the Importation of Commercial Samples and Advertising Material, which is open on 1 February 1953 for signature at the Headquarters of the United Nations contains 15 Articles. Of these, Articles II to VIII contain the substance of the Convention, the remainder are largely concerned with definitions, procedures and the customary legal clauses of international instruments.

After defining certain terms which are used in the Convention (Article I), one of the main operative clauses is set out in Article II, Exemption from Import Duties for Samples of Negligible Value. Samples of goods of all kinds imported into the territories of the countries which sign the Convention are to be exempt from import duties, provided that the samples are of negligible value and are only to be used for soliciting orders for the kind of goods they represent.

The customs authorities are permitted to require that in order to qualify for exemption from Import Duties samples "shall be made useless as merchandise by marking, tearing, perforation or other treatment, but not, however, to destroy their usefulness as samples".

Article III, Temporary Duty-free Admission of Other Samples, states that samples which are chargeable with import duty - i.e. samples of value - shall be temporarily admitted into the territory of any signatory country free of import duties, "subject to the amount of the import duties and any other amount that may be payable being deposited or security being given for payment if necessary". Such deposits shall not, however, exceed the amount of the import duties by more than 10 per cent. Article III also includes special regulations for high-cost samples such as vehicles, industrial and agricultural machinery and equipment valued at more than US $1,000.

Article III provides that the period allowed for re-exportation of samples which qualify for exemption from import duties shall be not less than 6 months. When such samples are re-exported the refund of the amount deposited or the release of any security given is to be effected without delay.

Article IV, Duty-free Admission of Advertising Material, provides that each signatory country will exempt from import duties catalogues, price-lists and trade notices within certain categories of trade and within certain limitations as to weight. It is provided however that catalogues, price-lists and trade notices need not be exempt from import duties

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"if they do not clearly indicate the name of the foreign concern producing, selling or renting the goods".

Article V, Temporary Duty-Free Admission of Advertising Films, provides for advertising films, within specified categories, to be treated in the same way as samples for duty-free admission as laid down in Article III. This applies to "positive cinematograph advertising films of a width not exceeding 16 mm. shown to the satisfaction of customs authorities to consist essentially of photographs (with or without sound track) showing the nature or operation of products or equipment whose qualities cannot adequately be demonstrated by samples or catalogues". It is also provided that the films must be related to products or equipment offered for sale or for hire by a person established in the territory of another signatory country, that the films are not suitable for general exhibition to the public, and that the films are imported in a packet which contains not more than one copy of each film.

Article VI, Temporary Waiver of Import Prohibitions and Restrictions, extends the scope of previous articles by stating in effect, that a signatory country will not apply import prohibitions or restrictions whether made effective through quotas, import licences or other measures, to samples or advertising films (as specified in Articles II or IV) when they are imported from the territory of another signatory country.

However, a signatory country will not be prevented from applying import prohibitions or restrictions necessary to protect public morals or essential security interests. Exceptions are also made for the need to protect human, animal or plant life or health, for the importation of gold or silver, and for certain other specified reasons.

Article VII, Simplification of Formalities, states that each signatory country shall keep to a minimum the formalities required in connection with the facilities accorded by the present Convention. Each signatory country is to publish promptly all regulations introduced in this respect.

Under Article VIII, Settlement of Disputes, any dispute between two or more signatory countries concerning the interpretation or application of the Convention shall so far as possible be settled by negotiation between them. If the dispute is not settled by negotiation it can be referred to a person or body agreed between the parties in dispute, or they may request the President of the International Court of Justice to nominate an arbitrator. The decision reached is binding on the parties concerned.

Article IX, Signature and Ratification, states that the Convention will be open for signature (from 1 February 1953) by contracting parties to the GATT, by all member states of the United Nations and by other states at the discretion of the Secretary-General of the United Nations. The Convention is subject to ratification or acceptance by the signatory governments and the instruments of ratification or acceptance will be deposited with the Secretary-General of the United Nations.

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Article X, Accession, deals with accession by governments.

Article XI, Entry into Force, states that when fifteen governments have deposited their instruments of ratification, acceptance, or accession, the Convention will come into force between them 30 days after the deposit of the fifteenth instrument. The Convention will come into force for each other government 30 days after the deposit of its instrument of ratification, acceptance or accession.

Article XII deals with Denunciation. Article XIII with Territorial Application, Article XIV with Reservations. Any State may at the time of its signature or of the deposit of its instrument of ratification, etcetera, declare that it will not be bound by specified provisions of the Convention. Under Article XV, the Secretary-General of the United Nations is to notify governments of the signatures, ratifications etcetera.

Comment on the Samples Convention by the President of the International Chamber of Commerce

The following statement has been issued by Mr. Rolf von Heidenstam, leading Swedish industrialist and President of the International Chamber of Commerce:

> "Business firms the world over will warmly welcome the action taken by the Contracting Parties in drawing up an International Convention to Facilitate the Importation of Commercial Samples and Advertising Material. This is an achievement for which the Contracting Parties deserve to be heartily congratulated. Once the Convention is signed and ratified - and the men engaged in international trade will certainly want this to be done with the least possible delay - it will bring about a number of useful reforms in administrative policy and practice which will greatly simplify the businessmen's task in developing and opening up markets for his products in foreign countries."

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Note. The 13th Congress of the International Chamber of Commerce, Lisbon June 1951, passed a series of resolutions which, if carried into effect by governments will reduce and simplify the governmental regulations which today hinder international trade in many countries. These resolutions, which were the outcome of representations by those actually engaged in the conduct of trade, were submitted to the Contracting Parties to the GATT. The Contracting Parties studied these resolutions very thoroughly at their Sixth (1951) and Seventh (1952) Sessions, and as a result they have, to date, taken action on three of them, with others to be given further study at future Sessions.

1. The Contracting Parties have drafted and opened for signature the International Convention to facilitate the Importation of Commercial Samples and Advertising Material, as set out in this release.

2. The Contracting Parties have adopted a Code of Standard Practices for Documentary Requirements for the Importation of Goods, aimed at reducing the diversity and complexity of the documentation which traders are often obliged to undertake. This Code has been published as a leaflet which is available from the GATT secretariat free of charge.

3. The Contracting Parties have recommended that Consular Invoices and Consular Fees for Commercial Invoices should be abolished, and adopted Standard Practices which should be observed by the consular authorities pending the abolition of consular invoices and fees. These recommendations and the standard practices have been published as a leaflet, which is available from the GATT secretariat free of charge.

CONTRACTING PARTIES TO THE GENERAL AGREEMENT ON TARIFFS AND TRADE

Australia	Czechoslovakia	India	Pakistan
Austria	Denmark	Indonesia	Peru
Belgium	Dominican Republic	Italy	S. Rhodesia
Brazil	Finland	Liberia	Sweden
Burma	France	Luxembourg	Turkey
Canada	German Federal Republic	Netherlands	Union of South Africa
Ceylon	Greece	New Zealand	United Kingdom
Chile	Haiti	Nicaragua	United States
Cuba		Norway	

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