



Trade Guide: WTO IL Agreement

WTO AGREEMENT ON IMPORT LICENSING PROCEDURES

What is this Agreement and what does it do?

The members of the World Trade Organization (WTO) have agreed to apply the procedures described in this Agreement when they grant import licenses. They have also agreed that these procedures should be administered in a fair and equitable manner.

All [members of the WTO](#) (offsite link) are parties to this Agreement.

The Agreement went into effect on January 1, 1995. It has no expiration date.

Who benefits from this Agreement?

Any American company that exports goods to a WTO member country that requires import licenses for those goods can benefit from this Agreement.

How can this Agreement help my company?

The WTO Import Licensing Agreement requires that:

- rules and procedures for submitting import license applications must be published before they come into effect, including information on eligibility requirements for persons, firms or institutions applying for licenses and a listing of all products subject to licensing requirements;
- a country's forms and procedures (including both application and renewal forms) must be made as simple as possible;
- applicants must have a reasonable amount of time to submit their license applications; and
- importers generally should only be required to contact a single administrative body to obtain a license, and in no event can they be required to apply to more than three such bodies.

License applicants should have at least 21 days (with provisions for extensions if necessary) to submit their applications. Any changes in a country's rules on import licensing procedures or in the list of products subject to import licenses must be published, where possible, 21 days in advance of the effective date of the changes and in such a way that governments and traders can become familiar with the changes. This information, along with copies of all implementing legislation or directives, must also be submitted to the Secretariat of the World Trade Organization.

The Licensing Agreement allows WTO member countries to implement either automatic or non-automatic import licensing systems. Automatic licenses, which are freely granted by a government and do not restrict imports, may be required to gather trade data, origin statistics or other information. In contrast, non-automatic licenses are not granted in all cases. They are used to administer quotas or other types of import restrictions. According to the agreement, non-automatic licenses may not have trade-distorting effects on imports in addition to those caused by the restriction they implement, and must be no more burdensome than absolutely necessary to administer the measure.

If your company is interested in exporting to a country that requires import licenses, you should ask the importer if a license is necessary for your product and, if so, whether the importer has prepared and submitted all the appropriate documentation required to obtain the license. Many countries change their licensing requirements often, and as a result there is no single publication available that either lists all the countries that require import licenses or designates all the products for which import licenses are needed.

If you are unsure of a particular country's import licensing requirements, check the [WTO's Import Licensing website](#) for Notifications by country/territory, research the country's Customs website, and/or inquire with the local Embassy or Consulate.

Can the U.S. Government help me if I have a problem?

Yes. If you believe that a WTO member country's import licensing requirements are burdensome in ways that violate the WTO Import Licensing Agreement, [contact the Trade Agreements Negotiation and Compliance \(TANC\) hotline](#) at the U.S. Department of Commerce. TANC can provide you with the information and assistance you need to understand your rights under this Agreement. It can also activate the U.S. Government to help you resolve your exporting problem. If appropriate, U.S. officials can make inquiries with the government of the other country involved. The World Trade Organization's dispute settlement process can also be used, in certain circumstances, when WTO member countries fail to comply with a WTO Agreement.

How can I get more information?

The complete text of the WTO Import Licensing Agreement is available from the Office of Trade Agreements Negotiations and Compliance's [WTO Agreements database](#).

If you have questions about this Agreement or how to use it, contact TANC through its [Report a Trade Barrier Hotline](#).