

CLASSIFICATION OF NON-TARIFF MEASURES

November 2009

The following classification of NTMs was prepared by a group of technical experts from eight international organizations, including FAO, IMF, ITC, OECD, UNCTAD, UNIDO, World Bank and WTO. It has been presented to a Group of Eminent Persons in November 2009.

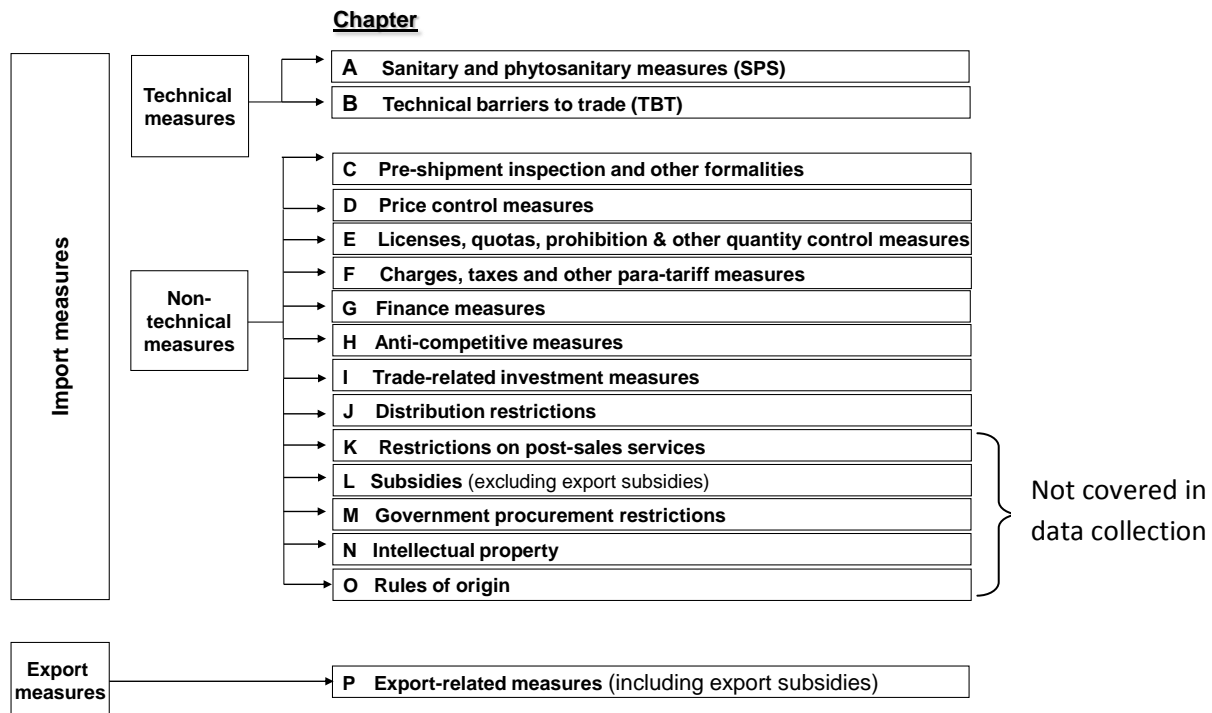
This classification shall be used as a basis to collect, classify and disseminate information on the non-tariff regulations applied by a country. The ultimate goal is to set up a global database on the NTMs applied by countries as a global public good. UNCTAD, World Bank and ITC jointly work on this project.

NTMs include a wide category of instruments such as sanitary and phytosanitary measures (SPS), technical barriers of trade (TBT), quotas, anti competitive measures, import or export licenses, export restrictions, custom surcharges, financial measures, antidumping measures, etc. –

The following NTM classification differentiates NTMs according to 16 chapters (denoted by alphabetical letters), each comprising of "sub-branches" (1-digit), "twigs" (2-digits) and "leaves" (3 digits). This classification drew upon the existing, but outdated, UNCTAD Coding System of Trade Control Measures (TCMCS) classification on NTMs, and has been modified and expanded by adding various categories of measures to reflect the current trading conditions.

For several chapters of the classification, no data will be collected, including government procurement, subsidies and rules of origin, among others.

The classification has the following structure:



A000 SANITARY AND PHYTOSANITARY MEASURES

Laws, decrees, regulations, requirements, standards and procedures to protect human, animal or plant life or health from certain risks such as the establishment or spread of pests, diseases, disease-carrying organisms or disease-causing organisms; risks from additives, contaminants, toxins, disease causing organisms in foods, beverages or feedstuffs.

A100 Prohibitions or restriction of products or substances because of SPS reasons

A110 Temporary geographic prohibition for SPS reasons

Prohibition on imports of specified products from countries or regions due to infectious/contagious diseases: Measures included in this category are typically more of an ad-hoc and time-bound nature.

Example: Prohibition to import poultry from areas affected by avian flu or cattle from foot and mouth disease affected countries.

A120 Geographical restrictions on eligibility

Prohibition of imports of specified products from specific countries or regions due to non-evidence of sufficient safety conditions to avoid sanitary and phytosanitary hazards: The restriction may be imposed automatically until the country proves employment of satisfactory sanitary and phytosanitary measures to provide a certain level of protection against food hazards that is considered acceptable

Example: Restriction to import plants originating in tropical regions where certain plagues may exist; Prohibition of importation of apples from countries that have not proven satisfactory sanitary conditions.

A130 Systems Approach

An approach that combines two or more independent SPS measures on a same product: The combined measures can be composed of any number of interdependent measures as well as their conformity assessment requirements such as inspection and testing. Any of the measures may be applied pre- or postharvest.

Example: A package of measures that specifies specific pest-free production location, pesticides to be used, harvesting techniques as well as post-harvest fumigation, combined with inspection requirement at entry point; Hazard Analysis and Critical Control Point (HACCP)

A140 Special Authorization for SPS reasons

A requirement that importer should receive authorization, permit or approval from a relevant government agency of the destination country for SPS reasons: In order to obtain the authorization, importers may need to comply with other related regulations and conformity assessments.

Example: an import authorization from the Ministry of Health

A150 Registration requirements for importers

The requirement that importers should be registered before they can import certain products: To register, importers may need to comply with certain requirements, provide documentation and pay registration fees.

Example: all importers of food need to be registered at the Ministry of Health [Comment: In case of infant foods, the purpose of such registration may be more focused on ensuring the nutritional quality of the food. It may be better not to mention any specific commodities.]

A190 Prohibitions or restrictions of products or substances because of SPS reasons n.e.s.

A200 Tolerance limits for residues and restricted use of substances

A210 Tolerance limits for residues of or contamination by certain substances

A measure that establishes a maximum residue limit (MRL) or "tolerance limit" of substances in food and feed, which are used during their production process but are not their intended ingredients: It includes a permissible maximum level (ML) for contaminants.

Example: insecticides, pesticides, heavy metals, veterinary drug residues, POPs and chemicals generated during processing; residues of "dithianon" in apples and hop; [Comment: covered by A410 "microbiological criteria in the final product"]

A220 Restricted use of certain substances in foods and feeds

Restriction or prohibition on the use of certain substances in food and feed, which are part of their ingredients:

Example: food and feed additives used for colouring, preservation or Sweeteners

A300 Labelling, Marking and Packaging requirements

A310 Labelling requirements

Measures defining the information directly related to food safety, which should be provided to the consumer: Labelling is any written, electronic, or graphic communication on the consumer packaging or on a separate but associated label

Example: Labels that specify the storage conditions, (e.g. 5 degree C maximum, or room temperature for dry foods) or date marking (to prevent food poisoning caused by spoiled foods) [Comment: Labelling of allergenic substances in the list of ingredients may not be an SPS measure, since allergens are not really contaminants or toxins.]

A320 Marking requirements

Measures defining the information directly related to food safety, which should be carried by the packaging of goods for transportation and/or distribution:

Example: Requirement to write a mark on the outside transport container instructions such as handling for perishable goods, refrigeration needs, or protection from direct sunlight, etc.

A330 Packaging requirements

Measures regulating the mode in which goods must be or cannot be packed, or defining the packaging materials to be used, which are directly related to food safety:

Example: Restricted use of PVC films for food packaging

A400 Hygienic requirements

Requirements related to food quality, composition and safety, which are usually based on hygienic and good manufacturing practices (GMPs), recognized methods of analysis and sampling: The requirements may be applied on the final product (A410) or on the production processes (A420).

A410 Microbiological criteria on the final product

Statement of the microorganisms of concern and/or their toxins/metabolites and the reason for that concern, the analytical methods for their detection and/or quantification in the final product: Microbiological limits should take into consideration the risk associated with the microorganisms, and the conditions under which the food is expected to be handled and consumed. Microbiological limits should also take account of the likelihood of uneven distribution of microorganisms in the food and the inherent variability of the analytical procedure.

Examples: requirement that liquid eggs should be pasteurized or otherwise treated to destroy all viable Salmonella microorganisms.

A420 Hygienic practices during production

Requirements principally intended to give guidance on the establishment and application of microbiological criteria for foods at any point in the food chain from primary production to final consumption: The safety of foods is principally assured by control at the source, product design and process control, and the application of Good Hygienic Practices during production, processing (including labelling), handling, distribution, storage, sale, preparation and use.

Examples: requirements on water quality, use of detergents and hygienic quality of equipment in the cow-milking farm

A490 Hygienic requirements n.e.s.

A500 Treatment for elimination of plant and animal pests and disease-causing organisms in the final product (e.g. Post-harvest treatment)

Various treatments that can be applied during production or as a post-production process, in order to eliminate plant and animal pests or disease-causing organisms in the final product:

A510 Cold/heat treatment

Requirement of cooling/heating of products below/above certain temperature for a certain period of time to kill targeted pests, either prior to, or upon arrival to the destination country: Specific facilities in land or ships are requested. Containers should be equipped properly to conduct cold/heat treatment and should be equipped with temperature sensors.

Example: Cold (disinfection) treatment of citrus fruit from fruit flies. Steam heat treatment with acetic acid to control botrytis cinerea in kiwifruit. Heat treatment requirement on pig meat to reduce the risk from Porcine Reproductive and Respiratory Syndrome (PRRS).

A520 Irradiation

Requirement to kill or devitalize microorganisms, bacteria, viruses, or insects that might be present in food and feed products by using irradiated energy (ionizing radiation):

Example: this technology may be applied on meat products, fresh fruits, spices and dried vegetable seasonings

A530 Fumigation

A process of exposing insects, fungal spores or other organisms to the fumes of a chemical at a lethal strength in an enclosed space for a given period of time: Fumigant is a chemical, which at a required temperature and pressure can exist in the gaseous state in sufficient concentration to be lethal to a given pest organism.

Example: Use of acetic acid as post harvest fumigant to destroy fungal spores on peaches, nectarines, apricots, and cherries; Methyl bromide for fumigating cut flowers and many other commodities.

A590 Treatment for elimination of plant and animal pests and disease-causing organisms in the final product, n.e.s.

A600 Other requirements on production or post-production processes

Requirement on other (post-) production processes not classified above: It also excludes those specific measures under **A200: Tolerance limits for residues and restricted use of substances** (or its sub-categories):

A610 Plant growth processes

Requirements on how a plant should be grown in terms of conditions related to temperature, light, spacing between plants, water, oxygen, mineral nutrients, etc.:

Example: Requirement on seeding rate and row spacing of soybean plants to reduce the risk of frogeye leaf spots

A620 Animal raising or catching processes

Requirements on how an animal should be raised or caught because of SPS concerns:

Example: Requirement that chicken should not be fed with feeds containing offal of cows suspected of BSE;

A630 Food and feed processing

Requirements on how food or feed production should take place in order to satisfy sanitary conditions on the final products:

Example: New equipment or machinery for handling or processing feed in or around an establishment producing animal feed shall not contain polychlorinated biphenils (PCBs).

A640 Storage and transport conditions

Requirements on certain conditions under which food and feed, plants and animal should be stored and/or transported:

Example: Certain foodstuffs should be stored in a dry place, or below certain temperature; conditions not to transport food in the same wagons with certain other products; rules on how to locate animals while transporting them

A690 Other requirements on production or post-production processes, n.e.s

A700 Regulation of foods or feeds derived from, or produced using genetically modified organisms (GMO)

Restriction on imports of food and feed produced using genetically modified organisms: These regulations may include labelling requirement, authorization or outright prohibition.

Examples: Restriction on GMO products for health concerns; Requirement that GMO products need to be labeled

A800 Conformity assessment related to SPS

Requirement for verification that a given SPS condition has been met: it could be achieved by one or combined forms of inspection and approval procedure, including procedures for sampling, testing and inspection, evaluation, verification and assurance of conformity, accreditation and approval etc.:

A810 Product registration requirement

Product registration requirement in the importing country

Example: Only registered pesticides may be imported. [Comment: The objective of registration of infant formulas is likely to ensure their nutritional quality, which is not within the scope of SPS measures.]

A820 Testing requirement

A requirement for products to be tested against a given regulation, such as MRL: It includes sampling requirement.

Example: A testing on a sample of orange imports is required against the maximum residue level of pesticides

A830 Certification requirement

Certification of conformity with a given regulation: required by the importing country but may be issued in the exporting or the importing country

Example: Certificate of conformity for materials in contact with food (containers, papers, plastics, etc.)

A840 Inspection requirement

Requirement for product inspection in the importing country: may be performed by public or private entities. It is similar to testing, but it does not include a laboratory testing.

Example: requirement to inspect animals or plant parts before entry is allowed.

A850 Traceability information requirements

Disclosure requirement of information that allows following a product through the stages of production, processing and distribution:

A851 Origin of materials and parts

Disclosure of information on the origin of materials and parts used in the final product:

Example: For vegetables, disclosure of information on the location of the farm, name of the farmer, fertilisers used, may be required

A852 Processing history

Disclosure of information on all stages of production: may include their locations, processing methods and/or equipment and materials used

Example: For meat product, disclosure of information on the origin of the animals, their slaughter house, as well as food processing factory may be required

A853 Distribution and location of products after delivery

Disclosure of information on when and how the goods have been distributed from the time of their delivery to distributors until they reach the final consumer

Example: For rice, disclosure of information on the location of its temporary storage facility may be required

A859 Traceability requirements, n.e.s.

A860 Quarantine requirement

Requirement to detain or isolate animals, plants or their products on arrival at a port or place for a given period in order to prevent the spread of infectious or contagious disease, or contamination:

Example: quarantine requirements for live dogs; plant quarantine measures to terminate or restrict the spread of harmful organisms and mitigate the adverse impacts thereof.

A890 Conformity assessment related to SPS n.e.s.

A900 SPS measures n.e.s.

B000 TECHNICAL BARRIERS TO TRADE

Measures referring to technical specification of products or production processes and conformity assessment systems thereof: they exclude SPS measures, but a TBT measure may be applied on food products, if the measure is not for food safety

B100 Prohibitions or restrictions of products or substances because of TBT reasons (e.g. environment, security)

B110 Prohibition for TBT reasons

Import prohibition for non-economic, non-SPS reasons such as national security reasons, environment protection etc:

Example: Import prohibitions of hazardous substances including explosives, certain toxic substances covered by the Basel Convention such as aerosol sprays containing CFCs, a range of HCFCs and BFCs, halons, methyl chloroform and carbon tetrachloride

B140 Authorization requirement for TBT reasons

Requirement that importer should receive authorization, permit or approval from a relevant government agency of the destination country, for noneconomic, non-SPS reasons: *Example: Import authorization for drugs, waste and scrap, fire arms, etc.*

B150 Registration requirement for importers for TBT reasons

Requirement that importers should be registered in order to import certain products: To register, importers need to comply with certain requirements, documentation and registration fees. It also includes the registration of establishments producing certain products.

Example: Importers of "sensitive product" such as medicines, drugs, explosives, firearms, alcohol, cigarettes, game machines, etc. may be required to be registered in the importing country

B190 Prohibitions or restrictions of products or substances because of TBT reasons, n.e.s.

B200 Tolerance limits for residues and restricted use of substances

B210 Tolerance limits for residues of or contamination by certain substances

A measure that establishes a maximum level or "tolerance limit" of substances, which are used during their production process but are not their intended ingredients:

Example: salt level in cement

B220 Restricted use of certain substances

Restriction on the use of certain substances as components or material to prevent the risks arising from their use:

Example: For food containers made of polyvinyl chloride plastic, vinyl chloride monomer must not exceed 1 mg per kg; restricted use of solvents in paints; the maximum level of lead allowed in consumer paints

B300 Labelling, Marking and Packaging requirements

B310 Labelling requirements

Measures regulating the kind, colour and size of printing on packages and labels and defining the information that should be provided to the consumer: Labelling is any written, electronic, or graphic communication on the packaging or on a separate but associated label, or on the product itself. It may include requirements on the official language to be used as well as technical information on the product, such as voltage, components, instruction on use, safety and security advises, etc.

Example: Refrigerators need to carry a label indicating its size, weight as well as electricity consumption level

B320 Marking requirements

Measures defining the information for transport and customs that the transport/distribution packaging of goods should carry:

Example: Handling or storage conditions according to type of product, typically signs as "FRAGILE" or "THIS SIDE UP" etc.

B330 Packaging requirements

Measures regulating the mode in which goods must be or cannot be packed, and defining the packaging materials to be used:

Example: Requirement to use palletized containers or special packages for the protection of sensitive or fragile products

B400 Production or Post-Production requirements

B410 TBT regulations on production processes

Requirement on production processes not classified under SPS above: It also excludes those specific measures under **B200: Tolerance limits for residues and restricted use of substances** (or its sub-categories):

Example: establishment of a minimum labour standard in producing certain products; use of environmentally-friendly equipment

B420 TBT regulations on transport and storage

Requirements on certain conditions under which products should be stored and/or transported:

Example: Requirement that medicines should be stored below a certain Temperature

B490 Production or Post-Production requirements n.e.s.

B500 Regulation on genetically modified organisms-GMO (for reasons other than food safety) and other foreign species

Restriction on imports of products produced using genetically modified organisms: These regulations may include labelling requirement, authorization or outright prohibition.

Examples: Restriction on GMO products to protect bio-diversity; Requirement that GMO products need to be labelled for concerns that they may be less nutritious

B600 Product identity requirement

Conditions to be satisfied in order to identify a product with a certain denomination (including biological or organic labels):

Example: Minimum percentage of cocoa content in "chocolate"

B700 Product quality or performance requirement

Conditions to be satisfied in terms of performance (e.g. durability, hardness) or quality (e.g. content of defined ingredients)

Example: Door must resist certain minimum high temperature

B800 Conformity assessment related to TBT

Requirement for verification that a given TBT requirement has been met: it could be achieved by one or combined forms of inspection and approval procedure, including procedures for sampling, testing and inspection, evaluation, verification and assurance of conformity, accreditation and approval etc.:

B810 Product registration requirement

Product registration requirement in the importing country

Example: Only the registered batteries and accumulators may be imported

B820 Testing requirement

A requirement for products to be tested against a given regulation, such as performance level: It includes sampling requirement.

Example: A testing on a sample of motor vehicle imports is required against the required safety compliance and its equipment, etc.

B830 Certification requirement

Certification of conformity with a given regulation: required by the importing country but may be issued in the exporting or the importing country

Example: Certificate of conformity for electric products

B840 Inspection requirement

Requirement for product inspection in the importing country: may be performed by public or private entities. It is similar to testing, but it does not include a laboratory testing.

Example: requirement to inspect textile and clothing imports for size and materials used before entry is allowed.

B850 Traceability information requirements

Disclosure requirement of information that allows following a product through the stages of production, processing and distribution:

B851 Origin of materials and parts

Disclosure of information on the origin of materials and parts used in the final product:

Example: Manufactures of automobiles must keep the record of the origin of the original set of tiers for each individual vehicle.

B852 Processing history

Disclosure of information on all stages of production: may include their locations, processing methods and/or equipment and materials used

Example: For wool apparel product, disclosure of information on the origin of the sheep, location of the textile factory as well as the identity of the final apparel producer may be required

B853 Distribution and location of products after delivery

Disclosure of information on when and how the goods have been distributed from the time of their delivery to distributors until they reach the final consumer

Example: For some precision products such as personal computers, a complete record of distribution and location of the product after delivery may be required in order to trace the cause of default products

B859 Traceability requirements, n.e.s.

B890 Conformity assessment related to TBT n.e.s.

B900 TBT Measures n.e.s.

C000 PRE-SHIPMENT INSPECTION AND OTHER FORMALITIES

C100 Pre-shipment inspection (applied by the importing country)

A physical inspection of goods before they are shipped in the country of export, which establishes the exact nature of the goods: the inspection assures that the goods are in accordance with the accompanying documents that specify their customs tariff code, quality, quantity and price.

Example: A pre-shipment inspection of textile imports by a third party for verification of colours and types of materials

C200 Direct consignment requirement

Requirement that goods must be shipped directly from the country of origin, without stopping at a third country

Example: Goods imported under a preferential scheme such as GSP must be shipped directly from the country of origin in order to satisfy the scheme's rules of origin condition. (i.e. to guarantee that the products have not been manipulated, substituted or further processed in any third country of transit)

C300 Requirement to pass through specified port of customs

Obligation for imports to pass through a designated entry point and/or customs office for inspection, testing, quarantine, etc:

Example: DVD players need to be cleared at a designated customs office for inspection.

C400 Import monitoring and surveillance requirements and other automatic licensing Measures

Monitoring of import value and volume of specified products: it may be applied with the purpose of signalling concern over import surges

Example: *automatic import licence on textile and apparel imports*

C900 Other formalities, n.e.s.

D000 PRICE CONTROL MEASURES

Measures implemented to control the prices of imported articles in order to: support the domestic price of certain products when the import price of these goods are lower; establish the domestic price of certain products because of price fluctuation in domestic markets, or price instability in a foreign market; and counteract the damage resulting from the occurrence of "unfair" foreign trade practices.

D100 Administrative pricing

Fixing of import prices by the authorities of the importing country by taking into account the domestic prices of the producer or consumer: it could take the form of establishing floor and ceiling price limits; or reverting to determined international market values. There may be different price fixing methods, such as minimum import prices or prices set according to a reference

D110 Minimum import prices

Pre-established import price below which imports cannot take place

Example: *Minimum import price of rice*

D120 Reference prices and other price controls

Pre-established import price which authorities of the importing country use as reference to verify the price of imports

Example: *Reference prices for agricultural products based on "farm-gate price", which is the net value of the product when it leaves the farm, after marketing costs have been subtracted.*

D190 Administrative pricing n.e.s.

D200 Voluntary export price restraints (VEPRs)

An arrangement in which the exporter agrees to keep the price of his goods above a certain level⁶: A VEPR process is initiated by the importing country and is thus considered as an import measure.

Example: Export price of video cassette tape is set at higher in order to avoid antidumping action by major importing countries.

D300 Variable charges

Taxes or levies aimed at bringing the market prices of imported agricultural and food products in line with the prices of corresponding domestic products⁷: Primary commodities may be charged per total weight, while charges on processed foodstuffs can be levied in proportion to the primary product contents in the final product. These charges include:

D310 Variable levies

A tax or levy whose rate varies inversely with the price of imports: It is applied mainly to primary products. It may be called flexible import fee.

Example: a tariff rate on beef such as “\$100 per kg – price per kg of beef on the invoice”

D320 Variable components

A tax or levy whose rate includes a fixed component and a variable component: These charges are applied mainly to processed products where the variable part is applied on the primary products or ingredients included in the final product. It may be called compensatory element.

Example: a tariff rate on sugar confectionary such as “25% plus 25\$ per kg of contained sugar – price per kg of sugar”

D390 Variable charges n.e.s

D400 Antidumping measures

A counter measure taken against a dumping action of an exporter: It is considered that dumping takes place when a product is introduced into the commerce of an importing country at less than its normal value, i.e. if the export price of the product exported is less than the comparable price, in the ordinary course of trade, for the like product when destined for consumption in the exporting country.

⁶ These measures were formally prohibited by the WTO Agreements, but in reality they can be applied in case, for example of situations where these products are in danger facing anti-dumping, safeguard or countervailing measures

⁷ All these measures were formally prohibited by the WTO Agreement on Agriculture, Article 4.

D410 Antidumping investigations

An investigation initiated either following a complaint by local producers of similar goods or self-initiated by importing country authorities when they have cause to believe that dumping may be materially injurious to national competing producers or third parties' exporters. Provisional duties may be applied during the investigation.

Example: An antidumping investigation was initiated by the European Union against exports of “steel wire rod”.

D420 Antidumping duties

Duties levied on certain goods originating from specific trading partner(s) to offset the dumping margin. Duty rates are generally enterprise-specific.

Example: An antidumping duty of between 8.5 to 36.2% has been imposed on imports of “biodiesel products”.

D430 Price undertakings

Undertakings to increase the export price offered by exporters to avoid the imposition of antidumping duties: Under WTO rules, prices can be negotiated for this purpose, but only after the dumping has been proved.

Example: An antidumping case involving “Grain Oriented Flat-Rolled Products of Silicon-Electrical Steel” ended in the manufacture accepting to raise the price.

D500 Countervailing measures

Measures intended to offset any direct or indirect subsidy granted by authorities in the exporting country: These may take the form of countervailing duties or undertakings by the exporting firms or by authorities of the subsidizing country.

D510 Countervailing investigations

An investigations initiated either following a complaint by local producers of similar goods or self-initiated by the importing country authority to determine whether the imported goods are subsidized and cause material injury.

Example: A countervailing investigation was initiated by Canada against export of “oil country tubular goods”.

D520 Countervailing duties

Duties levied on certain goods to offset the amount of subsidization granted by the exporter on the production or trade of these goods, when the subsidy is assumed to hurt domestic industry.

Example: A countervailing duty of 44.71% has been imposed on imports of “dynamic random access memory (DRAM) semiconductors”.

D530 Price undertakings

Undertakings to increase the export price offered by exporters to avoid the imposition of countervailing duties: Under WTO rules, prices can be negotiated for this purpose, but only after the injurious effect of the subsidy has been proved.

Example: A countervailing case involving “Palm oil and margarine for puff pastry” ended in the undertaking to fully eliminate the subsidy.

D600 Safeguard duties

Emergency and/or temporary duties imposed as a safeguard action: A country may take a “safeguard” action (i.e., restrict imports of a product temporarily) to protect a specific domestic industry from an increase in imports of any product which is causing, or which is threatening to cause, serious injury to the domestic industry that produces like or directly competitive products.

Example: A safeguard duty of between 15 and 23% has been imposed on imports of “Gamma Ferric Oxide”.

D700 Seasonal duties

Duties applicable at certain times of the year, usually in connection with agricultural products:

Example: Imports of “Fresh perry pears, in bulk” from 1 August to 31 December may enter free of duty, while in other months, positive duties (seasonal duty) are applied.

D900 Price control measures n.e.s.

E000 LICENCES, QUOTAS, PROHIBITIONS AND OTHER QUANTITY CONTROL MEASURES

Quantity control measures are aimed at restraining the quantity of goods that can be imported, regardless of whether they come from different sources or one specific supplier. These measures can take the form of restrictive licensing, fixing of a predetermined quota, or through prohibitions⁸.

E100 Non-automatic licence

An import licence which is not granted automatically: the licence may either be issued on a discretionary basis or may require specific criteria to be met before it is granted.

⁸ Most quantity control measures are formally prohibited by the GATT 1994, but can be applied under specifically determined circumstances (Article XI of GATT 1994)

E110 Licence with no specific ex-ante criteria

Licence issued at the discretion of the issuing authority: it may also be referred to as a discretionary licence.

Example: Imports of automobiles are subject to discretionary licence.

E120 Licence for specified use

Licence granted only for imports of products to be used for pre-specified purpose: normally granted for use in operations generating anticipated benefit in important domains of the economy.

Example: Licence to import steel is granted only if it is used for the construction of a bridge.

E130 Licence linked with local production

Licence granted only for imports of products with linkage to local production:

Example: Licence to import coal is granted only if it is used for the production of electricity.

E140 Licence combined with or replaced by special import authorization

A special import authorization required, in addition to or instead of, a licence issued by the main licensing body (usually the Ministry of Trade): this authorization or a requirement for an inscription in a register is required by a specialized authority which is coordinating the sector of the domestic economy related to the concerned products.

Example: A special import authorization from the Ministry of Agriculture is required to import rice.

E150 Licence for non-economic reasons

E151 Licence for religious, moral or cultural reasons

Control of imports by licence for religious, moral or cultural reasons: *Example: Imports of alcoholic beverages are permitted only by hotels and restaurants.*

E152 Licence for political reasons

Control of imports by licence for political reasons:

Example: Imports of all products from a given country is subject to import license.

E159 Licence for non-economic reasons n.e.s.

E190 Non-automatic licensing n.e.s.

E200 Quotas

Restriction of importation of specified products through the setting of a maximum quantity or value authorized for import:

E210 Global quotas

Quotas established on the basis of the total quantity or value of imports of specific products:

E211 Unallocated quotas

Global quotas which can be filled on a first-come, first-served basis by different suppliers:

Example: Imports of wheat is subject to a maximum limit of 10 million tons per year from any country.

E212 Quotas allocated to exporting countries

Global quotas which are pre-allocated among exporters:

Example: Imports of wheat is subject to a maximum limit of 10 million tons per year allocated to exporting countries according to the average export performance of the past three years.

E220 Bilateral quotas

Quotas reserved for a specific exporting country:

Example: Maximum of 1 million tons of wheat may be imported from Country A.

E230 Seasonal quotas

Quotas established for a given period of the year, usually set for certain agricultural goods when domestic harvest is in abundance.

Example: Quota for import of strawberries is established for imports from March to June each year.

E240 Quotas linked with purchase of local goods

Quotas defined as a percentage of the value of goods purchased locally (i.e. in the importing country) by the exporter.

Example: Imports of refined oil in volume are limited to the volume of crude petroleum purchased locally.

E250 Quotas for non-economic reasons

E251 Quotas for religious, moral or cultural reasons

Control of imports by quotas for religious, moral or cultural reasons

Example: Imports of alcoholic beverages are permitted only by hotels and/or restaurants up to a certain quantitative limits

E252 Quota for political reasons

Control of imports by quotas for political reasons

Example: Imports of seaweeds from Country A (having no diplomatic relation) is limited to the equivalent of \$100,000 per year, a value considered to be minimum amount necessary for local producers to sustain subsistence.

E259 Quotas for non-economic reasons n.e.s.

E260 Tariff Rate Quotas

A system of multiple tariff rates applicable to a same product: the lower rates apply up to a certain value or volume of imports, and the higher rates are charged on imports which exceed this amount.

Example: Rice may be imported free of duty up to the first 100,000 tons, after which it is subject to a tariff rate of \$1.5 per kg.

E270 Quotas linked with domestic production

Compulsory linkage of imports (of materials or parts) with local production

Example: Import of coal is limited to the amount used in the previous year in the production of electricity.

E290 Quotas n.e.s.

E300 Prohibitions

E310 Total prohibition (not for SPS or TBT reasons)

Prohibition without any additional condition or qualification:

Example: Import of "motor vehicle with cylinder under 1500cc" is not allowed to encourage domestic production.

E320 Suspension of issuance of licences

Formal announcement/declaration that import licence will not be issued: such situation may arise in cases related to short-term balance-of-payments difficulties, or for other reasons.

Example: Issuance of licence to import “motor vehicle with cylinder under 1500cc” is suspended until further notice.

E330 Seasonal prohibition

Prohibition of imports during a given period of the year: this is usually applied to certain agricultural products while the domestic harvest is in abundance.

Example: Import of strawberries is not allowed from March to June each year.

E340 Temporary prohibition

Prohibition set for a given fixed period of time: it is usually for urgent matters not covered under the safeguard measures of **E400** below.

Example: Import of certain fish is prohibited with immediate effect until the end of the current season.

E350 Prohibition of products infringing patents or intellectual property rights

Prohibition of copies or imitations of patented or trademarked products:

Example: Import of imitation brand handbags is prohibited.

E360 Prohibition for non-economic reasons

E361 Prohibition for religious, moral or cultural reasons

Prohibition of imports for religious, moral or cultural reasons

Example: Imports of books and magazines displaying pornographic pictures are prohibited.

E362 Prohibition for political reasons (Embargo)

Prohibition of imports from a country or group of countries, applied for political reasons:

Example: Imports of all goods from Country A are prohibited in retaliation to that country’s testing of nuclear bombs.

E369 Prohibition for non-economic reasons n.e.s.

E390 Prohibitions n.e.s.

E400 Quantitative safeguard measures

Quantitative restrictions (Licensing, quota, prohibition) adopted when the government of the importing country wishes to prevent or remedy serious injuries resulting from a sudden increase of imports, or to facilitate adjustment⁹:

Example: Quantitative safeguard measures (quotas) were implemented against the sudden surge of imports of certain mushrooms and vegetables.

E500 Export restraint arrangement

An arrangement by which an exporter agrees to limit exports in order to avoid imposition of restrictions by the importing country, such as quotas, raised tariffs or any other import controls¹⁰. The arrangement may be concluded at either government or industry level.

E510 Voluntary export restraint arrangements (VERs)

Arrangements made by government or industry of an exporting country to “voluntarily” limit exports in order to avoid imposition of mandatory restrictions by the importing country. Typically, VERs are a result of requests made by the importing country to provide a measure of protection for its domestic businesses that produce substitute goods.

E511 Quota agreement

A VER agreement that establishes export quotas:

Example: A bilateral quota on export of “motor vehicles” from Country A to Country B was established to avoid sanction by the latter.

E512 Consultation agreement

A VER agreement that provides for consultation with a view to introducing restrictions (quotas) under certain circumstances:

Example: An agreement was reached to restrict export of cotton from Country C to Country D in case the volume of export exceeds \$2 million tons in the previous month.

E513 Administrative co-operation agreement

A VER agreement that provides for administrative cooperation with a view to avoiding disruptions in bilateral trade:

Example: An agreement was reached between Country E and Country F to cooperate to prevent sudden surge of exports.

⁹ Under the WTO Agreement on Safeguards, justification should be provided on the use of such measures instead of price based measures such as additional customs duties.

¹⁰ Such arrangements are formally prohibited by the WTO Agreements.

E590 Export restraint arrangements n.e.s.

E900 Quantity control measures n.e.s.

F000 CHARGES, TAXES AND OTHER PARA-TARIFF MEASURES

Measures, other than tariffs measures, that increase the cost of imports in a similar manner, i.e. by fixed percentage or by a fixed amount: they are also known as para-tariff measures.

F100 Customs Surcharges

An ad hoc tax imposed in addition to customs tariff to raise fiscal revenues or to protect domestic industries:

Example: Customs surcharge, surtax or additional duty

F200 Service charges

Fees charged against inspections, quarantines or other services provided by the customs authorities: They include:

F210 Custom inspection, processing and servicing fees

F220 Merchandise handling or storing fees

F290 Service charges, n.e.s.

F300 Additional taxes and charges

Additional charges, which are levied on imported goods in addition to customs duties and surcharges and which have no internal equivalents¹¹: They include:

F310 Tax on foreign exchange transactions

F320 Stamp tax

F330 Import licence fee

F340 Consular invoice fee

F350 Statistical tax

F360 Tax on transport facilities

¹¹ It should be noted that Article VIII of GATT states that fees and charges other than customs duties and internal taxes "shall be limited in amount to the approximate cost of services rendered and shall not represent an indirect protection to domestic products or a taxation of imports or exports for fiscal purposes."

F390 Additional charges n.e.s.

F400 Internal taxes and charges levied on imports

Taxes levied on imports that have domestic equivalents¹²:

F410 General sales taxes

A tax on sales of products which are generally applied to all or most products:

Example: Sales tax, turnover tax (or multiple sales tax), value added tax

F420 Excise taxes

A tax imposed on selected types of commodities, usually of a luxurious or non-essential nature: This tax is levied separately from, and in addition to, the general sales taxes

Example: Excise tax, tax on alcoholic consumption, cigarette tax

F430 Taxes and charges for sensitive product categories

Charges that include emission charges, (sensitive) product taxes and administrative charges: these latter charges are meant to recover the costs of administrative control systems.

Example: CO2 emission charge on motor vehicles,

F490 Internal taxes and charges levied on imports n.e.s.

F500 Decered Customs Valuations

Value of goods determined by a decree for the purpose of imposition of customs duties and other charges: this practice is presented as a means to avoid fraud or to protect domestic industry. The decreed value de facto transforms an ad-valorem duty into a specific duty¹³.

Example: the so-called "valeur mercuriale" in Francophone countries

F900 Para-tariff measures n.e.s

G000 FINANCE MEASURES

Financial measures are intended to regulate the access to and cost of foreign exchange for imports and define the terms of payment. They may increase import costs in the same manner as tariff measures.

¹² Article III of the GATT Agreement allows internal taxes to be applied to imports; however, these taxes should not be higher than those applied to similar domestic products.

¹³ Can be appealed according to the WTO rules.

G100 Advance payment requirement

Advance payment requirements related to the value of the import transaction and/or related import taxes: these payments are made at the time an application is lodged, or when an import licence is issued. They can consist of:

G110 Advance import deposit

A requirement that the importer should deposit a percentage of the value of the import transaction before receiving the goods: no interest is paid on the deposits.

Example: Payment of 50% of the transaction value is required three months before the expected arrival of the goods to the port of entry.

G120 Cash margin requirement

A requirement to deposit the total amount of the transaction value in a foreign currency, or a specified part of it, in a commercial bank, before the opening of a letter of credit:

Example: Deposit of 100% of the transaction value is required at the designated commercial bank.

G130 Advance payment of customs duties

A requirement to pay all or part of the customs duties in advance: no interest is paid on these advance payments.

Example: Payment of 100% of the estimated customs duty is required three months before the expected arrival of the goods to the port of entry.

G140 Refundable deposits for sensitive product categories

A requirement to pay a certain deposit which is refunded when the used product or its container is returned to a collection system:

Example: \$100 deposit is required for each refrigerator, which will be refunded when brought in for recycling after use.

G190 Advance payment requirements n.e.s.

G200 Multiple exchange rates

Varying exchange rates for imports, depending on the product category: usually, the official rate is reserved for essential commodities while the other goods must be paid at commercial rates or occasionally by buying foreign exchange through auctions.¹⁴

Example: Only the payment for infant food and staple food imports may be made at the official exchange rate.

¹⁴ The use of multiple exchange rates is formally prohibited by the GATT 1994.

G300 Regulation on official foreign exchange allocation

G310 Prohibition of foreign exchange allocation

No official foreign exchange allocations available to pay for imports:

Example: Foreign exchange is not allocated for imports of luxury products such as motor vehicles, TV sets, jewelleryes, etc.,

G320 Bank authorization

A requirement to obtain a special import authorization from the central bank:

Example: For imports of motor vehicles, a central bank permit is required in addition to the import licence.

G330 Licence linked with non-official foreign exchange

Licence granted only if non-official foreign exchange is used for the import payment.

G331 External foreign exchange

Licence granted only for imports related to technical assistance projects and other sources of external foreign exchange:

Example: Imports of construction materials are allowed only if payments may be made through the foreign direct investment fund.

G332 Importers' own foreign exchange

Licence granted if the importer has his own foreign exchange held in an overseas bank:

Example: Imports of textile materials are authorized only if the importer could pay directly to the exporter with his own foreign exchange obtained through his export activity abroad.

G339 Licence linked with non-official foreign exchange, n.e.s.

G390 Regulation on official foreign exchange allocation, n.e.s.

G400 Regulations concerning terms of payment for imports

Regulations related to conditions of payment of imports and the obtaining and use of credit (foreign or domestic) to finance imports.

Example: No more than 50% of the transaction value can be paid in advance of the arrival of goods to the port of entry.

G900 Finance measures n.e.s.

H000 ANTI-COMPETITIVE MEASURES

Measures to grant exclusive or special preferences or privileges to one or more limited group of economic operators:

H100 Restrictive import channel

A requirement that all imports, or imports of selected commodities, have to be channelled through specific enterprises or agencies, sometimes state-owned or state controlled.

H110 State trading administration, for importing

A requirement that all imports, or imports of selected commodities, have to be channelled through a specific state-owned or state-controlled enterprise:

Example: Imports of salt and tobacco are reserved for the respective state trading companies.

H120 Sole importing agency

A requirement that all imports, or imports of selected commodities, have to be channelled through a specific state-designated importing agency:

Example: Crude petroleum can only be imported by the government designated trading company.

H130 Importation reserved for selected importers

A requirement that imports of certain goods can be made by specific categories of importers such as manufacturers, service industry, governmental departments, etc.:

Example: Imports of steel products are reserved for company members of the national steel producer association.

H190 Single channel for imports, n.e.s.

H200 Compulsory national service

H210 Compulsory national insurance

A requirement that imports must be insured by a national insurance company:

H220 Compulsory national transport

A requirement that imports must be carried by a national shipping company:

H290 Compulsory national service, n.e.s.

H900 Anti-competitive measures, n.e.s.

I000 TRADE-RELATED INVESTMENT MEASURES

I100 Local content measures

Requirement to use certain minimum levels of locally made component, restricting the level of imported components.

Example: Imports of clothing is allowed only if more than 50% of the materials used are originating from the importing country.

I200 Trade balancing measures

Measures limiting the purchase or use of imported products by an enterprise to an amount related to the volume or value of local products that it exports:

Example: A company may import materials and other products only up to 80% of its export earning of the previous year

I900 Trade-related investment measures, n.e.s

Categories J to O below (marked with “”) are included in the Classification to collect information from private sectors through survey and web-portals. Examples provided are therefore type of “complaints” that may be expected to fall under the respective categories and sub-categories.*

J000 DISTRIBUTION RESTRICTIONS*

Distribution of goods inside the importing country may be restricted. It may be controlled through additional license or certification requirement¹⁵.

J100 Geographical restriction

Restriction to limit the sales of goods to certain areas within the importing country:

Example: Imported beverages may only be sold in cities having facility to recycle the containers.

J200 Restriction on resellers

Restriction to limit the sales of imported products by designated retailers:

Example: Exporters of motor vehicles need to set up their own retail points as existing car dealers in the destination country belong exclusively to car producers in that country.

¹⁵ These restrictions are closely related with regulations of distribution services.

K000 RESTRICTION ON POST-SALES SERVICES*

Measures restricting producers of exported goods to provide post-sales service in the importing country.

Example: After-sales servicing on exported TV sets must be provided by local service company of the importing country.

L000 SUBSIDIES (excluding export subsidies under P700)*

Financial contribution by a government or government body to a production structure, being a particular industry or company, such as direct or potential transfer of funds (e.g. grants, loans, equity infusions), payments to a funding mechanism and income or price support.

Note: this category is to be further sub-divided after further study on the subject.

Example: Price of imported wheat is much lower than local wheat because of subsidy given in the exporting country

M000 GOVERNMENT PROCUREMENT RESTRICTIONS*

Measures controlling the purchase of goods by government agencies, generally by preferring national providers:

Example: Government office has a traditional supplier of its office equipment requirement, in spite of higher prices than similar foreign suppliers.

N000 INTELLECTUAL PROPERTY*

Measures related to intellectual property rights in trade: intellectual property legislation covers patents, trademarks, industrial designs, lay-out designs of integrated circuits, copyright, geographical indications and trade secrets.

Example: Clothing with unauthorized use of trademark is sold at much lower price than the authentic products

O000 RULES OF ORIGIN*

Rules of origin cover laws, regulations and administrative determinations of general application applied by government of importing countries to determine the country of origin of goods. Rules of origin are important in implementing such trade policy instruments as antidumping and countervailing duties, origin marking, and safeguard measures.

Example: Machinery products produced in a country is difficult to fulfill the rules of origin to qualify for the reduced tariff rate of the importing country, as the parts and materials originate in different countries.

P000 EXPORT RELATED MEASURES

Export-related measures are measures applied by the government of the exporting country on exported goods.

P100 Export license, quota, prohibition and other quantitative restriction

Restrictions to the quantity of goods exported to a specific country or countries by the government of the exporting country for reasons such as: shortage of goods in the domestic market; regulating domestic prices; avoiding antidumping measures; or for political reasons¹⁶.

P110 Export Prohibition

Prohibition of exports of certain products:

Example: Export of corn is prohibited because of shortage in domestic Consumption

P120 Export quotas

Quotas that limit value or volume of exports:

Example: Export quota of beef is established to guarantee adequate supply in the domestic market

P130 Licensing or permit requirements to export

A requirement to obtain licence or permit by the government of the exporting country to export products:

Example: Export of diamond ores are subject to licensing by the Ministry

P140 Export Registration requirements

A requirement to register products before being exported (for monitoring purposes)

Example: Pharmaceutical products need to be registered before being exported

P190 Export quantitative restrictions, n.e.s.

P200 State trading administration

All or parts of exports of selected commodities have to be channelled through specific enterprises identified by governments.

Example: Export of some products of strategic importance, such as precious metals might be limited only to certain enterprises authorized by the government.

P300 Export price control measures

¹⁶ All of these measures are formally prohibited by the GATT 1994, but may be applied under specific situations identified in Article XI of GATT 1994.

Measures implemented to control the prices of exported products:

Example: Different prices for exports are applied from the same product sold in domestic market (Dual pricing schemes)

P400 Measures on Re-Export

Measures applied by the government of the exporting country on exported goods which have originally been imported from abroad:

Example: Re-export of wines and spirits back to producing country is prohibited: the practice is common in cross-border trade to avoid imposition of domestic excise tax in the producing country.

P500 Export taxes and charges

Taxes collected on exported goods by the government of the exporting country: they can be set either on a specific or an ad valorem basis.

Example: Export duty on crude petroleum is levied for revenue purpose

P600 Export technical measures

Export regulations referring to technical specification of products and conformity assessment systems thereof:

P610 Inspection requirement

Control over the quality or other characteristics of products for export:

Example: Exports of processed food products must be inspected for sanitary conditions.

P620 Certification required by the exporting country

Requirement by the exporting country to obtain sanitary, phytosanitary or other certification before the goods are exported

Example: Export of live animals must carry individual health certificate

P690 Export technical measures, n.e.s.

P700 Export subsidies

Financial contribution by a government or government body to export structure, being a particular industry or company, such as direct or potential transfer of funds (e.g. grants, loans, equity infusions), payments to a funding mechanism and income or price support.

Example: Exports of beef, dairy product, fruit and vegetables are subsidized

P900 Export related measures, n.e.s.