

# NATIONAL LAW UNIVERSITY, JODHPUR

End Term Examination November 2024

Semester: UG VII Semester (Trade Law Honors)

Subject: Trade in Goods (GATT)

Time: Three Hours

Marks: 100

## Instructions:

1. Attempt any five out of the six questions
2. All questions carry equal marks
3. Students are prohibited from using any electronic device

Q.1) Explain the terms "custom duties" and "Other forms of Duties and Charges" under Article 2 of GATT. (Marks 20)

Q.2) Through the EC Seal case explain the import of the term "public morals" under Article 20 GATT? Explain the relevance of territorial limitations under Article 20 through the general text? (Marks 20)

Q.3) Article XXIV provides for a mechanism to maintain a balance between trade liberalization and trade diversion. Explain the operative part of Article XXIV. Explain the relevance of *US Pipe Line Safeguard Measures* case in interpreting Article XXIV (5) of GATT. (Marks 20)

Q.4) In *India Quantitative Restrictions* case, India imposed the following licensing requirement for the importers-

*India regulates the import of goods by means of the Negative List. If an item is on the Negative List, a prospective importer must apply for a licence to the DGFT. The Negative List classifies all restricted imports in one of three categories: prohibited items, restricted items, and canalized items. None of the prohibited items, listed in Part I of the Negative List, are listed in Annex I, Part B of document WT/BOP/N/24. In WT/BOP/N/24, Annex I, Part B, restricted items are identified with the symbol "NAL" (non-automatic licensing), "SIL" or "STR" in the column "QR symbol". Restricted items are listed in Part II of the Negative List. An item classified as "restricted" under the Negative List is only permitted to be imported against a specific import licence or in accordance with a public notice issued for that purpose. The leading item on the Negative List is "all consumer goods, howsoever described, of industrial, agricultural, mineral or animal origin, whether in SKD/CKD condition or ready to assemble sets or in finished form." Paragraph 3.14 of the Export and Import Policy further defines "consumer goods" as "any consumption goods which can directly satisfy human needs without further processing and include consumer durables and accessories thereof." The Negative List also lists seven product categories to be treated as consumer goods "for the removal of doubts": consumer electronic goods, equipments and systems,*

howsoever described; consumer telecommunications equipments namely telephone instruments and electronic PABX; watches in SKD/CKD or assembled condition, watch cases and watch dials; cotton, woollen, silk, man-made and blended fabrics including cotton terry towel fabrics; concentrates of alcoholic beverages; wines (tonic or medicated); and saffron. A person intending to import a restricted item must submit an application for an import licence to the Director General of Foreign Trade in India's Ministry of Commerce ("DGFT"), or an officer authorized by him ("licensing authority") with territorial jurisdiction. Import licences are not transferable. Any person who imports or exports (with or without a licence) must have an Importer Exporter Code (IEC) number, unless specifically exempted. In addition, any person applying for an import or export licence must present a Registration-cum-Membership Certificate (RCMC) granted by the Export Promotion Council relating to his line of business, the Federation of Indian Exporters Organisation, or (if the products exported by him are not covered by any Export Promotion Council) the regional licensing authority. The application forms for the RCMC requires the applicant to claim status as a merchant exporter or manufacturer exporter of a specific product or products.

In the above-mentioned case US challenged the license requirement as being violative of Article XI.1 of GATT. Decide? (Marks 20)

Q.5) Interpret the "no less favorable treatment" standard under Article 3 of GATT. What was the approach taken by Appellate Body in Mexico Alcoholic Beverages case? (Marks 20)

Q.6) Explain the unconditional nature of MFN principle enshrined under GATT. Explain its relation with the principle of reciprocity. Explain the contours of like product under the said article of GATT. (Marks 20)