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CCUNCIL COMMITTIEE ON

NON-GOVERNMENTAL ORGANIZATIONS

CONCLUSION OF INTERNATIONAL CONVENTION ON CUSTOMS TREATMENT OF SAMPLES AND ADVERTISING MATERIAL

The Secretary-General has received a proposal from the International. Chamber of Commerce, a non-governmental organization in Category A consultative status, that in accordance with Council resolution 288 (I) the Council Committee on Non-Governmental Organizations request him to include an item on the above subject on the provisional agenda of the Council.

The documentation submitted by the International Chamber of Commerce in support of this request is an extract from their Brochure No. 130 "INVISIBLE BARRIERS TO TRADE AND TRAVEL". Chapter 6 and Appendix II as follows:

Documentation communicated by the International Chamber of Commerce to the Secretary-General.

> "VI. TREATMENT OF SAMPLES AND ADVERTISING MATERIAL

"The I.C.C. Committee on customs technique urges that, as recommended in Resolution No. 35 of the I.C.C.'s Montreux Congress, particularly favourable treatment and, where appropriate, total exemption from customs duties, quotas, exchange control and other restrictions should be granted to any article not intended for sale but exclusively designed for use as an instrument of advertising for commerce and travel. Special facilities should also be granted for commercial travellers and their samples.

"In the Committee's opinion there should be little difficulty in reaching agreement rapidly among governments on a system of special treatment for samples and advertising material and for commercial travellers. The ground has already been thoroughly prepared by the League of Nations and substantial agreement was reached in 1935 among a number of governments on a Draft Convention for the Purpose of Facilitating Commercial Propagates. This Draft Convention should be taken immediately as a starting rount for working out a final set of recommendations to governments. The League of Nations' Draft is reproduced in Appendix II."

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"APPENDIX II

Draft Convention for the Purpose of Facilitating Commercial Propaganda

This Draft Convention, articles 1 to 9 of which are reproduced below, was drawn up by the Economic Committee of the League of Nations and approved in July 1935 by the Delegates of the following 13 Governments: Austria, Belgium, United Kingdom of Great Britain and Northern Ireland, Czechoslovakia, Denmark, France, Italy, Japan, Netherlands, Poland, Sweden, Switzerland, United States of America.

ARTICLE I

- 1. The High Contracting Parties agree to exempt from import duties on importation samples of goods of all kinds, provided they are, in the opinion of the Customs Administration concerned, of no saleable value and can only be used for soliciting orders.
- 2. This however does not apply to samples of goods which form the subject of a State monopoly or the import and transit of which is prohibited or subject to special regulations on moral, humanitarian, hygienic, veterinary or phytopathological grounds, or on grounds of public safety.

ARTICLE 2

Samples of the following goods in particular, shall be exempt from import duties, in so far as they are not excluded from exemption under the general principles laid down in the preceding article.

- 1. Foodstuffs and beverages, including wine, spirits, cider, beer, mineral waters, juice of grapes or other fruits, edible oils, margarine and other edible fats, etc., provided that not more than one sample of each kind or quality is included in every consignment and that the weight or volume of these products does not exceed the limits laid down by the importing country as compatible with the character of samples.
- 2. Base metals, skins, leather, rubber, wood, cork and similar substances, also materials plaited or spun, in sheets, bundles, sets or individual pieces, of a shape precluding the possibility of any other use than as samples, or in threads, bars, tubes, cables or cords of a maximum length of 10 cm., affixed or not on cards and not capable of any use than as samples.
- 3. Sets of papers, envelopes, notepaper and picture postcards, rendered useless by being pasted on sheets, cancelled by a stamp, etc., wallpapers, mounted on stands or not, sent by a foreign supplier to customers and bearing his name or mark, and also single portions of paper or wallpaper suitable for showing an entire design but not usable for any other purpose.
- Samples of threads of all kinds arranged on cards in order of size, quality or colour, sent by a supplier to a customer.

- 5. Woven textiles of all kinds and felt cloths made into sets or bundles, bearing the name or mark of the supplier, or imported in separate pieces, provided that owing to their size and nature they can be used only as samples or are rendered useless for other purposes; for example, by cuts or perforations.
- 6. Coloured samples containing specimens of woven textiles, leather or other materials to show the nature and colour effect, provided that, owing to their size and nature, they can be used only as samples or are rendered useless for other purposes; for example, by cuts or perforations.
- 7. Samples of manufactured goods such as shawls, handkerchiefs, ties, stockings, footwear, gloves, gaiters, serviettes, hats, etc., with deep cuts, or forming only half or a quarter of the article and not capable of being used.
- 8. Samples of wood, stone, pottery, earthenware, china or glass, bearing several kinds of design, sculpture, etc., on one article, which cannot be put to any other use.
- 9. Screws, rivets, nails, etc., buttons, buckles, hooks and, generally speaking, small articles serving as ornaments or accessories in the clothing trade, affixed to cards containing a single sample of each size and of each kind and constituting genuine collections of samples.
- 10. Small samples of essence of turpentine, colophony, tartar, wax or other products in the raw state.
- 11. Samples of fruit essences, artificial dyes, etheric oils and chemical products, provided there is only one sample of each kind and quality in every consignment and that the weight or volume of these products does not exceed the limits fixed by the importing country as compatible with the character of samples.
- 12. Samples of colours and inks for painting and drawing, in small tubes or bottles of such small content that there is no possibility of their being sold.

ANNEX TO ARTICLES I AND 2

- 1. The Customs Administration may require that the articles be made useless by tearing, perforation or other treatment, this operation, however, being carried out in such a way that the said articles do not lose their value as samples.
- 2. The rules laid down in Articles 1 and 2 shall not apply to samples made up on behalf of merchants or manufacturers in the country of import.

ARTICLE 3

- 1. The High Contracting Parties agree to admit free of import duty catalogues, price-lists and trade notices imported in single copies, of whatever weight, whether accompanying the goods or sent separately.
- 2. The following may be excluded from free admission, even if imported in single copies:
 - (a) Catalogues, price-lists and trade notices printed abroad on behal of traders and manufacturers established in the country of destination;
 - (b) Catalogues, price-lists and trade notices which do not clearly indicate the foreign firm manufacturing or selling the goods.

ANNEX TO ARTICLE 3

r. Catalogues, price-lists and trade notices sent separately but simultaneously through the post to different addresses shall be treated as consignments of single copies. They must, however, be sent in this form from the place of origin.

- Catalogues, price-lists and trade notices, accompanying the goods, the number of which corresponds to the number of the articles packed together shall be treated as imported in single copies.
- 3. Each of the High Contracting Parties shall be entitled to decide whether, and under what conditions, exemption from Customs duty may be granted to consignments of a number of copies of the same catalogue, price-list or trade notice sent to different addresses which are to be posted in the country of destination and which arrive grouped together at the frontier.

ARTICLE 4

The High Contracting Parties agree to admit free of import duty, without limitation of quantity, printed matter and posters for propaganda (time-tables in book or poster form, guides, pamphlets, folders, etc., illustrated or not, illustrated posters), the essential purpose of which is to induce the public to visit foreign countries or localities, or fairs or exhibitions abroad, or to attend meetings or events abroad of genuine public interest, provided that such documents are intended for distribution free of charge and that they are obviously intended for purposes of general publicity.

ARTICLE 5

The words "import duties" used in Articles 1, 2, 3 and 4, not only include Customs duties, but also all duties and taxes which are payable at the time of and by reason of the importation (i.e., interior taxes, excise duties, statistical taxes, import taxes, etc.).

ARTICLE 6

The High Contracting Parties undertake to grant the greatest possible facilities when determining the formalities required in respect of the importation of samples, and more particularly as regards the designation of the Customs offices at which such operation may be effected and the means of transport which may be used.

The High Contracting Parties shall publish promptly all regulations introduced in this respect in such a manner as to enable persons concerned to become acquainted with them and to avoid the prejudice which might result from the application of formalities of which they are ignorant.

ARTICLE 7

- 1. Persons engaged in industrial or business activities in the territory of any of the High Contracting Parties may—subject, if necessary, to the production of an identity card—in the territory of the other High Contracting Parties, either in person or by representatives or travellers in their employ, purchase the goods in which they deal either from merchants or in places where goods are on sale or from producers. They may take orders from merchants and producers who trade in, or use in their establishments, goods of the same kind as those offered to them.
- 2. Persons engaged in industrial or business activities and their representatives or commercial travellers shall not need for any of these activities special authorisation which would not in the same circumstances be required of national undertakings or their representatives.
- In the cases referred to in paragraph 1, the exercise of the activities in question shall be exempt, on production, if required, of an identity card, from

all taxes, duties or charges payable to any public authority whatsoever, provided that the persons who have no fiscal domicile or no establishment of any kind in the country in which they carry on their activities, will alone be able to avail themselves of this exemption.

4. The provisions of this article shall not apply to itinerant trading or to hawking or to the soliciting of orders or purchases from persons other than the merchants or producers referred to in paragraph 1, each of the High Contracting Parties reserving full freedom of legislation in this respect.

ANNEX TO ARTICLE 7

- 1. It is understood that Article 7 refers both to juridical and to natural persons.
- 2. The identity card referred to in Article 7 shall be that provided for in Article 10 of the International Convention of November 3rd, 1923, relating to the Simplification of Customs Formalities.
- The provisions of paragraph 3 of Article 7 shall not apply either between Japan, Sweden,
- . . . or between these countries on the one hand and the other High Contracting Parties on the other hand.
- 4. The provisions of Article 7 shall not apply between Denmark and the other High Contracting Parties.

ARTICLE 8

As regards the temporary exemption from duty of dutiable samples and specimens which manufacturers, traders or commercial travellers import for the purpose of engaging in their occupation, the High Contracting Parties shall observe the stipulations of Article 10 of the International Convention of November 3rd, 1923, relating to the Simplification of Customs Formalities.

ARTICLE 9

- 1. If there should arise between the High Contracting Parties a dispute of any kind relating to the interpretation or application of the present Convention, and if such dispute cannot be satisfactorily settled by diplomacy, it shall be settled in accordance with the agreements in force between the Parties concerning the settlement of international disputes.
- 2. If there is no such agreement in force between the Parties, the dispute shall be referred to arbitration or judicial settlement. In the absence of agreement on the choice of another tribunal, the dispute shall, at the request of any one of the Parties, be referred to the Permanent Court of International Justice if all the Parties to the dispute are Parties to the Protocol of December 16th, 1920, relating to the Statute of that Court and, if any of the Parties to the dispute is not a Party to that Protocol, to an arbitral tribunal constituted in accordance with the Hague Convention of October 18th, 1907, for the Pacific Settlement of International Disputes.
- 3. This article shall not apply to the decisions of Customs administrations provided for in Article 1.
- 4. It is understood that disputes will only be referred by States to arbitration or judicial settlement when any remedies provided by national legislation have been exhausted.**

The International Chamber of Commerce has informed the Secretary-General that rther documentation will be presented after the meeting of its Council on January 1951.