

GENERAL AGREEMENT ON TARIFFS AND TRADE
Sixth Session of the Contracting Parties

CONTRACTING PARTIES FORMULATE DRAFT CONVENTION ON IMPORTS
OF SAMPLES AND ADVERTISING MATERIAL: ALSO RECOMMENDATIONS
ON CONSULAR FORMALITIES AND DOCUMENTARY REQUIREMENTS

The Contracting Parties at their Sixth Session drew up the text of a proposed Convention for the purpose of facilitating the importation of Commercial Samples and Advertising Material. They also drew up Recommendations on Consular Formalities and Recommendations on Documentary Requirements for the Importation of Goods. The Draft Convention and the two sets of recommendations are to be circulated to governments and to the International Chamber of Commerce for study and comments, with a view to taking further action on them at the Seventh Session of the Contracting Parties.

It was agreed to derestrict the texts of the Convention and the Recommendations at the close of the Session. Summaries of the main provisions are contained in an Annex to this press release.

The Thirteenth Congress of the International Chamber of Commerce which was held in Lisbon in June 1951, passed a series of Resolutions relating to the reduction of barriers to trade. Among them were Resolutions dealing with Customs Treatment of Samples and Advertising Matter, Consular Formalities and Documentary Requirements. With regard to the Valuation of Goods for Customs Purposes, the I.C.C. Congress suggested that the Contracting Parties should consider issuing a set of recommendations for action pursuant to Article VII of the GATT. At their Sixth Session the Contracting Parties agreed to refer the I.C.C. Resolutions to a working party. The working party, under the chairmanship of Mr. A.R. Ashford, United Kingdom, prepared the text of a draft Convention and also drafted the two sets of Recommendations. The working party invited the I.C.C. to send representatives. The President of the Chamber of Commerce, M. Rolf von Heidenstam, Sweden, and M. R. Barton, Director of the I.C.C., attended a meeting: addressing the working party, M. von Heidenstam said:

"An international convention on the subject of samples and advertising material would be of great and real value to trade. The whole system of commercial travellers, samples and the circulation of advertising material is an essential part of the machinery used by business for expanding trade and has grown considerably with the development of a more scientific approach to market research and advertising. Anything that can be done to oil the wheels of this machinery will therefore benefit trade."

In preparing the draft Convention the working party had before it the draft Convention, prepared by the League of Nations in 1935, which required to be modified and brought up to date.

During the plenary discussion several delegations pointed out they were unable to accept the two Recommendations and said that their views would be stated further at the Seventh Session.

The United Kingdom delegate expressed regret that the working party as a whole had only felt able to propose that the two sets of Recommendations should be considered by governments before the Seventh Session with a view to their adoption by the Contracting Parties at that Session. He proposed that the Contracting Parties should forthwith approve the Recommendations, which were by no means too far-reaching in character, he said. Representatives of several

governments however pointed out that they were unable to accept the Recommendations at that stage. The United Kingdom delegate said that he would not press his proposal to a vote, but the Contracting Parties should be aware that at the next Session the United Kingdom Delegation might seek considerably to strengthen the Recommendations, particularly the Recommendations on Consular Formalities.

The delegate of Czechoslovakia said that he could not support the draft Convention for two reasons: first that it fell outside the scope of CATT and secondly because he considered that it favoured the more highly developed countries at the expense of the economically weaker countries.

A N N E X

Informal Summary of Draft Convention for the Purpose of facilitating
the Importation of Commercial Samples and Advertising Material

Each contracting party to the Convention undertakes to exempt from import duties samples of goods of all kinds imported into its territory, provided such samples are of negligible value and are only used for soliciting orders (Article II).

Where, however, samples are chargeable with import duty, they shall be given temporary duty, free admission subject to deposit of the amount of the duty payable or security for payment (Article III). Article III also deals with the identification of samples; the period allowed for re-exportation and the refund of duties deposited.

Catalogues, price lists and trade notices are to be exempt from import duties, within defined limits and with specified exceptions (Article IV).

Substandard films, showing the nature or operation of products whose qualities cannot be adequately demonstrated by samples or catalogues, are to be given similar temporary duty, free admission (Article V).

The contracting parties to the Convention will not apply import prohibitions or restrictions by means of quotas, import licences or other measures, on the importation of samples, not involving payment, whether they are exempt, as under Article II or IV or are admitted temporarily duty free, as under Article III or V (Article VI).

The contracting parties to the Convention will grant every possible facility when determining the formalities required in respect of matters covered by the Convention; they will also publish promptly all relevant regulations (Article VII).

Disputes as to interpretation or application of the Convention are to be settled by negotiation among the contracting parties concerned. If this fails, certain further procedures are laid down. (Article VIII).

Of the remaining articles, Article I deals with Definitions of terms used in the Convention and territories of Contracting Parties; Article IX, Signatures and Ratification; Article X, Accession; Article XI, Entry into Force; Article XII, Denunciation; Article XIII, Territorial Application; Article XIV, Notification of Signatures, Ratifications, and Accessions.

DRAFT RECOMMENDATIONS ON DOCUMENTARY REQUIREMENTS
FOR THE IMPORTATION OF GOODS

The large number of documents which traders, forwarding agents and carriers are required to compile for different authorities constitute an appreciable obstacle to the smooth flow of goods between countries. Not only is additional expense and clerical work imposed on the parties to an international commercial transaction but the misplacement of one of these documents or an error of compilation may result in severe hardship and material loss wholly out of proportion to the usefulness of the document.

The Contracting Parties have therefore formulated a draft Code of Standards. This draft Code refers to such matters as the Number of Documents required, the Combined Standard Invoice Form, Abolition of Transit Manifest, the Tariff Classification of Goods and the terms in which Weights and Measures are expressed.

DRAFT RECOMMENDATIONS ON CONSULAR FORMALITIES

The complexity of consular formalities in many areas of the world and the excessive charges accompanying them are among the most serious of the invisible barriers to international trade. Not only must exporters fill in and sign very many - sometimes as many as 30 - copies of the documents required, often in the language of the country of destination, but the fee charged is in many cases a high percentage of the value of the goods. Moreover for minor errors fines are frequently imposed, or the importer is obliged to make out documents again in their entirety. Shipowners and shippers, as well as the ultimate consumers, are as much victims of this state of affairs as the exporters.

The Recommendation which has been formulated by the Contracting Parties urges the abolition of consular invoices and of consular visas for commercial invoices, manifests, etc.. These appear to serve no useful purpose since a great part of the world's trade is in any case done without them. If, however, certain governments find it impossible for reasons genuinely connected with their customs regulations to dispense with these documents and visas the Contracting Parties have drafted a series of Rules, aimed at minimizing the hardship to traders.