

**Committee on Agriculture
Special Session**

TARIFF QUOTA ADMINISTRATION

The following communication, dated 2 June 2006, is being circulated at the request of the Delegation of Australia.

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1. Tariff quota commitments shall be administered in a manner which is transparent and predictable, and ensures that the market access opportunities represented by such commitments are made fully and effectively available.
 2. Members shall administer tariff quotas in conformity with WTO provisions, including through the following requirements:
 - (a) A tariff quota commitment shall not be administered in a manner which hinders in any way the importation of any product or tariff line within the tariff quota.
 - (b) Members shall provide timely initial allocations of import licenses and mechanisms for re-allocation or tradability of tariff quota allotments to ensure that the annual tariff quota quantity is imported within the quota year.
 - (c) Members shall not impose seasonal or other time limits on imports under tariff quotas, including those created through delays arising from licensing and associated procedures, which result in underfill of the quota.
 - (d) Members shall not impose unfavourable commercial terms which act to restrict the importation of products within the tariff quota commitment, including product specification requirements, domestic purchasing requirements, non-viable quota allotments, restrictions on quota allocation to retail distributors and other end-users, restrictions on sales to final consumers, or export or re-export requirements.
 - (e) Members shall not credit allocations or preferential imports under bilateral and regional trade agreements against their scheduled WTO tariff quota commitments.
 - (f) Members shall publish all relevant information sufficiently in advance in relation to their administration of tariff quota commitments, including information regarding administrative requirements and procedures, the contact details of importers to whom tariff quota allocations have been attributed and current tariff quota fill rates.
 3. Underfill Mechanism:
 - (a) If the tariff quota fill rate in any year falls below [85%]¹ the underfilled portion of the tariff quota will be added to the tariff quota quantity for the following year.

¹ A quota fill rate will be deemed to be below 85 per cent unless notified otherwise by the relevant Member to the CoA.

- (b) If fill rates are, in each year over a [two year] period, less than [85%] (excluding any additional amount added to the tariff quota under (a)), the out-of-quota duty shall be reduced to the in-quota rate [until such time that annual imports equal or exceed the volume specified in the Member's schedule]. Thereafter, the Member shall adopt one of the following options for administering the tariff quota: applied tariffs or licenses on demand.
- (c) Provisions on special and differential treatment will be developed.
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