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WTO NEGOTIATIONS ON TRADE FACILITATION SELF ASSESSMENT GUIDE

Prepared by the World Bank¹ in Cooperation with
the WTO Secretariat and other Annex D Organizations

A guide to assist developing and least-developed Members to assess their technical assistance and capacity building support needs and priorities to implement Members' proposals on how to clarify and improve GATT Articles V, VIII and X.

¹ Prepared by Professor David Widdowson, Centre for Customs & Excise Studies, University of Canberra, for and on behalf of the World Bank.

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GLOSSARY

Annex D	An Annex to the WTO July Package that sets out the modalities for the WTO trade facilitation negotiations
Article V	GATT Article dealing with freedom of transit for goods
Article VIII	GATT Article dealing with fees and formalities connected with importation and exportation
Article X	GATT Article requiring all trade regulations to be clearly published and fairly administered
Doha Development Agenda	The current multilateral trade negotiations that were launched at the 4 th WTO Ministerial Conference held in Doha, Qatar in November 2001
Gap Analysis	A technique that may be used to determine the distance between the current situation of a given country and that required by compliance with the compulsory content of a rule or in this case the standards set out in this Guide that are based on WTO Members' proposals
July Package	The agreed work programme for achieving a negotiated outcome in the Doha Development Agenda
Member	A member of the WTO
Situation analysis	A technique that may be used to determine whether national legislation, current procedures and documentation are relevant in terms of compliance with a proposal or agreement
WCO	World Customs Organization
WTO	World Trade Organization

PART A

INTRODUCTION

The WTO negotiations on trade facilitation are seeking to clarify and improve relevant aspects of Articles V, VIII and X with a view to further expediting the movement, release and clearance of goods, including goods in transit.²

To facilitate the process, the Secretariat has published a compilation of Members' proposals.³ While many of the measures under negotiation in the WTO focus on improving Customs systems and procedures, Customs is not the only government agency involved in processing and clearing international cargo. Consequently, the policies and procedures of a number of other agencies are clearly included in the negotiation agenda.

The primary purpose of the guide is to provide developing and least-developed members with a practical method of assessing the type and level of technical assistance and capacity building support required to implement the range of Members' proposals. As noted by the Negotiating Group on Trade Facilitation, technical assistance and capacity-building support are likely to play a key role in implementing the various proposals in developing and least-developed member economies:

"To bring the negotiations to a successful conclusion, special attention needs to be paid to support for technical assistance and capacity-building that will allow developing countries and LDCs to participate effectively in the negotiations, and to technical assistance and capacity-building to implement the results of the negotiations that is precise, effective and operational, and reflects the trade facilitation needs and priorities of developing countries and LDCs".⁴

In this regard, the World Bank states:

"it would make good sense for any long-term assistance and capacity building support provided to achieve compliance with a basic legal standard to be effectively integrated into wider and more comprehensive reform and modernization efforts. In this way, any technical assistance and capacity building support provided for implementation to a basic level consistent with expected WTO commitments would provide a sound foundation for a further development and the refinement of systems and procedures over time as experience develops progressively within Member countries".⁵

It is in this context that this guide has been produced. It distills the essence of Members' proposals through the identification of practical **basic standards** for the proposed measures, and provides useful guidance on assessing a Member's technical support and capacity building needs and priorities against each of those standards.

² Annex D of the July Package.

³ Document TN/TF/W/43/Rev.10.

⁴ WT/MIN(05)/DEC.

⁵ World Bank (2006) "Needs, Priorities and Costs Associated with Technical Assistance and Capacity Building for Implementation of a WTO Trade Facilitation Agreement – A Comparative Study Based on Six Developing Countries", World Bank, Washington DC, pp. 6, 7.

USING THIS GUIDE

OVERVIEW

The guide provides Members with:

- General observations about the assessment process (Part A);
- A summary of key reform elements (Part B, Annexes and Supplementary Material);
- A suggested approach to assessing technical assistance and capacity building support needs and priorities (Part A, Annexes and Supplementary Material); and
- A diagnostic tool to facilitate the self-assessment process (Annex A).

For practical purposes the guide makes some basic assumptions about the various proposals, and identifies likely requirements based on typical implementation strategies and best practice approaches. This has been necessary due to the fact that some proposals lack clarity, and all proposals remain subject to change in the context of the ongoing negotiations.

Throughout the guide, cross-references to the relevant sections of TN/TF/W/43 are provided, and a table is provided in Section B of the Supplementary Material which cross-references the various proposals against key elements of the WCO Revised Kyoto Convention.⁶

Issues shown in square brackets [] represent those elements of Members' proposals that are likely to require further clarification during the ongoing negotiation process.

COORDINATION

In many countries, multiple government agencies have an interest in the movement of goods, including agencies responsible for health and safety, food inspection, import licensing, tax collection, quality inspection and enforcement. In the absence of an effective coordination mechanism, the assessment will fail to address all relevant aspects of government responsibility.

It is therefore recommended that a single ministry or agency be given overall responsibility for coordinating the assessment process. Such ministry or agency should ideally have policy or administrative responsibilities that are relevant to the trade facilitation agenda. In most cases this will be the agency that has overall responsibility for trade policy. However, the most important factor in establishing coordination arrangements is to identify a single coordinating agency that has the capacity to support and drive the assessment process.

Having appointed a coordinating agency, it would be appropriate to delegate certain aspects of the assessment process to the agency responsible for customs matters, since the trade facilitation agenda places particular emphasis on customs procedures, and many proposals are likely to impact in some way on the customs administration itself and/or other stakeholders involved in customs-related procedures.

UNDERTAKING THE ASSESSMENT

Part B of this guide addresses each sub-category of Members' proposals, as identified in WTO document TN/TF/W/43, by providing:

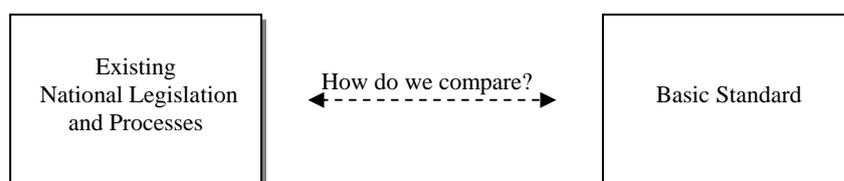
⁶ World Customs Organization's International Convention on the Simplification and Harmonization of Customs Procedures (as amended).

- A general description of the proposals that have been put forward;
- The basic standard that is likely to apply to Members in the event that the proposals are adopted;
- The scope of the proposals that fall under that particular sub-category;
- The requirements that a Member must satisfy in order to meet the Basic Standard; and
- Some useful references, with further points to note being provided in Section A of the Supplementary Material.

The **suggested approach to assessment** is an eight-stage process, involving:

1. Identifying all relevant stakeholders from both the public and private sectors who should be consulted during the course of the assessment process. Stakeholder identification is addressed in more detail below;
2. Identifying the situation that currently exists in the Member's country relative to the requirements that are necessary to meet the Basic Standard. This requires the Member to undertake a situation analysis, as shown in Figure 1⁷;

Figure 1: Situation Analysis



3. Determining whether the current situation represents full compliance, partial compliance, or non-compliance with the basic standard and requirements;
4. Consulting with stakeholders to identify key barriers to achieving compliance with the basic standard and requirements;
5. Identifying actions that must be taken in order to achieve full compliance with the basic standard and requirements. In this context, the following matters should be considered:

Category	Issues to be addressed
Change Management, including political and administrative issues	What change management initiatives are required to implement the proposal? See discussion on this important issue below.
Regulatory: Legal framework	What legislative changes are required to meet the Basic Standard?
Regulatory: Administrative policy, systems and procedure	What policy, system and procedural changes are required to meet the Basic Standard?
Human Resource Needs	What human resource implications are involved in meeting the Basic Standard, including any indirect HRM implications?

⁷ A step-by-step approach to the situation analysis can be found in TN/TF/W/51, WTO Trade Facilitation Negotiations Support Guide, submitted by the World Bank.

Category	Issues to be addressed
Training Needs (Public and Private Sector)	What training is required to meet the Basic Standard, including any indirect HRD implications?
Equipment/ Infrastructure	What resource requirements are required to meet the Basic Standard, including implementation or modification of existing or new ICT hardware and software?
Institutional matters	What organizational or structural changes are required to meet the Basic Standard?

6. Identifying a lead agency or organization that will take responsibility for progressing particular actions, and other stakeholders who will provide assistance;
7. Determining what actions/remedies are able to be progressed using the Member's own resources, and any technical assistance/capacity building support that may be required to meet the basic standard and requirements;
8. Identifying key priorities from among the identified actions and technical assistance initiatives. These are identified as "A", "B", or "C" priorities, depending on their importance from the perspective of the Member, with "A" representing the highest priority.

The Assessment Tool at Annex A may be used to facilitate this process (see Figure 3). An illustrative example of how the Assessment Tool may be completed is shown at Annex B.

Figure 3: Assessment Tool

D.1 PROVISION OF ADVANCE RULINGS					
Basic Standard: A Member shall issue legally binding rulings in a timely manner, and in advance of the relevant trade transaction, at the request of an interested person who has provided the Member with all necessary information					
COMPLY: yes no partially					
Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ Other stakeholders involved	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)

Stakeholders consulted during the course of this Assessment:
Comments:

STAKEHOLDERS⁸

The need to involve stakeholders in the assessment process

The trade facilitation negotiations in effect represent one of the first stages in a significant reform process, the success of which is dependent on a sense of ownership among the various stakeholders. Effective consultation with both public and private sector stakeholders is fundamental to achieving such ownership, and the approach adopted in this Guide has been developed on that basis.

Effective consultation with relevant stakeholders serves to ensure that Geneva-based negotiators have the best and most complete information and advice upon which to participate in the negotiations. It also encourages the sharing of information, expertise and perspectives by those who are likely to be affected by the outcomes of negotiations. This in turn assists the process of assessing the likely impact of particular proposals, highlighting potential implementation difficulties and identifying the most appropriate approaches for implementation and enforcement. Effective consultation therefore facilitates the identification of technical support and capacity building needs and priorities.

Stakeholder identification

Stakeholders are those people, groups and institutions that might contribute to or influence the outcome of the negotiations and the implementation process, and for which communication strategies will need to be devised.

Trade facilitation involves more than just customs facilitation; it encompasses all relevant regulatory agencies and all commercial elements of the international supply chain, and it will therefore be important to involve several government and business entities in the assessment process.

To facilitate the process of stakeholder identification in the current context, it is useful to envisage the entire international supply chain and consider those who may be involved at any point in dealing with the goods and the associated documentation, payments and transport, either from a regulatory or commercial perspective.

The business community

To achieve a successful outcome on trade facilitation, it is imperative to actively engage the business community and to take its views into consideration. Consequently, it is important to have a good understanding of the interests of the private sector and communicate regularly with those elements of the private sector that may be impacted by particular aspects of the negotiations and their implementation.

The significance of engagement with the business community can be demonstrated by reference to trade agreements where negotiators have secured access to export markets and subsequently discovered that their private sector had no capacity to supply those markets. Conversely, a potentially adverse impact on the domestic industry may emerge that is neither highlighted nor anticipated during the course of negotiations, which points to the importance of involving these stakeholders at an early stage.

⁸ Adapted from TN/TF/W/51, WTO Trade Facilitation Negotiations Support Guide, submitted by the World Bank.

It is also important to bear in mind that the WTO negotiations on trade facilitation can be very technical, and it is therefore important to engage experts in the consideration and analysis of the various issues that flow from the negotiations, including representatives from the private sector.

Responsibility for the identification of stakeholders and subsequent liaison with them should fall to the agency that is normally responsible for policy and administration of the subject matter in question. For example, in relation to a specific customs matter such as import declarations, the customs agency would generally be responsible for identifying the various business interests and for ensuring that the views of those interests are sought.

CHANGE MANAGEMENT

The WTO trade facilitation agenda represents a significant programme of reform and modernization for many Members, particularly developing and least-developed Members. Such initiatives place substantial burdens on both government and private enterprise to continue to operate effectively while also managing a wide-ranging programme of change.

Regardless of the underlying catalyst for change, there are three principal considerations in any change process – a) identifying what needs to change, b) determining how it should be changed and c) setting up the change management process.. Technical assistance and capacity building support may be required to progress either or both of these issues.

In progressing the trade facilitation reforms, it can be anticipated that there will be some resistance to change within both the public and private sector. Often the private sector is not homogenous. For example, customs agents often have shared interest with Customs, whereas shippers might be pushing for reform that could threaten the income base of customs agents. Consequently, effective communication and consultation should play a key part in advancing the trade facilitation agenda, in order to obtain ownership, support and commitment from key stakeholders.

While this is not intended to be a definitive guide to change management, here are a few important points to note:

- Unless resistance to change is properly managed, the potential benefits of a reform project are unlikely to be fully realized. Therefore the identification of sources of potential resistance and the development of a plan to manage that resistance is essential if risks are to be reduced and the likelihood of successful implementation increased;
- Projects associated with substantial levels of change require dedicated change management teams and the effort associated with the management of the change can be the largest component of the project. This should be planned for at the outset;
- Changes to the culture of an agency are often the most difficult to manage and implement. Culture is the most powerful force opposing change and the implementation of cultural change is a long-term process that needs to be managed carefully and requires large amounts of sponsorship at all levels;
- The active involvement of stakeholders within government and the private sector will make the change more successful and will assist in reducing resistance;
- Those who are part of the change process must receive adequate and timely training in the new processes and technology. This applies equally to government staff and the private sector;
- The activities and tasks relating to the change process must be integrated with the overall project plan to ensure that any dependencies and resource conflicts are identified and resolved.

Having regard to these issues, effective management of change requires:

- Identifying and empowering a lead agency;
- A clearly defined policy objective, legitimated by the appropriate political processes, – clearly documented and communicated to everyone who will be affected by the change;
- A tolerance for ambiguity – the final goal may well be understood, but the exact nature and extent of changes will become clearer during the course of the project;
- Commitment at all levels, including the provision of adequate resources and clear support for the change process;
- Open communication – with all stakeholders;
- The use of an appropriate change management methodology.

Last but by no means least, there is a need for a change sponsor to initiate the change process and sustain it through implementation. For government reform projects, this is likely to be at director-general or ministerial level. The change sponsor is the force that will drive the change process and therefore must continually demonstrate commitment to the project and the changes that will result from it. This support from the top is critical to reducing resistance to change.

SHORT- TO MEDIUM-TERM PROGRESS

There is much that can be achieved immediately and at relatively low cost to put a Member on the "trade facilitation track".

Amendments to legislation, the development of new procedures, and the skilling of people within the public and private sectors can be implemented relatively quickly by reference to international standards and best practice such as the WCO Revised Kyoto Convention.

NO "ONE SIZE FITS ALL"

The negotiations on trade facilitation have disclosed a degree of consensus among Members in terms of the various reform proposals. However, they have also reinforced the conclusion that there is no "one size fits all" solution to implementation of trade facilitation principles. In fact, a range of possible approaches to implementation may be adopted by individual countries depending upon their specific circumstances and the relative priorities they accord to specific items within their reform and modernization programmes.

Consequently, while this guide identifies some common themes across the range of Members' proposals, and provides guidance on best practice approaches to implementation, it still requires each Member to individually assess their particular circumstances.⁹ Such assessments, which should include the identification of national and regional priorities, will serve to inform each Member as to the type and level of technical assistance and capacity building required, and in turn the likely cost of implementation.

Different situations require different approaches, both in terms of resources and in pace. Country- or region-specific reforms have proved successful when they can be based on local knowledge and experimentation, targeted to domestic traders and tailored to domestic institutional realities.¹⁰

⁹ Members and Observers can obtain technical assistance for their self-assessment through the WTO Trade Facilitation Needs Assessment Technical Assistance programme.

¹⁰ UNCTAD TD/B/COM.3/EM.17/2 27, September 2002.

PART B

GUIDE TO IMPLEMENTATION

Note: The following headings are consistent with those contained in WTO document TN/TF/W/43/Rev.10.

A. PUBLICATION AND AVAILABILITY OF INFORMATION

A.1 Publication and Notification of Trade Regulations and of Penalty Provisions

General Description

Transparency and accessibility of information is important for traders to be able to efficiently undertake their business. Transparency "relates to the ability of market participants and stakeholders to: fully understand the conditions and constraints for entering and operating in a market; gain an accurate picture of costs and returns of their involvement; have the time and flexibility needed to meet requirements and adjust to potential changes; and be equipped to deal with any discriminatory or arbitrary treatment".¹¹

These proposals seek to provide transparency of trade regulations by publishing promptly and making available to interested parties, all laws, administrative rulings and other relevant information relating to or affecting the international trade in goods.

Basic Standard

A Member shall ensure that all relevant information relating to trade laws and procedures is readily available to any interested person.

Scope of Proposals¹²

All relevant laws, regulations, administrative guidelines, judicial decisions and administrative rulings having general application, relating to:

- Processes and procedures of border agencies, including port, airport, and other entry-point procedures; and relevant forms and documents, including transit formalities and documentation requirements;
- Rate of duties and taxes imposed on or in connection with importation or exportation (including applied tariff rates);
- Decisions and examples of customs classification;
- Import and export restrictions;
- Fees and charges applicable to import, export and transit procedures including the reason for the fee or charge (the service provided), the responsible authority and when and how payment is made;
- Penalty provisions against breaches of import and export formalities;
- Appeal procedures;
- Preshipment inspection activities;
- Export inspection requirements;
- Matters relating to trade-related restrictions;

¹¹ www.oecd.org/ech/tradepolicy/tradefacilitation. Document TD/TC/WP(2003)12/FINAL, page 5.

¹² Includes similar issues relating to transit in M.3(a) proposals.

- Information on enquiry points and medium (e.g., website address) through which information is published;
- Conditions for different forms of customs treatment;
- Advance rulings of general application and binding nature;
- Agencies' management plans relating to implementation of WTO commitments;
- Agreements and arrangements with any country or countries relating to the above issues;
- Outline of major trade related procedures;
- All significant amendments to the above.

Requirements to meet the Basic Standard

The Member makes all information covered by the scope of proposals available to governments and traders:

- In a non-discriminatory and convenient manner including an officially designated source such as an official gazette or official journal;
- On an official website, whenever practicable;
- Including an outline of major trade related procedures [in English, French or Spanish].

All amendments to relevant material are made public in the same way as the original publication.

The Member has organizational and other mechanisms in place to ensure that the information which it makes available is complete, accurate, relevant and timely.

Useful References

- GATT Article X;
- GATT Article VIII;
- GATT Article V;
- WCO Revised Kyoto Convention: Chapter 9 of the General Annex, including Guidelines;
- Revised Kyoto Convention: Standards 4.4, 9.1, 9.2 and 9.3;
- UNCTAD Technical Notes on Trade Facilitation 1, 6 and 11 (see Supplementary Material).

A.2 Internet Publication

A.2(a) Internet Publication of the Elements set out in Article X of GATT 1994

General Description

The publication of relevant information on an official website provides particularly high levels of both transparency and accessibility. It also allows timely publication of new and amended information.

These proposals seek to provide greater transparency of and accessibility to trade regulations by making available to interested parties, via the internet, all laws, administrative rulings and other relevant information relating to or affecting the international trade in goods.

Basic Standard

A Member shall enhance the provision of information through the use of the internet.

Scope of Proposals

All relevant laws, regulations, judicial decisions and administrative rulings having general application, including:

- The relevant trade legislation;
- Regulations, procedures, documents, formats and rulings issued by Customs on classification, value, and origin;
- Rates of duty, taxes and other charges;
- Requirements for importation and exportation of goods, with electronic access to procedural requirements and materials, such as documents necessary to complete an import or export transaction.

Where feasible and possible, information on all transit fees and charges, including:

- All transit formalities and documentation requirements;
- Regional transit agreements or arrangements;
- The reason for any transit fee or charge (the service provided);
- The responsible authority;
- The transit fees and charges that will be applied;
- When and how payment is made.

Requirements to meet the Basic Standard

The Member makes all information covered by the scope of proposals available to governments and traders on an official website, with:

- Developed-country Members providing a copy of their trade legislation in English, French or Spanish;
- Developing-country Members providing a copy of their trade legislation in their official language;
- All Members supplying information on their trade legislation in English, French or Spanish.

The Member has organizational and other mechanisms in place to ensure that the information which it makes available is complete, accurate, relevant and timely. This may include the establishment of a national coordination point.

Useful References

- GATT Article X;
- Egypt's national experience paper TN/TF/W/75;
- WCO Recommendation (June 1999) Concerning the use of WWW Sites by Customs Administrations;
- WCO Revised Kyoto Convention: Standards 9.1 and 9.3;
- UNCTAD Technical Notes on Trade Facilitation 1 and 11 (see Supplementary Material).

A.2(b) Internet Publication of specified information setting forth the procedural sequence and other requirements for importing goods into a Member's territory

General Description

The publication of relevant information on an official website provides particularly high levels of both transparency and accessibility. It also allows timely publication of new and amended information.

These proposals seek to provide greater transparency of and accessibility to trade regulations by including on the Member's official website the procedural sequence and other requirements for importing goods into the Member's territory.

Basic Standard

A Member shall include on its official website the procedural sequence and other requirements for importing goods into the Member's territory.

Scope of Proposals

Information setting forth the procedural sequence and other requirements for importing goods.

Requirements to meet the Basic Standard

The Member makes all information covered by the scope of proposals available to governments and traders on its official website.

The Member has organizational and other mechanisms in place to ensure that the information which it makes available is complete, accurate, relevant and timely.

Useful References

- GATT Article X;
- WCO Recommendation (Jun 1999) Concerning the use of WWW Sites by Customs Administrations;
- WCO Revised Kyoto Convention: Standards 9.1 and 9.3;
- UNCTAD Technical Notes on Trade Facilitation 1 and 11 (see Supplementary Material).

A.3 Notification of Trade Regulations

General Description

These proposals seek to provide Members with information on proposed new or amended trade regulations that are being considered by other Members, which may have a significant impact on them.

Basic Standard

When introducing or amending trade regulations that may have a significant effect on the trade of other Members, a Member shall notify interested parties and the WTO Secretariat of the proposed introduction or amendment at the earliest possible stage prior to finalizing the proposed measures.

Scope of Proposals¹³

Any proposed new or amended trade regulations [or "core measures"] that may have a significant effect on the trade of other Members.

Requirements to meet the Basic Standard

The Member has formal mechanisms in place which ensure that any proposed new or amended trade regulations that may have a significant effect on the trade of other Members are, at the earliest possible stage, and prior to finalization:

- Notified to interested parties;
- Notified to the WTO in one of the WTO official languages.

Useful References

- GATT Article X;
- GATT Article VIII;
- GATT Article V;
- UNCTAD Technical Note on Trade Facilitation 1 (see Supplementary Material).

A.4 Establishment of Enquiry Points /SNFP¹⁴/ Information Centers

General Description

Transparency and accessibility of information is important for traders to be able to efficiently undertake their business. These proposals seek to provide greater accessibility to trade-related information and documents by providing access through enquiry points for interested parties on a non-discriminatory basis.

Basic Standard

A Member shall establish enquiry points and/or SNFP which are responsible for providing or for facilitating access to trade-related information or documents to interested parties on a non-discriminatory basis.

Scope of Proposals

Establishment of enquiry points with responsibility for:

- Answering relevant enquiries from interested parties;
- Providing relevant information and documents related to trade procedures in a non-discriminatory and convenient and timely manner.

Establishment of a primary enquiry point which facilitates coordination among competent border agencies, whenever practicable.

Notifying the WTO of contact information for the enquiry points.

¹³ Includes similar issues relating to transit in M.3 (a) proposals.

¹⁴ Single National Focal Points.

Requirements to meet the Basic Standard

The Member has established and maintains enquiry points that reflect the scope of proposals.

The Member provides competent staff to service such enquiry points.

The Member has formal mechanisms in place to notify and regularly update the WTO of the contact information for the enquiry points.

Useful References

- GATT Article X;
- Special Meeting of the SPS Committee on the Operation of Enquiry Points, held on 31 October 2003, G/SPS/R/32;
- UNCTAD Technical Note on Trade Facilitation 6 (see Supplementary Material);
- WCO Revised Kyoto Convention: Standard 9.1 and in particular, item 2.5 of the Guidelines to Chapter 9 of the General Annex.

A.5 Other Measures to Enhance the Availability of Information

It has been proposed that the official WTO website provide links to Members' official websites. Relevant measures associated with these proposals are contained in A.2(a) and A.2(b).

B. TIME PERIODS BETWEEN PUBLICATION AND IMPLEMENTATION

B.1 Interval between Publication and Entry into Force

General Description

Article X paragraph 2 states: "No measure of general application taken by any Contracting Party effecting an advance in a rate of duty or other charge on imports under an established and uniform practice, or imposing a new or more burdensome requirement, restriction or prohibition on imports, or on the transfer of payments therefore, shall be enforced before such measure has been officially published."

These proposals seek to ensure the publication of proposed laws, regulations, rulings etc. ("rules") prior to their adoption and entry into force in order to contribute to informed compliance, by providing an opportunity for those stakeholders who may be affected by the rules to understand the changes and therefore improve their ability and readiness to comply.

Basic Standard

A Member shall ensure that, in principle, information relating to proposed new and amended rules of general application is made available to interested persons in advance of their implementation.

Scope of Proposals¹⁵

Proposed new and amended laws, regulations and administrative rulings of general application, or their drafts or summaries.

¹⁵ Includes similar issues relating to transit in M.3(a) and M.4(b) proposals.

Requirements to meet the Basic Standard

The Member has in place legislation or administrative arrangements which clearly set out timeframes and procedures relating to the publication of new and amended rules prior to their entry into force.

Tangible evidence that such arrangements are being observed.

Useful References

- GATT Article X;
- GATT Article VIII;
- GATT Article V;
- UNCTAD Technical Note on Trade Facilitation 1 (see Supplementary Material);
- WCO Revised Kyoto Convention: Standard 9.2.

C. CONSULTATION AND COMMENTING ON NEW AND AMENDED RULES

C.1 Prior Consultation and Commenting on New and Amended Rules

General Description

Public consultation and feedback improves the predictability of the regulatory environment, improves public confidence and support and helps to improve the level of compliance. Such consultation and feedback may be organized by the relevant ministry or regulatory agency.

These proposals seek to ensure effective consultation on proposed trade-related laws, regulations, administrative rulings etc. in order to provide interested persons with an opportunity to comment on the proposals, and for Members to take such comments into account, as appropriate, prior to their implementation.

Basic Standard

A Member shall introduce and maintain consultative mechanisms to seek and take account of comments from interested persons on proposals to introduce new, or amend existing trade-related rules prior to their implementation.

Scope of Proposals¹⁶

Consultation mechanisms on proposals to introduce new, or amend existing trade-related laws, regulations and administrative rulings of general application, including those relating to:

- Imports and exports;
- Goods in transit.

Consultation with both the public and private sectors.

Provision of reasonable timeframes for comments to be submitted and considered.

¹⁶ Includes similar issues relating to transit in M.4(b) proposals.

Requirements to meet the Basic Standard

The Member conducts regular, formal consultations with the public and private sector on proposed new or amended legislative and administrative arrangements. Such mechanisms include:

- Procedures for obtaining comments from interested persons;
- Procedures for taking such comments into account prior to implementation of proposals, and for providing public feedback on the acceptance or otherwise of the comments received;
- Reasonable timeframes.

The Member provides competent staff to undertake such consultation.

Useful References

- GATT Article X;
- GATT Article V;
- WCO Revised Kyoto Convention: Standards 1.3 and 9.2. See also Standards 3.1 and 7.1, and Chapter 1:3 of Specific Annex A.

C.2 Information on Policy Objectives Sought

General Description

These proposals seek to ensure that interested persons are notified of the relevant policy objectives that are being pursued when a Member proposes to introduce new or amended trade-related laws, regulations and administrative rulings. By disclosing the rationale for proposed regulations, authorities help stakeholders to better understand their requirements, anticipate how they will be enforced and ensure that they are well prepared to comply.

Basic Standard

When seeking to introduce new, or amend existing trade-related rules, a Member shall advise interested persons of the relevant policy objectives that are being pursued.

Scope of Proposals

Notification of the relevant policy objectives that are being pursued in relation to proposed new or amended trade-related laws, regulations and administrative rulings.

Requirements to meet the Basic Standard

When seeking to introduce new, or amend existing trade-related rules, the Member advises interested persons of the relevant policy objectives that are being pursued.

Useful References

- GATT Article X;
- WCO Revised Kyoto Convention: Standard 9.2.

D. ADVANCE RULINGS

D.1 Provision of Advance Rulings

General Description

In order to provide the international trading community with greater commercial predictability and certainty, and to facilitate their compliance with regulatory requirements, many administrations have implemented a system of advance rulings. These rulings generally apply to tariff classification, valuation and origin. Such rulings are supplied by Customs on request, and in many cases are legally binding, provided they are based on complete and accurate information. These proposals seek to establish such a system of binding rulings.

Basic Standard

A Member shall issue legally binding rulings in a timely manner, and in advance of the relevant trade transaction, at the request of an interested person who has provided the Member with all necessary information.

Scope of Proposals

Legally binding advance rulings in respect of:

- Admissibility¹⁷;
- Tariff classification;
- Applicable rates of duties and taxes;
- Tariff preferences;
- Duty deferral;
- [Duty drawback];
- Customs valuation¹⁸;
- Origin¹⁹.

Information requirements, application, timeliness, validity, notification, publication/confidentiality and review of advance rulings.

Requirements to meet the Basic Standard

The Member has in place national legislation or administrative arrangements which set out transparent and predictable procedures for applying for, issuing, modifying and revoking an advance ruling, including:

- The procedures and formalities to be followed, including review, appeal and revocation procedures;
- Particulars that must be supplied by an applicant;
- Timeframes, including timeframes for decision-making and the validity of rulings;
- The format in which the ruling is provided, which must include reasons for the decision;
- Circumstances under which a ruling ceases to have effect.

¹⁷ Rulings on "admissibility" in particular, are likely to involve a number of government agencies.

¹⁸ Not in relation to the value of the goods, but in relation to the treatment of particular aspects of the transaction for valuation purposes.

¹⁹ Provision of advance rulings on origin is an existing WTO obligation (see Rules of Origin Agreement).

As a minimum, the Advance Rulings system applies to those matters identified in the Scope of Proposals.

All such rulings are honoured by the issuing authority in respect of the applicant's goods concerned, at any border post, for the specified period, provided the facts and circumstances on which the ruling is based remain unchanged.

There is tangible evidence that the arrangements relating to advance rulings are being properly observed by the Member. This includes the maintenance of comprehensive records relating to all aspects of the advance ruling system.

Useful References

- GATT Article X;
- WTO National Experience Paper: Australia – TN/TF/W/66, Binding Advance Rulings – Australia's Experience;
- WCO Revised Kyoto Convention: Standards 9.4, 9.5, 9.6 and 9.9 and associated Guidelines;
- WCO Recommendation (June 1996) concerning the introduction of programmes for binding pre-entry classification information and (June 1998) concerning the improvement of tariff classification work and related infrastructure (in particular, its Appendix Part II: Pre-entry classification);
- UNCTAD Technical Note on Trade Facilitation 22 (see Supplementary Material);
- WCO Information Sheets on key trade facilitation measures – Binding Rulings/Advance Rulings (see Supplementary Material).

E. APPEAL PROCEDURES

E.1 Right of Appeal

General Description

Government agency decisions can have an immediate and detrimental effect on traders affected by the decisions. These proposals seek to introduce effective appeal procedures that will enable affected traders to seek review of decisions made and to receive a prompt and considered response to their appeals.

Procedures need to be as simple, straightforward and timely as possible. All requirements on both the appellant and Customs must be clearly laid out in legislation and easily accessible to all parties. Customs must inform appellants in writing of decisions and must implement final decisions promptly.²⁰

Basic Standard

A Member shall provide a legal right of appeal in customs and other trade-related matters.

Scope of Proposals

Legal right of appeal without penalty against rulings and decisions relating to importation, exportation and transit that:

- Is non discriminatory;
- Is easily accessible, with costs being reasonable;

²⁰ WCO Revised Kyoto Convention, General Annex, Chapter 10, 5. Conclusion.

- Provides appellants and other interested persons with clear and transparent procedures;
- Provides affected persons with reasons for making a particular decision;
- Provides initial internal review by the original decision-making agency, with subsequent appeal to an external body;
- Includes a right to representation;
- Establishes relevant timeframes for reviews;
- Provides for publication of major judicial and administrative decisions on appeals;
- Provides a standard timeframe for resolution of minor appeals at an administrative level;
- Includes an opportunity to raise complaints informally through complaints lodgement and handling procedures.

Requirements to meet the Basic Standard

The Member has in place national legislation that provides a right to affected persons to be given, upon written request, an explanation of the reasons for a trade-related decision; and for the person to have a right of appeal to a competent authority which may be the agency concerned, another administrative authority, arbitration, a special tribunal or, in the final instance, a judicial authority.

The appeal procedures are clearly outlined in national legislation, and the legal requirements and procedures for filing an appeal are readily accessible to the trade community and the general public, and address all elements identified in the Scope of Proposals including:

- Requirements for an appeal to be lodged in writing stating the grounds on which the appeal is being made;
- The time limits within which an appeal must be lodged;
- Requirements for the decision in relation to the appeal to be provided to the appellant in writing, together with the reasons for that decision and advice as to the appellant's further rights of appeal and relevant time limits.

National legislation outlines the specific types of decisions that may be subject to appeal, such as decisions on tariff classification, valuation, origin, licensing, permits to import or export, refunds, etc.

Where an appeal to the relevant authority has been dismissed, the Member provides a right of appeal in national legislation to an authority that is independent of that authority.

There is tangible evidence that the arrangements relating to appeals are being properly observed by the relevant authorities.

Useful References

- GATT Article X;
- WCO Revised Kyoto Convention: Chapter 10 of the General Annex, including Guidelines;
- UNCTAD Technical Note on Trade Facilitation Measures 10 (see Supplementary Material);
- WCO Information Sheets on key trade facilitation measures – Appeals in Customs matters (see Supplementary Material);
- WCO Revised Kyoto Convention: Standards 3.26 and 9.8;

- WCO Recommendation (June 1967) concerning right of appeal in Customs matters and (June 1998) concerning improvement of tariff classification work and related infrastructure (in particular, its Appendix Part III).

E.2 Release of Goods in Event of Appeal

General Description

Where a disputed decision is the subject of an appeal, goods should normally be released, with the possibility in given circumstances of duty payment being held in abeyance. These proposals seek to establish such a regime, which should be subject, where required by national legislation, to the provision of a guarantee, such as a surety or deposit.

Basic Standard

Where a disputed decision is the subject of an appeal, a Member shall generally allow goods the subject of the decision to be released and, where practicable, hold payment of duties and other taxes in abeyance pending resolution of the appeal.

Scope of Proposals

All goods that are the subject of an appeal against a ruling or decision relating to importation, exportation and transit.

Requirements to meet the Basic Standard

The Member has in place national legislation and/or administrative arrangements that generally provide for goods that are the subject of an appeal to be released, and that identify circumstances in which the payment of duties and other taxes may be held in abeyance pending resolution of the appeal. This may require the provision of a guarantee, such as a surety or deposit.

There is tangible evidence that such arrangements are being properly observed by the customs administration and other relevant authorities.

Useful References

- GATT Article X;
- GATT Article VIII;
- WCO Revised Kyoto Convention: Chapters 5 and 10 of the General Annex, including Guidelines;
- UNCTAD Technical Note on Trade Facilitation 4 (see Supplementary Material);
- WCO Revised Kyoto Convention: Standards 3.40, 3.42, 3.43;
- WCO Recommendation (June 1967) concerning right of appeal in Customs matters.

E.3 Appeal Mechanisms in a Customs Union

General Description

These proposals are designed to establish mechanisms to streamline appeals against decisions relating to the importation of goods into a customs union, by having such appeals heard and decided at the customs union level.

Basic Standard

Where a disputed decision relating to the importation of goods into a customs union is the subject of an appeal, a Member shall agree to have the matter heard and decided at the customs union level.

Scope of Proposals

Appeal mechanisms relating to adverse findings of inspection authorities, in particular for inspection decision relating to food items, at points of importation into a customs union, including:

- appeals against member state decisions to be heard and decided at the customs union level;
- appellate decisions to be binding on the inspection authorities of all members of the customs union.

Requirements to meet the Basic Standard

The Member's national legislation and relevant customs union agreements provide for the appeal processes identified in the Scope of Proposals.

There is tangible evidence that such arrangements are being properly observed by the Member.²¹

Useful References

- GATT Article X;
- WCO Revised Kyoto Convention: Chapter 10 of the General Annex, including Guidelines.

F. OTHER MEASURES TO ENHANCE IMPARTIALITY, NON-DISCRIMINATION AND TRANSPARENCY

F.1 Uniform Administration of Trade Regulations

General Description

These proposals seek to provide traders and other stakeholders with certainty and clarity in relation to classification, valuation and other trade-related decisions by ensuring the uniform administration of trade regulations.

Basic Standard

A Member shall administer trade regulations in a uniform and impartial manner.

Scope of Proposals

Establishment of a central point within government with primary responsibility for interpreting trade regulations such as those relating to customs classification, customs valuation, etc.

Compilation and distribution of case studies to support staff and stakeholder training, particularly in relation to customs classification and customs valuation.

Requirements to meet the Basic Standard

The Member has in place national legislation and administrative arrangements that support the uniform and impartial administration of trade regulations, including:

²¹ This Basic Standard can only be met with the full cooperation of members of the relevant customs union.

- All relevant information of general application relating to customs laws and procedures is publicly available (see 5.A);
- Expert areas within relevant agencies are established, which have primary responsibility for interpreting trade regulations for which the agency has administrative responsibility, such as those relating to tariff classification, customs valuation, import/export restrictions, etc.;
- Case studies are used to support customs classification and customs valuation training;
- The Member has appropriate audit procedures in place to ensure uniformity of administration and impartiality of decision making.

Useful References

- GATT Article X;
- UNCTAD Technical Note on Trade Facilitation 1 (see Supplementary Material);
- WCO Revised Kyoto Convention: Standards 10 and 11;
- WCO Recommendation (June 1998) concerning improvement of tariff classification work and related infrastructure.

F.2 Maintenance and Reinforcement of Integrity and Ethical Conduct among Officials

F.2(a) Establishment of a Code of Conduct

General Description

Corruption can be a major inhibitor of trade through e.g., delaying cargo, payment of bribes and improper classification and valuation of goods. Corruption within Customs may also impact negatively on investment and adversely affect the reputation of the country and Government which those officials represent.

Basic Standard

A Member shall establish, maintain and enforce a code of conduct which addresses the rights and obligations of government officials.

Scope of Proposals²²

Development of codes of conduct for staff of border agencies, which identify their rights and obligations.

Establishment of coordination and control mechanisms between customs administrations and organizations involved in devising ethics policies for officials.

Appointment of senior officials responsible for ensuring the delivery of integrity training programmes for government officials.

Requirements to meet the Basic Standard

The Member has in place legislation or administrative arrangements that establish a Code of Conduct consistent with the principles set out in the revised Arusha Declaration²³, including:

²² Includes issues raised under F.2(e) and F.2(f).

²³ Issues of integrity and corruption are of particular significance. The WCO has recognized this through the development of the Arusha declaration (Declaration of the Customs Co-operation Council Concerning Good Governance and Integrity in Customs), and the principles of the Declaration remain the cornerstone of best practice in this area.

- The incorporation of the principles of integrity and ethics into training programmes for government officials;
- Appropriate coordination and control programmes to enforce the provisions of the Code.

Useful References

- GATT Article X;
- UNCTAD Technical Note on Trade Facilitation 7 (see Supplementary Material);
- WCO Arusha Declaration;
- WCO Model Code of Ethics and Conduct (May 2001);
- WCO Integrity Development Guide (May 2003);
- WCO Compendium of Integrity Best Practices (May 2005).

F.2(b) Computerized System to Reduce/Eliminate Discretion

General Description

The automation of certain customs processes, such as the clearance process, has the effect of reducing officer discretion and, as such is one way in which corrupt practices may be addressed.

Basic Standard

A Member shall use information technology to reduce officer discretion, where practicable.

Scope of Proposals

Introduction of computerized systems to reduce (or eliminate) the discretion exercised by officials and employees with respect to basic customs decisions.

Requirements to meet the Basic Standard

The Member has, where practicable, used information technology to reduce officer discretion.

Useful References

- GATT Article X;
- WTO National Experience Paper: Egypt – TN/TF/W/69, Reforming Customs Authority, Fighting Corruption, and the Use of Computers – Egypt's National Experience;
- UNCTAD Technical Notes on Trade Facilitation 3, 7 and 21 (see Supplementary Material);
- WCO Arusha Declaration;
- WCO Model Code of Ethics and Conduct (May 2001);
- WCO Integrity Development Guide (May 2003);
- WCO Compendium of Integrity Best Practices (May 2005).

F.2(c) System of Penalties

General Description

The inclusion of appropriate penalty regimes in official codes of conduct and national legislation provides the necessary means of punishing corrupt behaviour, and can also act as an effective deterrent.

Basic Standard

A Member shall incorporate penalty provisions in its customs legislation.

Scope of Proposals

Incorporation of a system of penalties in a Member's customs legislation. Offences by customs officials should be considered as criminal acts.

Requirements to meet the Basic Standard

The Member has incorporated a system of penalties in its customs legislation.

Useful References

- GATT Article X;
- WCO Arusha Declaration;
- WCO Model Code of Ethics and Conduct (May 2001);
- WCO Integrity Development Guide (May 2003);
- WCO Compendium of Integrity Best Practices (May 2005).

F.2(d) Technical Assistance to Create/Build up Capacities to Prevent and Control Customs Offences

This proposal relates to the provision of technical assistance to create and build up a Member's capacity to prevent and control customs offences. As such, it is covered by other F.2 proposals.

F.2(e) Appointment of Staff for Education and Training

This matter is dealt with under proposal F.2(a).

F.2(f) Coordination and Control Mechanisms

This matter is dealt with under proposal F.2(a).

F.3 Import Alerts/Rapid Alerts

General Description

Import alert/rapid alert is a border control mechanism adopted by some countries and customs unions to monitor and ensure the quality of imported food products. It is imposed in the event of detection of contaminated imports or import of products not meeting the required standards. As a result of such alert, a predetermined number of subsequent export consignments from the relevant exporter are subjected to 100% inspection at points of entry into the country/customs union. These proposals seek to ensure that the alert itself does not create a barrier to trade.

Basic Standard

A Member shall not operate an import alert/rapid alert system in a way that creates a barrier to trade.

Scope of Proposals

The application of a system of import/rapid alert, including:

- Uniform, objective standards;
- Uniform application across a customs union;
- Imposition only on the basis of positive evidence that prescribed objective standards have not been met;
- Use of less trade restrictive arrangements where appropriate;
- Guidelines for termination, including timeframes and format for announcing such termination.

Requirements to meet the Basic Standard

Where the Member and/or customs union has in place a system of import/rapid alert, it should reflect the requirements identified in the Scope of Proposals.

There is tangible evidence that such arrangements are being properly observed by the Member.²⁴

Useful References

- GATT Article X.

F.4 Detention

General Description

This proposal seeks to ensure that importers or their authorized agent are informed promptly when their goods have been detained for inspection.

Basic Standard

When goods are detained for inspection by a competent authority, a Member shall provide the importer or their authorized agent with information about the detention in a timely manner.

Scope of Proposals

Detention for the purposes of inspection by customs or any other relevant authority.

Requirements to meet the Basic Standard

The Member has in place national legislation or administrative arrangements which clearly set out the procedures for notifying importers and/or their agents promptly in situations where goods are detained for the purpose of inspection.

There is tangible evidence that such arrangements are being properly observed by the Member.²⁵

Useful References

- GATT Article X.

²⁴ In the case of a customs union, this Basic Standard can only be met with the full cooperation of members of the relevant customs union.

²⁵ In the case of a customs union, this Basic Standard can only be met with the full cooperation of members of the relevant customs union.

F.5 Test Procedures

General Description

Customs and other competent authorities may draw and test samples where deemed necessary, to establish the tariff description of goods declared or to ensure the application of other provisions of national legislation. This proposal seeks to provide traders with the right to a second confirmatory test in situations where the initial test returns adverse findings.

Basic Standard

When samples of goods are tested by competent authorities for the purpose of ensuring the appropriate application of national legislation, a Member shall provide importers, exporters or their authorized agents with the right to a second confirmatory test.

Scope of Proposals

Confirmatory testing of imports or exports, including:

- Clear procedures, including a validated test method;
- Accredited laboratories and the publication of a list of such laboratories;
- Acceptance of the results of a confirmatory test by all member states of a customs union.

Requirements to meet the Basic Standard

The Member has in place national legislation or administrative arrangements which clearly set out the procedures for confirmatory testing as required by the Scope of Proposals.

There is tangible evidence that such arrangements are being properly observed by the Member.²⁶

Useful References

- GATT Article X.

G. FEES & CHARGES CONNECTED WITH IMPORTATION AND EXPORTATION

G.1 General Disciplines on Fees and Charges Imposed on or in Connection with Importation and Exportation

G.1(a) Specific Parameters for Fees/Charges

General Description

Article VIII paragraph 1(a) establishes certain obligations regarding fees and charges. It authorizes only those fees and charges that are limited to the approximate cost of services rendered, and prohibits fees and charges aimed at protecting domestic goods or having the effect of an import/export tax. These proposals seek to ensure that the principles of Article VIII are observed.

²⁶ Acceptance of results throughout a customs union can only be met with the full cooperation of members of the relevant customs union.

Basic Standard

A Member shall ensure that fees and charges do not exceed the approximate costs of services rendered and are in direct and/or indirect connection with a specific importation, exportation or transit formality.

Scope of Proposals²⁷

Specification of services for which a government agency may impose fees and charges.²⁸

Measurement of directly relevant costs.

Recovery of only (approximate) actual costs.

Fees and charges collected by public agencies and/or other entities on their behalf.

Requirements to meet the Basic Standard

Fees and charges imposed by the Member reflect the approximate cost of the services provided by the relevant agency. Relevant legislative and/or administrative arrangements include:

- Agency mechanisms to identify and capture relevant costs;
- Prohibition of *ad valorem* fees and charges;
- Consolidation of fees and charges, where practicable²⁹;
- An independent verification process.

Useful References

- GATT Article VIII;
- GATT Article V;
- UNCTAD Technical Note on Trade Facilitation 2 (see Supplementary Material);
- WCO Revised Kyoto Convention: Standards 3.2 and 9.7; Specific Annex A – Chapter 1: 19.

G.1(b) Publication/Notification of Fees/Charges

General Description

These proposals seek to increase the transparency and predictability of trade by requiring the publication of all trade-related fees and charges.

Basic Standard

A Member shall publish information on fees and charges in a timely manner prior to their implementation or amendment.

²⁷ Includes similar issues relating to transit in M.2(c) proposals.

²⁸ Including tasks undertaken on behalf of other agencies.

²⁹ See also G.2 proposals.

Scope of Proposals³⁰

Publication of all trade-related fees and charges, including:

- Publication in advance of implementation;
- Public accessibility;
- Information dissemination processes, including the internet;
- Disclosure to WTO.

Requirements to meet the Basic Standard

The Member makes information on fees and charges publicly available, including:

- Adequate prior notice of implementation or amendment;
- Clear specification of the service provided, the legal basis for charging, the applicable fee or charge, how it may be paid, and the responsible agency;
- Publication via an officially designated medium, and where feasible and possible, the Member's official website.

The Member notifies the WTO where information on its fees and charges may be found.

Useful References

- GATT Article VIII;
- GATT Article V;
- UNCTAD Technical Note on Trade Facilitation 1 (see Supplementary Material);
- WCO Revised Kyoto Convention: Standards 9.1, 9.2 and 9.3;
- WCO Recommendation (June 1999) Concerning the use of WWW Sites by Customs Administrations.

G.1(c) Prohibition of Collection of Unpublished Fees and Charges

General Description

These proposals seek to increase the transparency and predictability of trade and minimize corrupt practices by prohibiting the collection of any fees or charges that have not been publicly notified.

Basic Standard

A Member shall not collect any fees or charges that have not been publicly notified.

Scope of Proposals³¹

All unpublished fees and charges.

Requirements to meet the Basic Standard

National legislation clearly specifies the services subject to fees or charges.

The Member has in place:

³⁰ Includes similar issues relating to transit in M.2(a) proposals.

³¹ Includes similar issues relating to transit in M.2(a) proposals.

- Legislative and administrative arrangements that explicitly prohibit the collection of any fees or charges that have not been publicly notified;
- Formal procedures for complaints to be made against the imposition of fees and charges not sanctioned by law;
- Appropriate management review processes³² to ensure compliance with the Basic Standard.

Useful References

- GATT Article VIII;
- GATT Article X;
- GATT Article V;
- UNCTAD Technical Note on Trade Facilitation 1 (see Supplementary Material);
- WCO Arusha Declaration.

G.1(d) Periodic Review of Fees/Charges

General Description

These proposals seek to ensure the ongoing appropriateness of trade-related fees and charges through period review.

Basic Standard

A Member shall review its trade-related fees and charges periodically to ensure compliance with WTO commitments.

Scope of Proposals³³

Regular agency review processes to review the level and number of trade-related fees and charges, including a review of:

- Laws and regulations;
- Administrative procedures.

Requirements to meet the Basic Standard

The Member has established administrative review mechanisms within relevant agencies to ensure the appropriateness of fees and charges, including:

- Periodic review of legislative and administrative rules;
- Review criteria that include all elements of WTO obligations;
- Mechanisms to independently verify the appropriateness of fees and charges.

Tangible evidence that the review mechanisms are operating.

Useful References

- GATT Article VIII;

³² Note the linkage with F.2 proposals on integrity and ethical conduct.

³³ Includes similar issues relating to transit in M.2(b) proposals.

- WCO Arusha Declaration;
- WCO Revised Kyoto Convention – Preamble, Articles 6 and 12.

G.1(e) Automated Payment

General Description

This proposal seeks to encourage the use of automated payment systems, to reduce paperwork and give traders quicker and more efficient service. This helps them to stay competitive while maintaining a Member's ability to collect the revenue.

Basic Standard

A Member shall permit automated payment of duties and other trade-related fees and charges [where agencies have the necessary facilities].

Scope of Proposals

Automated payment of duties and other fees and charges.

Associated systems and payment methods.

Requirements to meet the Basic Standard

The Member accepts automated payment of all duties and other trade-related fees and charges where it has the necessary automated payment and accounting systems in place.

Useful References

- GATT Article VIII;
- UNCTAD Technical Note on Trade Facilitation 3 (see Supplementary Material);
- WCO Arusha Declaration;
- WCO Revised Kyoto Convention: General Annex – Chapter 7.

G.2 Reduction/Minimization of the Number and Diversity of Fees/Charges

General Description

These proposals seek to require Members to review, and if necessary, consolidate or reduce the number and diversity of their trade-related fees and charges.

Basic Standard

A Member's trade-related fees and charges shall be the minimum necessary in number and diversity.

Scope of Proposals³⁴

Publication of permissible fees and charges.

Minimization of number and diversity.

Agency review mechanisms.

³⁴ Includes similar issues relating to transit in M.2(c) proposals.

Requirements to meet the Basic Standard

The Member publishes all permissible fees and charges.

When seeking to establish new or amended trade-related fees and charges, and in the course of its periodic review of such fees and charges³⁵, the Member:

- Actively manages the number and diversity of its fees and charges by examining practical ways to minimize and consolidate them;
- Reviews relevant legislative and administrative rules;
- Abolishes or amends its fees and charges when circumstances change or less restrictive options become available.

Useful References

- GATT Article VIII;
- GATT Article V;
- UNCTAD Technical Note on Trade Facilitation 2 (see Supplementary Material);
- WCO Revised Kyoto Convention: Standard 1.2;
- WCO Arusha Declaration.

H. FORMALITIES CONNECTED WITH IMPORTATION AND EXPORTATION

H.1 Disciplines on Formalities/Procedures and Data/Documentation Requirements Connected with Importation and Exportation

H.1(a) Non-discrimination

General Description

The GATT is designed to ensure that goods are not discriminated against on the basis of their country of origin. These proposals seek to ensure that all goods are treated the same way in terms of regulatory formalities and procedures, although goods may be treated differently according to objective risk assessment criteria.

Basic Standard

A Member shall ensure that the design, application and effect of import and export practices and procedures do not discriminate against goods on the basis of their origin and/or mode of transportation.

Scope of Proposals

Non-discrimination in the design, application and effect of import and export requirements, procedures and formalities in relation to:

- The origin of goods/like products;
- Mode of transport.

Requirements to meet the Basic Standard

³⁵ See G.1(d) proposals.

The Member has in place national legislation and administrative arrangements which:

- Expressly provide for the principle of non-discrimination;
- Apply the principles of risk management to the identification of goods for specific interventions, and specifically exclude such identification on the basis of origin and/or mode of transportation alone;
- Ensure uniform national interpretation and application of the arrangements.

There is tangible evidence that the arrangements are being properly observed by the Member.

Useful References

- GATT Article VIII;
- WCO Revised Kyoto Convention: Specific Annex A – Chapter 1: 2, Chapter 2: 3; Specific Annex F – Chapter 1: 4, Chapter 2: 2; Specific Annex J – Chapter 1: 2, Chapter 3: 2, Chapter 4: 2.

H.1(b) Periodic Review of Formalities/Procedures and Requirements³⁶

General Description

These proposals seek to ensure the ongoing appropriateness of trade-related formalities and requirements through periodic review.

Basic Standard

A Member shall review its import and export formalities and requirements periodically in consultation with the private sector; and shall not maintain such formalities and requirements if the circumstances or objectives giving rise to their adoption no longer exist.

Scope of Proposals³⁷

Regular, periodic reviews of formalities and documentation requirements relating to imports, exports and transit that take account of:

- Relevant new information and business practices;
- The availability and adoption of new techniques and technology;
- International best practices;
- Private sector and other stakeholder views.

Requirements to meet the Basic Standard

The Member has established administrative review mechanisms within relevant agencies to ensure the ongoing appropriateness of formalities and documentation requirements, which include all elements identified in the Scope of Proposals.

Stakeholder consultation arrangements are in operation that enable interested parties to provide input to the review process.

There is tangible evidence that the arrangements are being properly observed by the Member.

³⁶ Note that similar issues relating to fees and charges are addressed in G.1(d) proposals.

³⁷ Includes matters relating to goods in transit identified in M.3(b) proposals.

Useful References

- GATT Article VIII;
- GATT Article V;
- WCO Revised Kyoto Convention: Standards 3.13, 3.17 and 3.19 and associated Guidelines;
- UNCTAD Technical Notes on Trade Facilitation 9, 13 and 20 (see Supplementary Material);
- WCO Arusha Declaration;
- WCO Revised Kyoto Convention: Preamble, Articles 6 and 12;
- WCO Resolution (June 2005) concerning the Framework of Standards.

H.1(c) Reduction/Limitation of Formalities/Procedures and Data/Documentation Requirements³⁸

General Description

Trade documentation and procedural requirements, if excessive, can delay the clearance of cargoes. These proposals seek to ensure that trade-related formalities and documentation are the minimum required to ensure compliance with legitimate policy objectives.

Basic Standard

A Member shall ensure that its trade-related formalities and documentation requirements are no more administratively burdensome or trade restrictive than is necessary to achieve its legitimate policy objectives.

Scope of Proposals³⁹

Trade-related formalities and documentation requirements, including those related to imports, exports and goods in transit.

Requirements to meet the Basic Standard

The Member has in place legislative and/or administrative arrangements to ensure that trade-related formalities and documentation requirements are limited to that necessary for the assessment and collection of duties and taxes, the compilation of trade statistics and the achievement of other legitimate policy objectives, including explicit reference to:

- Consultative mechanisms that require regular communication between relevant government agencies, designed to identify and agree the minimal procedures and information necessary to acquit their respective administrative responsibilities;
- The use of existing commercial information to satisfy government requirements where practicable;
- Mechanisms that provide importers and exporters with a once-only requirement to submit information;
- Coordinated inspection arrangements for those cargoes identified as high risk, which eliminates duplication and ensures that inspections are carried out at the same time, wherever possible;
- Arrangements that permit the lodging of the goods declaration at any designated customs office and by electronic means, where available.

There is tangible evidence that the arrangements are being properly observed by the Member

³⁸ Note that similar issues relating to fees and charges are addressed in G.2 proposals.

³⁹ Includes matters relating to goods in transit identified in M.3(c) proposals.

Useful References

- GATT Article VIII;
- GATT Article V;
- WCO Revised Kyoto Convention: Standards 3.13, 3.13, 3.15, 3.16, 3.17, 3.19, 3.32 and associated Guidelines; Specific Annex J – Chapter 3:10;
- UNCTAD Technical Notes on Trade Facilitation 9, 13 and 20 (see Supplementary Material).

H.1(d) Use of International Standards

General Description

These proposals seek to simplify trade procedures and enhance trade facilitation by requiring documents to conform to international standards.

Basic Standard

A Member shall use relevant international standards as the basis for their import, export and transit procedures.

Scope of Proposals⁴⁰

Laws, regulations and procedures relating to import, export and transit.

Requirements to meet the Basic Standard

The Member has adopted relevant international standards, including but not limited to:

- WCO Revised Kyoto Convention;
- WTO Customs Valuation Agreement;
- Harmonized System Convention;
- Istanbul Convention;
- UNEDIFACT and UN Layout Key for trade documents.

Useful References

- GATT Article VIII;
- GATT Article V;
- WCO Customs Compendium Vol. 10;
- UNCTAD Technical Note on Trade Facilitation 13 (see Supplementary Material);
- WCO Revised Kyoto Convention: Standards 3.11 and 7.2;
- WCO Revised Kyoto Convention: Guidelines to Chapter 3 of the General Annex: Appendices I (UN Layout Key for Trade Documents), and II;
- WCO Recommendation (June 1990) concerning the single goods declaration;
- Istanbul Convention;
- International Convention on the Harmonized Commodity Description and Coding System;

⁴⁰ Includes matters relating to goods in transit identified in M.3(d) proposals.

- WCO Customs Data Model;
- WCO Recommendation (June 2004) concerning a Unique Consignment Reference for customs purposes.

H.1(e) Uniform Customs Code

General Description

This proposal seeks to simplify trade procedures and enhance trade facilitation by requiring that each country or customs union have a coherent body of national legislation and a single import and export declaration, administrative message or data set.

Basic Standard

Each Member or customs union shall ensure that national customs legislation is uniform or aligned and shall introduce a single import and export declaration, administrative message or data set.

Scope of Proposals

Uniform customs code/aligned customs legislation.

Single import and export declaration, administrative message or data set.

Requirements to meet the Basic Standard

Uniform customs code/aligned customs legislation:

- National customs legislation or requirements for a customs union should be contained in a coherent body of legislation.

The Member uses a single import and export:

- Declaration;
- Administrative message; or
- Data set.

Useful References

- GATT Article VIII;
- UNCTAD Technical Notes on Trade Facilitation 9, 13 and 20 (see Supplementary Material);
- WCO Revised Kyoto Convention: Standard 1.2;
- WCO Revised Kyoto Convention: Guidelines to Chapter 3 of the General Annex: Appendices I (UN Layout Key for Trade Documents), and II;
- WCO Recommendation (June 1990) concerning the single goods declaration;
- Istanbul Convention;
- International Convention on the Harmonized Commodity Description and Coding System;
- WCO Customs Data Model;

H.1(f) Acceptance of Commercially Available Information and of Copies

General Description

These proposals recognize that the international trading community generates its own commercial trade-related documentation, and seeks to ensure that authorities use such information the greatest extent possible for the purposes of fulfilling their regulatory responsibilities. In the same context, the proposals also seek to achieve acceptance of copies of relevant documents by authorities.

Basic Standard

For the purposes of facilitating trade, a Member shall use relevant information already available in the context of commercial transactions, and copies of relevant documents, wherever practicable.

Scope of Proposals⁴¹

Use of relevant information that is already available in the context of commercial transactions.

Acceptance of copies of relevant documents in particular circumstances.

Requirements to meet the Basic Standard

Where information is already available in commercial documentation that has been submitted to customs and other border agencies (e.g., quantity and commercial description of the goods), the relevant authorities rely on that information for the purposes of fulfilling their responsibilities, and do not require the same information to be submitted in another form.

Copies of documents are accepted by relevant authorities, in particular:

- Commercial documents (invoices, bills of lading, etc.);
- Where a government agency already holds the original and multiple authorities are involved, in which case the Member accepts authenticated copies by the agency holding the original in lieu of the original document.

Useful References

- GATT Article VIII;
- GATT Article V;
- WCO Revised Kyoto Convention: Standards 3.15, 3.18, 3.21, 3.32, 3.41, 7.4 and associated Guidelines;
- UNCTAD Technical Notes on Trade Facilitation 9 and 13 (see Supplementary Material);
- WCO Revised Kyoto Convention: Specific Annex A – Chapter 1: 4 and Guidelines;

H.1(g) Automation

General Description

These proposals support the use of information and communication technologies as important tools for promoting trade facilitation and reducing costs for traders.

⁴¹ Includes matters relating to goods in transit identified in M.3(d) proposals.

Basic Standard

A Member shall use information technology and electronic commerce to automate its import and export procedures [to the greatest extent possible].

Scope of Proposals

Import and export declaration and clearance, and revenue payment, processes.

Assessment of options for changed business practices using technology.

Requirements to meet the Basic Standard

The Member's legislation provides for electronic procedures.

Current procedures are automated.

Future business/strategic/IT development plans consider electronic options.

Useful References

- GATT Article VIII;
- WTO National Experience Paper: Pakistan – TN/TF/W/135, Automation Customs Administrative Reforms (CARE): Pakistan's Experience in Trade Facilitation;
- WCO Revised Kyoto Convention: Standards 3.11, 3.18, 3.21, 6.9, 9.3 and Chapter 7 of the General Annex, including Guidelines;
- WCO Customs Compendium Vol. 2;
- UNCTAD Technical Notes on Trade Facilitation 16 and 20 (see Supplementary Material);
- WCO Customs Data Model.

H.1(h) Single Window/One-time Submission

General Description

These proposals seeks to facilitate trade by introducing the use of a "single window" for submitting, once only and to a single authority, all documentation and data relating to import/export procedures.

Basic Standard

A Member shall implement [progressively, taking account of the members' capacity] a requirement to submit import and export documentation and data (including electronic versions of them) once only, to a single agency.

Scope of Proposals⁴²

Designated points/systems for lodgement;

Rationalized data requirements;

Inter-agency coordination and agreements;

⁴² Note also J.1 proposals relating to the co-ordination of agency inspections, and H.1(g) proposals relating to automation.

Clearance procedures, including electronic systems.

Requirements to meet the Basic Standard

The Member:

- Has designated single window sites/locations/systems;
- Requires one-time only lodgement of import and export documentation and data;
- Has established inter-agency coordination arrangements;
- Has rationalized all relevant agency documentary/data requirements.

Useful References

- GATT Article VIII;
- WTO National Experience Paper: Singapore – TN/TF/W/58, GATT Article VIII (Fees and Formalities Connected with Importation and Exportation) – Singapore's National Experience on Implementing a "Single Window" System via TradeNet@;
- WTO National Experience Paper: Singapore, on behalf of ASEAN – TN/TF/W/105, Experience on the Development of the ASEAN Single Window;
- UNCTAD Technical Note on Trade Facilitation 16 (see Supplementary Material);
- WCO Information Sheets on key trade facilitation measures – The Single Window Concept (see Supplementary Material);
- International Convention on the Harmonized Commodity Description and Coding System;
- WCO Customs Data Model;
- WCO Recommendation (June 2004) concerning a unique consignment reference for customs purposes.

H.1(i) Elimination of Pre-Shipment Inspection

General Description

These proposals seek to eliminate the mandatory use of pre-shipment inspection (PSI) practices, which are considered to be redundant if customs and other relevant authorities are performing their roles effectively.

Basic Standard

A Member shall not have any legislative or administrative requirement for the use of pre-shipment inspections or their equivalent.

Scope of Proposals

Pre-shipment inspections or their equivalent.

Requirements to meet the Basic Standard

The Member has no legislative or administrative requirement for the use of pre-shipment inspections or their equivalent.

Useful References

- GATT Article VIII.

H.1(j) Phasing out Mandatory Use of Customs Brokers

General Description

These proposals seek to eliminate the mandatory use of customs brokers, on the basis that traders should not be obliged to use customs brokers if they wish to deal directly with Customs.

Basic Standard

A Member shall not mandate the use of customs brokers. If Customs brokers are subject to licensing, such licensing rules shall be transparent, non-discriminatory and proportionate.

Scope of Proposals

Licensing and use of customs brokers.

Requirements to meet the Basic Standard

The Member has no legislative or administrative requirement for the mandatory use of customs brokers.

Where legislative and/or administrative rules recognize the use of customs brokers' services:

- The use of such services is discretionary;
- Traders are not discriminated against on the basis of their choice to employ the services of a customs broker, or to deal directly with the relevant authorities;
- Any licensing rules are transparent, non-discriminatory and proportionate.

Useful References

- GATT Article VIII;
- WCO Revised Kyoto Convention: Standards 3.6 to 3.8 and General Annex Chapter 8 and associated Guidelines.

H.1(k) Same Border Procedures within a Customs Union

General Description

This proposal seeks to require member states of a customs union to adopt the same border procedures for the clearance of goods, particularly the clearance of food and agricultural products.

Basic Standard

Members of a customs union shall adopt the same border procedures and associated standards for the clearance of goods.

Scope of Proposals⁴³

Clearance procedures and associated standards, including specifications, terminologies and definitions, inspection, sampling and test methods.

⁴³ See also H.1(m) proposal relating to uniform forms and documentation requirements within a customs union.

Requirements to meet the Basic Standard

Customs union agreements and the Member's legislation and administrative procedures provide for the same clearance procedures and standards, as outlined in the Scope of Proposals.

There is tangible evidence that the arrangements are being properly observed by the Member.⁴⁴

Useful References

- GATT Article VIII.

H.1(l) Testing Methods Based on Specific Product Features

General Description

This proposal seeks to ensure that testing methods used by regulatory authorities are based on specific product features.

Basic Standard

A Member shall use testing methods that are based on specific product features and the physical state of the product at the point of consumption.

Scope of Proposals

Testing methods should be based on:

- Specific product features;
- Physical state at the point of consumption, such as "fresh", "dehydrated" or "otherwise processed".

Requirements to meet the Basic Standard

Product testing methods used by the Member vary according to the particular features of the product.

Useful References

- GATT Article VIII.

H.1(m) Uniform Forms and Documentation Requirements Relating to Import Clearance within a Customs Union

General Description

This proposal seeks to require member states of a customs union to adopt uniform forms and documentation requirements for the clearance of goods.

Basic Standard

Members of a customs union shall adopt uniform forms and documentation requirements for the clearance of goods.

⁴⁴ Note that compliance with the Basic Standard requires the full co-operation of members of the relevant customs union.

Scope of Proposals⁴⁵

Import clearance forms and documentation requirements.

Requirements to meet the Basic Standard

Customs union agreements and the Member's legislation and administrative procedures provide for uniform forms and documentation requirements.

There is tangible evidence that the arrangements are being properly observed by the Member.⁴⁶

Useful References

- GATT Article VIII;
- UNCTAD Technical Notes on Trade Facilitation 1 and 9 (see Supplementary Material).

H.1(n) Option to Return rejected Goods to the Exporter

General Description

This proposal seeks to provide traders with an option to return food consignments to the exporter in cases where they are rejected by the importer due to their failure to meet certain standards.

Basic Standard

A Member shall provide for food consignments to be returned to the exporter in cases where they are rejected by the importer or government agencies due to their failure to meet commerce standards.

Scope of Proposals

Food consignments rejected due to failure to meet certain standards.

Requirements to meet the Basic Standard

The Member has legislative and/or administrative provisions which provide for rejected consignments to be returned to the exporter; and guidance as to when such provisions may apply.

Useful References

- GATT Article VIII.

I. CONSULARIZATION

I.1 Prohibition of Consular Transaction Requirement

General Description

Some administrations require importers to obtain a consular invoice or a consular visa for a commercial invoice or other trade document, as evidence that particular goods are of a particular origin, or have arrived in a particular importing country, or have been applied to a particular end use. This practice can be time consuming and expensive and often represents a hindrance to trade. These proposals seek to prohibit the practice.

⁴⁵ See also H.1(k) proposal relating to uniform border procedures within a customs union.

⁴⁶ Note that compliance with the Basic Standard requires the full co-operation of members of the relevant customs union.

Basic Standard

A Member shall not impose any requirement for consularization.

Scope of Proposals

Removal of any requirement for consularization and related documents.

Removal of fees associated with consularization.

Requirements to meet the Basic Standard

The Member has no legislative or administrative requirement for consularization.

There is tangible evidence that the arrangements are being properly observed by the Member.

Useful References

- GATT Article VIII.

J. BORDER AGENCY COORDINATION

J.1 Coordination of Activities and Requirements of all Border Agencies

-One-Stop-Shop

-Coordination of Juxtaposed Customs Offices

One-Stop-Shop

General Description

Where several regulatory agencies are directly involved in the clearance of goods, the resulting imposition of multiple steps to obtain clearance represents an impediment to trade. These proposals seek to achieve a one-stop process through the coordination of relevant agencies.

Basic Standard

A Member shall standardize national data and documentation requirements and provide importers and exporters with a single point of lodgement. If a consignment must be inspected by more than one agency, such inspections shall be co-ordinated and, if possible, carried out at the same time.

Scope of Proposals^{47 48}

Standardization of import, export and transit data requirements.

Coordination of agency requirements.

Requirements to meet the Basic Standard

The Member has in place national legislation and/or administrative arrangements which:

- Specify standardized data and documentation requirements for importation, exportation and transit;
- Provide importers and exporters with a once-only requirement to submit information;

⁴⁷ Note also H.1(h) proposals relating to single window/one time submission.

⁴⁸ Includes similar issues relating to transit in M.3(g), M.3(i) and M.4(a) proposals.

- Provide importers and exporters with a single point of lodgement, whether electronic or manual;
- Establish coordinated inspection arrangements for those cargoes that are to be inspected, which eliminates duplication and ensures that inspections are carried out at the same time, wherever possible;
- Establish laboratories that are used to meet multi-agency requirements.

There is tangible evidence that the one-stop-shop arrangements are being properly observed by the Member.

Useful References

- GATT Article VIII;
- GATT Article V;
- WCO Revised Kyoto Convention: Standard/Transitional Standard 3.3 to 3.5, 3.35, 6.7 and associated Guidelines;
- International Convention on the Harmonized Commodity Description and Coding System;
- WCO Customs Data Model;
- WCO Customs Compendium Vol. 9;
- UNCTAD Technical Note on Trade Facilitation 14 (see Supplementary Material);
- WCO Recommendation (June 2004) concerning a unique consignment reference for customs purposes and (June 1990) concerning the single goods declaration;
- WCO Model Bilateral Agreement;
- WCO Johannesburg Convention.

Coordination of Juxtaposed Customs Offices

General Description

On land borders, traders are often faced with different clearance processes and customs facilities on each side of the border. These proposals seek to improved coordination between the border authorities of neighbouring countries in order to reduce the procedures required and time taken to clear goods across the frontier.

Basic Standard

Members with juxtaposed customs posts shall coordinate procedures and develop common border facilities, wherever possible.

Scope of Proposals⁴⁹

Coordinated procedures such as aligning working hours and developing common border facilities.

Requirements to meet the Basic Standard

The Member has in place national legislation or administrative arrangements which establish measures to regulate the functioning of coordinated border controls including, but not limited to:

- Mutual cooperation;
- Alignment and coordination of procedures and formalities;

⁴⁹ Includes similar issues relating to transit in M.4(a) proposals.

- Correlation of the business hours and competence of those offices;
- Development and operation of common facilities;
- Management system outlining the role and responsibilities of each agency;
- Agreement and procedures to exchange information;
- Harmonization of risk analysis, where practicable.

There is tangible evidence that these arrangements are being properly observed by the Member.

Useful References

- GATT Article VIII;
- WCO Revised Kyoto Convention: Standard 6.75 and associated Guidelines;
- WCO Customs Compendium Vol. 9;
- WTO National Experience Paper: Norway – TN/TF/W/48, WTO Trade Facilitation – "Border Agency Cooperation" – Customs Border Cooperation between Norway, Sweden and Finland – A Contribution from Norway.

K. RELEASE AND CLEARANCE OF GOODS

K.1 Expedited/Simplified Release and Clearance of Goods

The various concepts associated with expedited and simplified release and clearance of goods are implicit in Article VIII. In particular, paragraph 1(c) recognizes "the need for minimizing the incidence and complexity of import and export formalities and for decreasing and simplifying import and export documentation requirements." By expediting and simplifying release and clearance procedures, the efficiency of the entire import and export process may be increased, costs reduced and compliance improved.

K.1(a) Pre-arrival Clearance

General Description

These proposals seek to introduce pre-arrival clearance, which allows traders to submit import documentation and other required information to customs and other relevant border agencies prior to the arrival of goods. In cases where no further examination is required, and other conditions are met (e.g., the duty payment is secured), goods may be cleared immediately upon arrival.

Basic Standard

A Member shall make provision for the lodging and processing of clearance data and documentation prior to the arrival of the goods.

Scope of Proposals

Submission and processing of clearance data and documentation prior to the arrival of goods.

Requirements to meet the Basic Standard

The Member has in place national legislation and/or administrative arrangements which explicitly:

- Allow traders to submit clearance data for processing prior to the arrival of the goods;

- Allow traders to take delivery of their goods immediately upon arrival in situations where no further verification or inspection is deemed necessary.

There is tangible evidence that the arrangements are being properly observed by the Member.

Useful References

- GATT Article VIII;
- WTO National Experience Paper: Japan – TN/TF/W/53, Explanatory Note on Pre-Arrival Examination – Japan's Experience;
- UNCTAD Technical Notes on Trade Facilitation 15 and 19 (see Supplementary Material);
- WCO Revised Kyoto Convention: Standards 3.25, 3.32 and 3.40;
- WCO Guidelines for the Immediate Release of Consignments by Customs.

K.1(b) Expedited Procedures for Express Shipments

General Description

These proposals recognize the time-sensitive nature of express consignments and seek to ensure expedited clearance arrangements for such consignments. The underlying principle is that express consignments will generally be granted immediate release/clearance, provided that the conditions laid down by customs and other relevant authorities are met and that the necessary information is communicated prior to arrival of the goods.

Basic Standard

A Member shall provide expedited clearance procedures for express consignments.

Scope of Proposals

Arrangements relating to the clearance of documents, low value non-dutiable consignments, low value dutiable consignments and high value consignments, including:

- Expedited procedures, including express clearance;
- Mutually agreed arrangements between operators and customs administrations;
- Pre-arrival processing⁵⁰;
- Provision of a single manifest, preferably through electronic means;
- *De Minimis* treatment.⁵¹

Requirements to meet the Basic Standard

The Member has in place legislation and administrative arrangements which reflect the principles contained in the WCO Guidelines for the Immediate Release of Consignments by Customs (Immediate Release Guidelines).

There is tangible evidence that the arrangements are being properly observed by the Member.

⁵⁰ See also K.1(a) proposals.

⁵¹ Shipments under a certain value attract no duties or taxes, and require no formal entry documentation.

Useful References

- GATT Article VIII;
- WCO Guidelines for the Immediate Release of Consignments by Customs;
- WTO National Experience Paper: Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu – TN/TF/W/44, Experience in Establishing a System for Immediate Release of Express Consignments;
- WTO National Experience Paper: Guatemala – TN/TF/W/65, Guatemala: Experience in Implementing a Special Procedure for the Rapid Clearance of Express Consignments;
- WCO Revised Kyoto Convention – Standards 1.3, 3.1, 3.2, 3.12-18, 3.21, 3.25, 3.30-3.35, 3.40, 3.41, 4.13, 6.2-6.5 and General Annex Chapter 8.

K.1(c) Risk Management/Analysis, Authorized Traders

- Risk Management/Analysis
- Authorized Traders

Risk Management/Analysis

General Description

These proposals seek to ensure the application of risk management principles to trade-related examinations and inspections.

Basic Standard

A Member shall conduct examinations and inspections based on the application of risk management.

Scope of Proposals⁵²

Selection of cargo for documentary and physical examinations based on the application of risk management principles.

Use of harmonized risk management systems across a customs union.

Specific issues for transit goods, including:

- Treatment of transit goods adapted to the expected degree and nature of the hazard, and establishment of national procedures for particular categories of goods (e.g., dangerous goods, perishables and sensitive goods);
- Risk-based quality control, veterinary, medicosanitary and phytosanitary inspection;
- Risk-based requirement for goods to follow a prescribed itinerary or to be conveyed under customs escort surveillance;
- The use of seals, including electronic seals.

Requirements to meet the Basic Standard

The Member has in place national legislation and/or administrative arrangements which require the application of risk management principles based on relevant international standards and practices such as Chapter 6 of the General Annex to the WCO Revised Kyoto Convention and its associated Guidelines. This includes clear evidence of:

⁵² Includes similar issues relating to transit in M.3(f), M.3(g) and M.3(h) proposals.

- The development, use and regular review of formal risk management plans;
- The use of formal risk analysis methodologies to determine which persons, consignments and means of transport should be examined and the extent of such examination;
- Mechanisms and associated records that provide the ability to determine why particular consignments have been, or are to be, selected for specific interventions.

There is tangible evidence that the arrangements are being properly observed by the Member.

Authorized Traders

General Description

These proposals seek to ensure the introduction of simplified import and export formalities for traders with an appropriate record of compliance with import and export requirements, known as "authorized traders".

Basic Standard

A Member shall provide for simplified import, export and transit formalities for traders who demonstrate a high level of compliance with trade-related laws and regulations.

Scope of Proposals⁵³

Authorized trader status to be determined on a non-discriminatory basis, using objective, transparent, publicly available risk-based criteria.

Simplified import, export and transit formalities for authorized traders, including:

- More rapid release and clearance of goods;
- A lower incidence of physical inspections;
- Facilitations with regard to declarations, duty payments, documentation, documentary inspections and data.

Uniform application of authorized trader systems and mutual recognition of authorized trader status across a customs union.

Requirements to meet the Basic Standard

The Member has in place national legislation and/or administrative arrangements which allow the application of simplified import and export formalities for traders who meet specific criteria, providing in particular for more rapid release and clearance of consignments and a lower incidence of physical inspections.

There is tangible evidence that the arrangements are being properly observed by the Member.

Useful References

- GATT Article VIII;
- GATT Article V;
- WCO Revised Kyoto Convention: Chapter 6 of the General Annex, including Guidelines;

⁵³ Includes similar issues relating to transit in M.3(f), M.3(g) and M.3(h) proposals.

- WCO Revised Kyoto Convention: Standard 3.31, 3.32, 6.2-6.5 and 6.9, and associated Guidelines;
- WCO Risk Management Guide;
- WTO National Experience Paper: Japan – TN/TF/W/42 and Corr.1, Explanatory Note on Risk Management – Japan's Experience;
- UNCTAD Technical Note on Trade Facilitation 12 (see Supplementary Material);
- WCO Information Sheets on key trade facilitation measures – Simplified Procedures – Authorized Persons (see Supplementary Material).

K.1(d) Post-Clearance Audit

General Description

These proposals seek to facilitate trade through an increased use of post-clearance audit. Post-clearance audit is a method of compliance management, whereby a customs administration may release the majority of consignments at the time of their arrival and conduct an audit of selected traders at a later time.

Basic Standard

A Member shall provide for post clearance audit, whereby goods may be released on arrival, with compliance verification undertaken at a later time.

Scope of Proposals

Post-clearance audit of enterprises involved directly or indirectly in the transaction of international trade.

Use of periodic audit programmes and targeted audits, based on risk management.

Feeding the results of post-clearance audit back into the risk management process.

Adopting relevant international standards and instruments.

Requirements to meet the Basic Standard

The Member has in place national legislation and/or administrative arrangements which provide for and utilize post-clearance audit as an accepted element of compliance management. This includes:

1. The use of company-focussed audits as well as transaction-based verifications;
2. Competent audit staff;
3. Legislation that clearly states the powers that can be exercised by those staff;
4. The creation of a compliance database to assist in identifying areas of potential risk, in which audit results are recorded and analysed;
5. Record keeping requirements for traders.

There is tangible evidence that the arrangements are being properly observed by the Member.

Useful References

- GATT Article VIII;
- WCO Revised Kyoto Convention: Standards 6.6 and 6.10, and Chapter 6 of the General Annex, including Guidelines;

- WTO National Experience Paper: Korea – TN/TF/W/55, Post-Clearance Audit in Korea;
- UNCTAD Technical Notes on Trade Facilitation 5, 12 and 19 (see Supplementary Material);
- WCO Information Sheets on key trade facilitation measures – Risk Management – Post Clearance Control (see Supplementary Material);
- WCO Recommendation (June 1998) concerning the improvement of tariff classification work and related infrastructure, in particular, its Appendix Part II: post-clearance stage classification.

K.1(e) Separating Release from Clearance Procedures

General Description

These proposals support a system whereby goods may be released from the custody of customs before final payment of duties and taxes is made, or resolution of customs matters (such as classification or customs valuation) is reached, utilizing guarantees such as a sureties, bonds, or deposits, where necessary.

Basic Standard

A Member shall provide for conditions under which goods may be released from Customs prior to payment of the relevant duties and taxes.

Scope of Proposals

Use of guarantees:

- In the form of collateral security or some other appropriate instrument to ensure ultimate payment of duties and taxes;
- For single or multiple transactions;
- Rules governing guarantee systems are published and transparent;
- Terms of reimbursement of guarantees not to be used as a means to raise revenue beyond duties payable.

Applicable conditions in which the provisions should apply include:

- Delays in completing final clearance procedures (e.g., cases awaiting a decision on the correct tariff classification);
- Situations where goods are imported to fulfil a specific purpose and subsequently duty-paid or exported after use;

Includes obligations of importers, warehouse operators and international goods carriers.

Requirements to meet the Basic Standard

The Member has in place national legislation and administrative arrangements which specify conditions under which goods may be released from customs control prior to payment of the relevant duties and taxes. Such arrangements address the elements identified in the Scope of Proposals, including:

- Circumstances under which goods may be released prior to payment of the relevant duties and taxes;
- Rules governing the guarantee system, including acceptable forms of guarantee, the amount of such guarantee, and terms of reimbursement of guarantees.

There is tangible evidence that the arrangements are being properly observed by the Member.

Useful References

- GATT Article VIII;
- GATT Article X;
- WCO Revised Kyoto Convention: Standards 3.13, 3.14, 3.17, 3.32, 3.40-3.43, General Annex Chapter 4 Section A and B (in particular, 4.9, 4.15-4.17) and Chapter 5, and associated Guidelines;
- UNCTAD Technical Note on Trade Facilitation 19 (see Supplementary Material).

K.1(f) Other Measures to Simplify Customs Release and Clearance

General Description

These proposals identify further methods of simplifying customs release and clearance requirements.

Basic Standard

A Member shall adopt other measures to simplify customs release and clearance, wherever possible.

Scope of Proposals

Rapid release procedures such as release on submission of a simplified document, and post-release reconciliation of documentation and duties payable.

Customs clearance or relevant export control at an importer's or exporter's premises, where practicable.

Periodic declaration and duty payment rather than on the basis of individual transactions, using post-clearance audit as necessary.

Requirements to meet the Basic Standard

The Member applies the simplified clearance and release measures identified in the Scope of Proposals.

The Member has review procedures in place that are designed to identify further ways in which customs release and clearance may be further simplified.

There is tangible evidence that such arrangements are being properly observed.

Useful References

- GATT Article VIII;
- UNCTAD Technical Note on Trade Facilitation 13 (see Supplementary Material);
- WCO Revised Kyoto Convention: Standard 3.32.

K.2 Establishment and Publication of Average Release and Clearance Times

General Description

These proposals seek to reduce release and clearance times by requiring members to calculate, publish, and endeavour to continuously reduce the average times for release and clearance of goods.

Basic Standard

A Member shall establish and publish average release and clearance times, and shall seek to progressively reduce the time taken to release and clear goods.

Scope of Proposals⁵⁴

Measurement and publication of average times for the release and clearance of goods:

- On a periodic basis;
- In a consistent manner;
- Based on common standard such as the WCO Time Release Study.

Progressive reduction of average release and clearance times.

Explanations to traders of the reasons for significant delays, wherever practicable.

Requirements to meet the Basic Standard

The Member has in place arrangements which provide for the periodic measurement of average clearance and release times for imported and exported goods, in accordance with the Scope of Proposals.

The Member publishes the results of such measurement on a periodic basis.

Useful References

- GATT Article VIII;
- GATT Article X;
- GATT Article V;
- WCO Time Release Study;
- WCO Revised Kyoto Convention: Standard 9.1.

L. TARIFF CLASSIFICATION

L.1 Objective Criteria for Tariff Classification

General Description

Articles VIII and X are unclear in terms of how goods are to be classified for duty purposes at the border. These proposals seek to provide an objective approach to tariff classification, to improve transparency and predictability for traders to ensure that classifications are not arbitrary or unjustifiable and do not constitute a disguised restriction on international trade.

Basic Standard

A Member shall apply objective criteria for tariff classification.

Scope of Proposals

Tariff classification.

⁵⁴ Includes similar issues relating to transit in M.3(a) proposals.

Requirements to meet the Basic Standard

The Member has in place national legislation and administrative arrangements which are based upon the provisions of the WCO Convention on the Harmonized Commodity Description and Coding System (WCO HS Convention).

There is tangible evidence that the arrangements relating to advance rulings are being properly observed by the Member.

Useful References

- GATT Article VIII;
- GATT Article X;
- International Convention on the Harmonized Commodity Description and Coding System (in particular, the General Rules for the Interpretation of the HS);
- WCO Recommendation (June 2001) concerning the application of Harmonized System Committee Decisions.

M. MATTERS RELATING TO GOODS TRANSIT

Effective transit procedures are critical for traders in land-locked countries. Article V sets out rules on freedom of transit subject to formalities and on the basis of most-favoured-nation treatment. Paragraph 3 states that traffic in transit coming to or from the territories of other Contracting Parties shall not be subject to unnecessary delays or restriction, and shall be exempt from customs duties except for charges to cover the cost of services rendered. However, Article V lacks detail, thereby hindering its effective application.

M.1 Non-Discrimination and Policy Objectives

M.1(a) Strengthened Non-discrimination

General Description

GATT Article V sets out rules on freedom of transit on the basis of most-favoured-nation treatment and national treatment. The objective of these proposals is to strengthen the principle of non-discrimination, in order to prevent the application of trade laws that limit the free transit of goods and means of transport among Members for non-commercial reasons.

Basic Standard

A Member shall accord non-discriminatory, most-favoured-nation treatment and national treatment to traffic in transit to or from the territory of any other Member with respect to all charges, regulations and formalities.

Scope of Proposals

All laws, regulations, requirements, procedures, fees and charges on or in connection with transit, in relation to:

- Internal passage of traffic in transit across the territory of a Member;
- Traffic in transit to or from the territory of any other Member;
- Products which have been in transit through the territory of any other Member;

- Nationality of means of transport.

Requirements to meet the Basic Standard

The Member has in place national legislation and administrative arrangements which:

- Expressly provide for the principles of non-discrimination, most-favoured-nation treatment and national treatment to traffic in transit to or from the territory of any other Member with respect to all charges, regulations and formalities;
- Apply the principles of risk management to the identification of goods for specific interventions in respect of goods in transit, and specifically exclude such identification on the basis of origin and/or mode of transportation alone.

There is tangible evidence that these arrangements are being properly observed by the Member.

Useful References

- GATT Article V;
- WCO Customs Compendium Vol. 3;
- UNCTAD Technical Notes on Trade Facilitation 8, 17 and 18 (see Supplementary Material);
- WCO Revised Kyoto Convention: Standards 3.6, 3.7, 3.11, and 8.3.

M.1(b) Legitimate Policy Objectives

These proposals recognize that the legitimate public policy goals set out in GATT Articles XX and XXI should not be compromised in any way. These Articles relate to such issues as national security, health, safety and the environment. For convenience the relevant Articles are reproduced in the Supplementary Material.

M.2 Disciplines on Fees and Charges

M.2(a) Publication of Fees and Charges and Prohibition of Unpublished ones

These matters are dealt with under the following proposals:

- G.1(b) – Publication/notification of fees/charges;
- G.1(c) – Prohibition of collection of unpublished fees and charges.

M.2(b) Periodic Review of Fees and Charges

These matters are dealt with under the following proposals:

- G.1(d) – Periodic review of fees/charges.

M.2(c) More effective Disciplines on Charges for Transit – Reduction/Simplification

These matters are dealt with under the following proposals:

- G.1(a) – Specific parameters for fees/charges;
- G.2 – Reduction/minimization of the number and diversity of fees/charges.

M.2(d) Periodic Exchange between Neighbouring Authorities

General Description

These proposals seek to establish regular communication between neighbouring authorities in relation to new and modified transit fees and charges prior to their entering into force.

Basic Standard

A Member shall consult with neighbouring authorities on any new or modified fees and charges imposed in connection with transit, prior to their entering into force.

Scope of Proposals

Consultation mechanisms on proposals to introduce new, or amend existing fees and charges relating to transit.

Requirements to meet the Basic Standard

The Member conducts regular, formal consultations with neighbouring authorities on proposed new or amended transit fees and charges.

The Member provides competent staff to undertake such consultation.

Useful References

- GATT Article V;
- WCO Customs Compendium Vol. 3;
- WCO Revised Kyoto Convention: Standards 1.2, 9.1, 9.3, 9.7, the Preamble and Articles 6, 12;
- WCO Arusha Declaration.

M.3 Disciplines on Transit Formalities and Documentation Requirements

M.3(a) Publication

These matters are dealt with under the following proposals:

- A.1 – Publication and notification of trade regulations and of penalty provisions;
- A.3 – Notification of Trade Regulations;
- B.1 – Interval between publication and entry into force;
- K.2 – Establishment and publication of average release and clearance times.

M.3(b) Periodic Review

These matters are dealt with under the following proposals:

- H.1(b) – Periodic review of formalities and requirements.

M.3(c) Reduction/Simplification

These matters are dealt with under the following proposals:

- H.1(c) – Reduction/limitation of formalities and documentation requirements.

M.3(d) Harmonization/Standardization

These matters are dealt with under the following proposals:

- H.1(d) – Use of international standards;
- H.1(f) – Acceptance of commercially available information and copies.

M.3(e) Promotion of Regional Transit Agreements or Arrangements

General Description

These proposals seek to encourage Members to cooperate on a regional basis to promote bilateral and regional transit agreements. In addition, they seek assistance from the Negotiating Group in drawing up a non-exhaustive list of elements that Members should endeavour to incorporate when negotiating such agreements.

Basic Standard

A Member shall promote bilateral and regional transit agreements or arrangements which are consistent with all other commitments on Trade Facilitation, with a view to reducing trade barriers.

Scope of Proposals

Promotion of bilateral and regional transit agreements or arrangements.

Development of WTO guidelines on regional transit agreements and arrangements.

Requirements to meet the Basic Standard

The Member is actively involved in promoting bilateral and regional transit agreements or arrangements and contributing to the development of relevant WTO guidelines.

Useful References

- GATT Article V;
- WCO Customs Compendium Vol. 3;
- UNCTAD Technical Notes on Trade Facilitation 8, 17 and 18 (see Supplementary Material);
- WCO Arusha Declaration;
- WCO Revised Kyoto Convention: Standards 3.11, 3.12, 3.134, 3.15-3.17, 3.19, 3.32, 7.2, the Preamble, Articles 6 and 12, and Specific Annex E – Chapter 1: 5,6, 7 and 26;
- Istanbul Convention;
- International Convention on the Harmonized Commodity Description and Coding System;
- WCO Customs Data Model;
- WCO Recommendation (June 2004) concerning a unique consignment reference for customs purposes;
- WCO Revised Kyoto Convention Guidelines to the General Annex Chapter 3: Appendices I (UN Layout Key for Trade Documents) and II (single goods declaration).

M.3(f) Simplified and Preferential Clearance for Certain Goods

These proposals promote the use of risk management techniques to enable agencies to concentrate inspection and monitoring activities on high-risk goods in transit, and to facilitate the movement of low-risk goods. As such, they are dealt with under K.1(c) proposals – Risk management/analysis, authorized traders.

M.3(g) Limitation of Inspections and Controls

These matters are dealt with under the following proposals:

- J.1 – Coordination of activities and requirements of all border agencies;
- K.1(c) – Risk management/analysis, authorized traders.

M.3(h) Sealing

These matters are dealt with under the following proposals:

- K.1(c) – Risk management/analysis, authorized traders.

M.3(i) Cooperation and Coordination on Document Requirements

These matters are dealt with under the following proposals:

- J.1 Coordination of activities and requirements of all border agencies.

M.3(j) Monitoring

General Description

Recognizing the importance of efficient implementation of transit agreements or arrangements, these proposals seek to ensure the actual implementation of these transit commitments.

Basic Standard

A Member shall ensure that any regional transit agreement or arrangement incorporates measures relating to the monitoring of transit.

Scope of Proposals

Incorporation of monitoring arrangements in regional transit agreements or arrangements that may include:

- The appointment of national transit coordinators;
- Public private partnerships to manage and monitor the arrangement.

Requirements to meet the Basic Standard

Monitoring arrangements form part of regional transit agreements or arrangements to which the Member is a party, which may include elements recommended in the Scope of Proposals, as appropriate.

Useful References

- GATT Article V;
- WCO Customs Compendium Vol. 3;
- WCO Revised Kyoto Convention: Standards 1.3, 3.3-3.5, 3.13, 3.14, 3.17, 3.31, 3.32, 3.34, 3.40 and 3.41, General Annex Chapter 6, Specific Annex E – Chapter 1: 5, 6, 7, 8-18 and 26;
- WCO Risk Management Guide;
- WCO Guidelines for the Immediate Release of Consignments by Customs;
- Istanbul Convention;
- International Convention on the Harmonized Commodity Description and Coding System;
- WCO Customs Data Model;

- WCO Model Bilateral Agreement;
- WCO Johannesburg Convention;
- WCO Recommendation (June 2004) concerning a unique consignment reference for customs purposes;
- WCO Revised Kyoto Convention: Guidelines to the General Annex Chapter 3: Appendices I (UN Layout Key for Trade Documents) and II (single goods declaration).

M.3(k) Bonded Transport Regime and Guarantees/International, Regional or National Customs Guarantee System

General Description

These proposals seek to establish an internationally, regionally or nationally valid guarantee system for goods transit. The objective of such a system is to avoid the need to impose provisional taxation while at the same time safeguarding revenue in case of inland diversion of the goods.

Basic Standard

A Member shall allow the transit of goods through its territory without payment of customs duties or other charges, subject to the provision of an appropriate guarantee.

Scope of Proposals

Internationally, regionally or nationally valid guarantee system for goods transit, which:

- Represents a single guarantee in the country or all the transit countries;
- Is renewable for subsequent consignments;
- Has reasonable limits, having regard to the conditions of transit, the nature and value of the consignment in question and the potential revenue liability;
- Is released promptly and in full on completion of the transit operation.

Requirements to meet the Basic Standard

The Member has in place national legislation and/or administrative arrangements that allow the transit of goods through its territory without payment of customs duties or other charges, subject to the provision of an appropriate guarantee.

When available, the Member has adopted an internationally or regionally valid guarantee system that incorporates the elements identified in the Scope of Proposals.

There is tangible evidence that such arrangements are being properly observed by the customs administration and other relevant authorities.

Useful References

- GATT Article V;
- WCO Customs Compendium Vol. 3;
- UNCTAD Technical Notes on Trade Facilitation 8 and 17 (see Supplementary Material);
- WCO Revised Kyoto Convention: General Annex – Chapter 5 and Specific Annex E Chapter 1: 3, 26;
- Istanbul Convention.
-

M.4 Improved Coordination and Cooperation

M.4(a) Amongst Authorities

These matters are dealt with under the following proposals:

- J.1 - Coordination of activities and requirements of all border agencies; one-stop shop and coordination of juxtaposed customs offices.

M.4(b) Between Authorities and the Private Sector

These matters are dealt with under the following proposals:

- B.1 – Interval between publication and implementation;
- C.1 – Prior consultation and commenting on new or amended rules.

M.5 Operationalization and Clarification of Terms

These proposals seek WTO clarification of a number of terms and operational aspects of goods transit.

ANNEX A: ASSESSMENT TOOL

A.1 PUBLICATION AND NOTIFICATION OF TRADE REGULATIONS AND OF PENALTY PROVISIONS

M.3(a) PUBLICATION FOR TRANSIT

Basic Standard: A Member shall ensure that all relevant information relating to trade laws and procedures is readily available to any interested person

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

A.2(a) INTERNET PUBLICATION OF THE ELEMENTS SET OUT IN ARTICLE X OF GATT 1994

Basic Standard: A Member shall enhance the provision of information through the use of the internet.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

A.2(b) INTERNET PUBLICATION OF SPECIFIED INFORMATION SETTING FORTH THE PROCEDURAL SEQUENCE AND OTHER REQUIREMENTS FOR IMPORTING GOODS INTO A MEMBER'S TERRITORY

Basic Standard: A Member shall include on its official website the procedural sequence and other requirements for importing goods into the Member's territory

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

A.3 NOTIFICATION OF TRADE REGULATIONS

M.3(a) NOTIFICATION OF TRADE REGULATIONS FOR TRANSIT

Basic Standard: When introducing or amending trade regulations that may have a significant effect on the trade of other Members, a Member shall notify interested parties and the WTO Secretariat of the proposed introduction or amendment at the earliest possible stage prior to finalizing the proposed measures

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

A.4 ESTABLISHMENT OF ENQUIRY POINTS /SNFP/ INFORMATION CENTERS

Basic Standard: A Member shall establish enquiry points which are responsible for providing or for facilitating access to trade-related information or documents to interested parties on a non-discriminatory basis

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

B.1 INTERVAL BETWEEN PUBLICATION AND ENTRY INTO FORCE

M.3(a) INTERVAL BETWEEN PUBLICATION AND ENTRY INTO FORCE FOR TRANSIT

Basic Standard: A Member shall ensure that, where practicable, information relating to proposed new and amended rules of general application is made available to interested persons in advance of their implementation

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

C.1 PRIOR CONSULTATION AND COMMENTING ON NEW AND AMENDED RULES

Basic Standard: A Member shall introduce and maintain consultative mechanisms to seek and take account of comments from interested persons on proposals to introduce new, or amend existing trade-related rules prior to their implementation.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

C.2 INFORMATION ON POLICY OBJECTIVES SOUGHT

Basic Standard: When seeking to introduce new, or amend existing trade-related rules, a Member shall advise interested persons of the relevant policy objectives that are being pursued

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

D.1 PROVISION OF ADVANCE RULINGS

Basic Standard: A Member shall issue legally binding rulings in a timely manner, and in advance of the relevant trade transaction, at the request of an interested person who has provided the Member with all necessary information

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet the Basic Standard	Actions needed to be taken to achieve basic standards and requirements	Lead Agency and other stakeholders	Local remedy action & Technical Assistance and Capacity Building support requirements	Priorities for TA & CB (Rate as A, B or C priority)
1) No legally binding advance rulings provisions	Resistance (Customs officers and private sector traders think that they benefit from current situation. Lack of awareness on benefits of advance rulings.)	Consultation with stakeholders	Ministry of Trade Customs freight forwarders, importers	Local Action: Organise meetings with relevant stakeholders to discuss the issue	A
		Change Management: Change of Attitudes, way of communications		TA: Advise on change management	B
		Awareness programs/sensitization for Customs officers	Customs	Local action: Organising of awareness raising workshops and briefings	B
		Awareness programs/sensitization for traders	Chamber of Commerce / Business community	Local action: Drafting and dissemination of brief information notes. Conduct a study on economic benefits of advance ruling provisions for importers and exporters	B
	Lack of legislation, and guidelines	Prepare, draft and enact national legislation and administrative procedures	Customs Ministry of Justice Ministry of Trade	Local action: preparation of draft legislation and amendments or drafting of administrative guidelines	A
				TA case by case: study for fact/finding mission for best practices	C
		Consultation with stakeholders	Local Action: Organise meetings with relevant stakeholders to discuss the issue	A	

	Lack of trained staff and separate unit/department for advance ruling	Change management: Setting up clear organizational structure and administrative functions	Customs / Revenue Authority	TA: Advise on change management	B
		Hiring of additional staff	Ministry of Finance	Local Action:	C
		Training of newly hired staff on advance ruling procedures and classification	Customs	Local / TA: Funding for Training of Trainers	B
		Setting up of a "advance ruling unit" with permanent staff inside Customs.	Ministry Finance Customs	Local Action: Revise organisation structure, identify members of the unit and set modus operandi	B
3) Informal classification advice is provided but lack of consistency. The decisions are not recognized by other officers	No enforcement and monitoring compliance, no administrative guidelines	Enacting and enforcement of legislation on advance ruling and operating admin. procedures	Customs	TA: training of top management (9 officers)	B
		Preparation of administrative guidelines	Customs	Local action for training of officers (middle level) (135 officers)	B
	Lack of adequate office equipment, communication with border posts, and trained staff	Install necessary IT equipment for the archiving and issuance of requests	Customs	TA: funding	A
		Ensure communication with border posts through telephone, fax or internet	Customs M. of Communication	Local action: training of officers (see above) and use of IT equipment	
	Lack of precise knowledge on classification	Training of staff on HS	Customs	Training : see similar action under 2)	
	4) No appeal procedure provisions	No legislation, no guidelines	Enforcement of new legislation	Customs/M. of Finance M. of Justice/ Tribunal	Local Action: Training for Advance Ruling Unit

E.1 RIGHT OF APPEAL

Basic Standard: A Member shall provide a legal right of appeal in customs and other trade-related matters.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

E.2 RELEASE OF GOODS IN EVENT OF APPEAL

Basic Standard: Where a disputed decision is the subject of an appeal, a Member shall generally allow goods the subject of the decision to be released and, where practicable, hold payment of duties and other taxes in abeyance pending resolution of the appeal.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

E.3 APPEAL MECHANISMS IN A CUSTOMS UNION

Basic Standard: Where a disputed decision relating to the importation of goods into a customs union is the subject of an appeal, a Member shall agree to have the matter heard and decided at the customs union level.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

F.1 UNIFORM ADMINISTRATION OF TRADE REGULATIONS

Basic Standard: A Member shall administer trade regulations in a uniform and impartial manner.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

F.2(a) ESTABLISHMENT OF A CODE OF CONDUCT

Basic Standard: A Member shall establish, maintain and enforce a code of conduct which addresses the rights and obligations of government officials.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

F.2(b) COMPUTERIZED SYSTEM TO REDUCE/ELIMINATE DISCRETION

Basic Standard: A Member shall use information technology to reduce officer discretion, where practicable.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

F.2(c) SYSTEM OF PENALTIES

Basic Standard: A Member shall incorporate penalty provisions in its customs legislation.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

F.3 IMPORT ALERTS/RAPID ALERTS

Basic Standard: A Member shall not operate an import alert/rapid alert system in a way that creates a barrier to trade.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

F.4 DETENTION

Basic Standard: When goods are detained for inspection by a competent authority, a Member shall provide the importer or their authorized agent with information about the detention in a timely manner.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

F.5 TEST PROCEDURES

Basic Standard: When samples of goods are tested by competent authorities for the purpose of ensuring the appropriate application of national legislation, a Member shall provide importers, exporters or their or their authorized agents with the right to a second confirmatory test.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

G.1(a) SPECIFIC PARAMETERS FOR FEES/CHARGES

M.2(C) MORE EFFECTIVE DISCIPLINES ON CHARGES FOR TRANSIT

Basic Standard: A Member shall ensure that fees and charges do not exceed the approximate costs of services rendered and are in direct connection with a specific importation, exportation or transit formality.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

G.1(b) PUBLICATION/NOTIFICATION OF FEES/CHARGES

M2(a) PUBLICATION OF FEES AND CHARGES FOR TRANSIT

Basic Standard: A Member shall publish information on fees and charges in a timely manner prior to their implementation or amendment.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

G.1(c) PROHIBITION OF COLLECTION OF UNPUBLISHED FEES AND CHARGES

M.2(a) PROHIBITION OF COLLECTION OF UNPUBLISHED FEES AND CHARGES FOR TRANSIT

Basic Standard: A Member shall not collect any fees or charges that have not been publicly notified.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

G.1(d) PERIODIC REVIEW OF FEES/CHARGES

M.2(b) PERIODIC REVIEW OF FEES AND CHARGES FOR TRANSIT

Basic Standard: A Member shall review its trade-related fees and charges periodically to ensure compliance with WTO commitments.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

G.1(e) AUTOMATED PAYMENT

Basic Standard: A Member shall permit automated payment of duties and other trade-related fees and charges [where agencies have the necessary facilities].

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

G.2 REDUCTION/MINIMIZATION OF THE NUMBER AND DIVERSITY OF FEES/CHARGES

M.2(c) REDUCTION/SIMPLIFICATION ON CHARGES FOR TRANSIT

Basic Standard: A Member's trade-related fees and charges shall be the minimum necessary in number and diversity.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

H.1(a) NON-DISCRIMINATION

Basic Standard: A Member shall ensure that the design, application and effect of import and export practices and procedures do not discriminate against goods on the basis of their origin and/or mode of transportation.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

H.1(b) PERIODIC REVIEW OF FORMALITIES AND REQUIREMENTS

M.3(b) PERIODIC REVIEW FOR TRANSIT

Basic Standard: A Member shall review its import and export formalities and requirements periodically in consultation with the private sector; and shall not maintain such formalities and requirements if the circumstances or objectives giving rise to their adoption no longer exist.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

H.1(c) REDUCTION/LIMITATION OF FORMALITIES AND DOCUMENTATION REQUIREMENTS

M.3(c) REDUCTION/SIMPLIFICATION FOR TRANSIT

Basic Standard: A Member shall ensure that its trade-related formalities and documentation requirements are no more administratively burdensome or trade restrictive than is necessary to achieve its legitimate policy objectives.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

H.1(d) USE OF INTERNATIONAL STANDARDS

M.3(d) HARMONIZATION/STANDARDIZATION FOR TRANSIT

Basic Standard: A Member shall use relevant international standards as the basis for their import, export and transit procedures.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

H.1(e) UNIFORM CUSTOMS CODE

Basic Standard: A Member shall introduce a uniform customs code or aligned customs legislation (yet to be determined); and shall introduce a single import and export declaration, administrative message or data set.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

H.1(f) ACCEPTANCE OF COMMERCIALLY AVAILABLE INFORMATION AND OF COPIES
M.3(d) HARMONIZATION/STANDARDIZATION FOR TRANSIT

Basic Standard: For the purposes of facilitating trade, a Member shall use relevant information already available in the context of commercial transactions, and copies of relevant documents, wherever practicable.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

H.1(g) AUTOMATION

Basic Standard: A Member shall use information technology and electronic commerce to automate its import and export procedures [to the greatest extent possible].

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

H.1(h) SINGLE WINDOW/ONE-TIME SUBMISSION

Basic Standard: A Member shall implement [progressively, taking account of the members' capacity] a requirement to submit import and export documentation and data (including electronic versions of them) once only, to a single agency.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

H.1(i) ELIMINATION OF PRE-SHIPMENT INSPECTION

Basic Standard: A Member shall not have any legislative or administrative requirement for the use of pre-shipment inspections or their equivalent.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

H.1(j) PHASING OUT MANDATORY USE OF CUSTOMS BROKERS

Basic Standard: A Member shall not mandate the use of customs brokers. If Customs brokers are subject to licensing, such licensing rules shall be transparent, non-discriminatory and proportionate.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

H.1(k) SAME BORDER PROCEDURES WITHIN A CUSTOMS UNION

Basic Standard: Members of a customs union shall adopt the same border procedures and associated standards for the clearance of goods.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

H.1(l) TESTING METHODS BASED ON SPECIFIC PRODUCT FEATURES

Basic Standard: A Member shall use testing methods that are based on specific product features and the physical state of the product at the point of consumption.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

H.1(m) UNIFORM FORMS AND DOCUMENTATION REQUIREMENTS RELATING TO IMPORT CLEARANCE WITHIN A CUSTOMS UNION

Basic Standard: Members of a customs union shall adopt uniform forms and documentation requirements for the clearance of goods.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

H.1(n) OPTION TO RETURN REJECTED GOODS TO THE EXPORTER

Basic Standard: A Member shall provide for food consignments to be returned to the exporter in cases where they are rejected by the importer due to their failure to meet commercial standards

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

I.1 PROHIBITION OF CONSULAR TRANSACTION REQUIREMENT

Basic Standard: A Member shall not impose any requirement for consularization.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

J.1 COORDINATION OF ACTIVITIES AND REQUIREMENTS OF ALL BORDER AGENCIES – One-Stop-Shop

M.3(g) LIMITATION OF INSPECTIONS/CONTROLS; M.3(i) COOPERATION/COORDINATION ON DOCUMENT REQUIREMENTS

M.4 IMPROVED COORDINATION AND COOPERATION: M.4(a) AMONGST AUTHORITIES; M.4(b) BETWEEN AUTHORITIES AND THE PRIVATE SECTOR

Basic Standard: A Member shall standardize national data and documentation requirements and provide importers and exporters with a single point of lodgement. If a consignment must be inspected by more than one agency, such inspections shall be co-ordinated and, if possible, carried out at the same time.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

J.1 COORDINATION OF ACTIVITIES /REQUIREMENTS OF ALL BORDER AGENCIES - Coordination of Juxtaposed Customs Offices

M. 4(a) IMPROVED COORDINATION AND COOPERATION AMONGST AUTHORITIES FOR TRANSIT

Basic Standard: Members with juxtaposed customs posts shall coordinate procedures and develop common border facilities, wherever possible.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

K.1(a) PRE-ARRIVAL CLEARANCE

Basic Standard: A Member shall make provision for the lodging and processing of clearance data and documentation prior to the arrival of the goods.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

K.1(b) EXPEDITED PROCEDURES FOR EXPRESS SHIPMENTS

Basic Standard: A Member shall provide expedited clearance procedures for express consignments.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

K.1(c) RISK MANAGEMENT/ANALYSIS (separate chart for authorized traders follows)

M.3(g) LIMITATION OF INSPECTIONS AND CONTROLS FOR TRANSIT; M.3(h) USE OF SEALS

Basic Standard: A Member shall conduct examinations and inspections based on the application of risk management.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

K.1(c) AUTHORIZED TRADERS

Basic Standard: A Member shall provide for simplified import, export and transit formalities for traders who demonstrate a high level of compliance with trade-related laws and regulations.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

K.1(d) POST-CLEARANCE AUDIT

Basic Standard: A Member shall provide for post clearance audit, whereby goods may be released on arrival, with compliance verification undertaken at a later time.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

K.1(e) SEPARATING RELEASE FROM CLEARANCE PROCEDURES

Basic Standard: A Member shall provide for conditions under which goods may be released from Customs prior to payment of the relevant duties and taxes.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

K.1(f) OTHER MEASURES TO SIMPLIFY CUSTOMS RELEASE AND CLEARANCE

Basic Standard: A Member shall adopt other measures to simplify customs release and clearance, wherever possible.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

K.2 ESTABLISHMENT AND PUBLICATION OF AVERAGE RELEASE AND CLEARANCE

M.3(a) ESTABLISHMENT AND PUBLICATION OF AVERAGE RELEASE AND CLEARANCE FOR TRANSIT

Basic Standard: A Member shall establish and publish average release and clearance times, and shall seek to progressively reduce the time taken to release and clear goods.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

L.1 OBJECTIVE CRITERIA FOR TARIFF CLASSIFICATION

Basic Standard: A Member shall adopt the Convention on the Harmonized Commodity Description and Coding System (HS Convention).

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

M.1(a) STRENGTHENED NON-DISCRIMINATION

Basic Standard: A Member shall accord non-discriminatory, most-favoured-nation treatment and national treatment to traffic in transit to or from the territory of any other Member with respect to all charges, regulations and formalities.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

M.2(d) PERIODIC EXCHANGE BETWEEN NEIGHBORING AUTHORITIES

Basic Standard: A Member shall consult with neighbouring authorities on any new or modified fees and charges imposed in connection with transit, prior to their entering into force.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

M.3(e) PROMOTION OF REGIONAL TRANSIT ARRANGEMENTS OR ARRANGEMENTS

Basic Standard: A Member shall promote bilateral and regional transit agreements or arrangements which are consistent with all other commitments on Trade Facilitation, with a view to reducing trade barriers.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

M.3(j) MONITORING

Basic Standard: A Member shall ensure that any regional transit agreement or arrangement incorporates measures relating to the monitoring of transit.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

M.3(k) BONDED TRANSPORT REGIME AND GUARANTEES/INTERNATIONAL, REGIONAL OR NATIONAL CUSTOMS GUARANTEE SYSTEM

Basic Standard: A Member shall allow the transit of goods through its territory without payment of customs duties or other charges, subject to the provision of an appropriate guarantee.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet Basic Standard and requirements	Actions needed to be taken to achieve Basic Standard and requirements	Lead agency or organization/ other stakeholders involved:	Local remedy/action and/or technical assistance required	Priority (Rate as A, B or C priority, A is highest)
Stakeholders consulted during the course of this Assessment:					
Comments:					

ANNEX B: EXAMPLE ASSESSMENT

Illustrative Example: D.1 Provision of Advance Rulings

Basic Standard: A Member shall issue legally binding rulings in a timely manner, and in advance of the relevant trade transaction, at the request of an interested person who has provided the Member with all necessary information.

Suggested Approach to Assessment: Using the guide at Annex A (see below):

1. **Stakeholders:** Identify all relevant stakeholders from both the public and private sectors who should be consulted during the course of the assessment process.
2. **Current Situation relative to the requirements to meet the Basic Standard:** Describe the current situation in the context of the requirements to meet the Basic Standard. For example, what types of advance rulings are currently being provided? Are these binding on the administration? This would ideally be undertaken in consultation with representatives of the international trading community and other stakeholders.
3. **Compliance:** Identify whether the current situation represents full compliance, partial compliance, or non-compliance with the basic standard and requirements.
4. **Barriers to meet Basic Standard and requirements:** Consult with stakeholders to identify key barriers to achieving compliance with the Basic Standard.
5. **Actions needed to be taken to achieve Basic Standard and requirements:** Identify actions that must be taken in order to achieve full compliance with the basic standard and requirements.
6. **Lead agency or organization/other stakeholders involved:** Identify a lead agency or organization that will take responsibility for progressing particular actions, and other stakeholders who will provide assistance.
7. **Local remedy/action and/or technical assistance required:** Determine what actions/remedies are able to be progressed using the Member's own resources, and any technical assistance/capacity building support that may be required to meet the basic standard and requirements.
8. **Priority:** Identify key priorities from among the identified actions and technical assistance initiatives. These are identified as "A", "B", or "C" priorities, depending on their importance from the perspective of the Member, with "A" representing the highest priority.

D.1 PROVISION OF ADVANCE RULINGS

Basic Standard: A Member shall issue binding rulings in a timely manner, and in advance of the relevant trade transaction, at the request of an interested person who has provided the Member with all necessary information.

COMPLY: yes no partially

Current situation relative to the requirements to meet the Basic Standard	Barriers to meet the Basic Standard	Actions needed to be taken to achieve basic standards and requirements	Lead Agency and other stakeholders	Local remedy action& Technical Assistance and Capacity Building support requirements	Priorities for TA & CB (Rate as A, B or C priority)
1) No legally binding advance rulings provisions	Resistance (Customs officers and private sector traders think that they benefit from current situation. Lack of awareness on benefits of advance rulings.)	Consultation with stakeholders	Ministry of Trade Customs freight forwarders, importers	Local Action: Organise meetings with relevant stakeholders to discuss the issue	A
		Change Management: Change of Attitudes, way of communications		TA: Advise on change management	B
		Awareness programs/sensitization for Customs officers	Customs	Local action: Organising of awareness raising workshops and briefings	B
		Awareness programs/sensitization for traders	Chamber of Commerce / Business community	Local action: Drafting and dissemination of brief information notes. Conduct a study on economic benefits of advance ruling provisions for importers and exporters	B
	Lack of legislation, and guidelines	Prepare, draft and enact national legislation and administrative procedures	Ministry of Finance Customs Ministry of Justice Ministry of Trade	Local action: preparation of draft legislation and amendments or drafting of administrative guidelines	A
				TA case by case: study for fact/finding mission for best practices	C
		Consultation with stakeholders	Local Action: Organise meetings with relevant stakeholders to discuss the issue	A	
	Lack of trained staff and separate unit/department for advance ruling	Change management: Setting up clear organizational structure and administrative functions	Customs / Revenue Authority	TA: Advise on change management	B

		Hiring of additional staff	Ministry of Finance	Local Action:	C
		Training of newly hired staff on advance ruling procedures and classification	Customs	Local / TA: Funding for Training of Trainers	B
		Setting up of a "advance ruling unit" with permanent staff inside Customs.	Ministry Finance Customs	Local Action: Revise organisation structure, identify members of the unit and set modus operandi	B
3) Informal classification advice is provided but lack of consistency. The decisions are not recognized by other officers	No enforcement and monitoring compliance, no administrative guidelines	Enacting and enforcement of legislation on advance ruling and operating admin. procedures	Customs	TA: training of top management (9 officers)	B
				Local action for training of officers (middle level) (135 officers)	B
	Preparation of administrative guidelines	Customs			
	Lack of adequate office equipment, communication with border posts, and trained staff	Install necessary IT equipment for the archiving and issuance of requests	Customs	TA: funding	A
				Local action: training of officers (see above) and use of IT equipment	
		Ensure communication with border posts through telephone, fax or internet	Customs M. of Communication		
Lack of precise knowledge on classification	Training of staff on HS	Customs	Training : see similar action under 2)		
4) No appeal procedure provisions	No legislation, no guidelines	Enforcement of new legislation	Customs/M. of Finance M. of Justice/ Tribunal	Local Action: Training for Advance Ruling Unit	B

ANNEX C

Supplementary Material for the Self Assessment Guide

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POINTS TO NOTE IN RELATION TO MEMBERS' PROPOSALS

A. PUBLICATION AND AVAILABILITY OF INFORMATION

Points to note:

- Seek to identify all relevant laws, regulations, administrative guidelines, specific decisions and other information relating to customs and other agency processes; conditions and qualifications for different forms of customs treatment; appeal procedures; fees and charges; and port, airport and other entry point procedures.
- Information to be made public should include details of customs and other agency implementation plans for WTO commitments or relevant reform and modernization programmes.
- Any amendments to relevant material should be made public in the same way as the original publication.
- Publication should be made easily accessible through a properly designated medium (including electronically), for example, through the relevant customs administration's website.⁵⁵ The availability of paper-based information parallel to electronic versions is important to provide access to information for clients that don't have electronic capacity.
- Accessibility of information can be improved by developing "compendiums" which are regularly updated in dedicated government publications (paper-based or online). Such compendiums may be agency-based or thematic; that is, it may be a Customs Compendium or it may be something like an "Import Reference Guide" dealing with the issue on a cross-agency basis.
- The publication should be available to any interested party on a non-discriminatory basis. Where the official language could create problems for information access, countries may provide the necessary basic information in the WTO official languages (English, French or Spanish).
- Fees that are charged for the provision of information to interested parties should be proportionate to the cost of providing that service.
- Enquiry points, help desks or hotlines providing information in relation to the subject matter outlined above should be established for the use of governments and/or traders, and also notified to the WTO Secretariat for broader dissemination. This will also help overcome difficulties in maintaining currency of information in a paper-based environment.

B. TIME PERIOD BETWEEN PUBLICATION AND IMPLEMENTATION, AND

C. CONSULTATION AND COMMENTING ON NEW AND AMENDED RULES

Points to note:

- Seek to introduce a system of routinely issuing notices of proposed rules inviting comment during a defined period before adoption and entry into force.⁵⁶
- Adequate time periods between the adoption and entry into force of trade-related rules should be allowed so that stakeholders have an opportunity to comment and have time to adjust to proposed changes.

⁵⁵ Developing countries have found ICT to be an effective means for disseminating information to a wider audience. For developing countries that can't or don't have an electronic facility, regional trade websites such as SACD or APEC can provide an alternative means of publication and dissemination.

⁵⁶ The publication of trade-related rules in an official gazette can be a prerequisite for their entry into force.

- Include an exception for the standard notice requirement in defined circumstances, for example, imminent threats to national security and health.
- Establish provision for consultation between interested parties, both governments and private sector, on proposed new trade-related rules and other procedures affecting import, export and transit administration.
- This may involve the establishment of a formal and regular consultative mechanism with representative private sector organizations including importers, exporters, carriers, and chambers of commerce.⁵⁷
- The notice of proposed trade-related rules may include details of the policy objectives underlying a proposed measure to further facilitate transparency of the rules. These details might outline what the proposed measure is seeking to achieve, perhaps what alternatives have been considered and even an impact assessment.
- Consultation may be conducted with interested persons at local, regional and national levels through mechanisms such as education seminars and invitations for submissions.
- Where relevant, bilateral discussions should be held with individual organizations on specific points of concern or interest.

D. ADVANCE RULINGS

Points to note:

Advance rulings would generally be:

- In the form of a written statement issued by Customs, including reasons for the ruling if so requested by the applicant.
- Issued upon the written request of traders, producers, or their agents.
- Issued within a specific time period following receipt of all the necessary information and documents from the applicant (the time period would reflect the specific circumstances of the individual Member).
- Effective on the date of issuance or such date as may be specified in the ruling, which is not later than the date of importation or exportation of goods.
- Notified in writing using a standard format to achieve consistency and predictability of decision-making.
- Binding on customs authorities (or any other competent authority) for a period of time specified in the ruling, provided that the facts and circumstances on which the ruling is based remain unchanged.
- Applied to importations/exportations without regard to the identity of the importer, exporter or producer, provided that the facts and circumstances are identical in all material aspects.
- Inapplicable if it is determined that the goods differ materially from the goods which were the subject of the ruling or if the person requesting the ruling has failed to act in accordance with the terms and conditions of the ruling.
- Made publicly available, to the extent possible, and subject to confidentiality requirements.

⁵⁷ A further option to be considered is a commitment to review the relevant primary legislation on a regular basis to ensure that it remains up to date and improves efficiency in information transparency. This already occurs in relation to some specific WTO agreements.

- Valid for a specific period of time from the date of the issuance if there is no change in the material facts or circumstances on which it is based; all of its terms and conditions are complied with; and it has not been revoked.

Further points to consider in respect of modification, revocation, postponement and refusal:

- In identified situations, the customs administration may decline to issue the ruling, such as when the goods are already the subject of a review or appeal.
- Customs may decline or postpone the issuance of an advance ruling where the applicant fails to provide the requested information within the time stipulated.
- An advance ruling may be modified or revoked at any time if:
 - The advance ruling is based on an error of fact or law;
 - There is a change in law;
 - There is a change in the material facts or circumstances on which the ruling was based;
 - Inaccurate or false information has been provided.
- Notice in writing of any modification or revocation of an advance ruling and of the effective date of the modification or revocation should be given to the person to whom the advance ruling was given.
- The effective date of any modification or revocation may be postponed for a period of time, where the person to whom the ruling was issued has relied in good faith on that ruling.
- A modification or revocation of an advance ruling would only apply to goods that are the subject of the advance ruling and are imported or exported on or after the effective date of the modification or revocation.

E. APPEAL PROCEDURES

Points to note – right of appeal:

- National Legislation must establish the basis and procedures for the right of appeal against administrative decisions taken by Customs.
- National Legislation should provide for an initial right of review within Customs, with a right of a further appeal to an independent judicial or administrative tribunal.
- The appeal process should include a recourse where there is a failure to make a decision.
- Any person affected by a decision should have the right to written explanation of the reasons for the decision. Written decisions should include an explanation as to how review of the decision can be sought.
- Any person affected by a decision should have the right to appeal the decision.
- Advice on how to lodge appeals should be easily accessible to all persons affected. Appeals should be lodged in writing, and should state the grounds on which they are being made. Appellants should be given sufficient time in which to prepare and lodge appeals.
- There should be quick and equitable procedures for the handling of appeals, including the right of appellants to legal representation through the appeals process.
- There should be clear and quick time frames for the lodgement, hearing and adjudication of appeals.

- Decisions on appeals should be provided in writing to the appellant, including advice on the rights of the appellant to lodge any further appeal.
- Where an appeal is successful, Customs should give effect to the revised decision forthwith.
- Results of appeals should be published quickly and widely through a properly designated medium, while respecting the right to privacy of commercial and private information.
- Customs may establish a complaints process in which traders can provide feedback to Customs on ways to improve procedures.

Points to note – release of goods in the event of an appeal:

- National legislation should establish circumstances in which goods can be released by Customs pending the hearing and decision of an appeal. Such release may be conditional upon the appellant meeting certain requirements in relation to the payment of surety for the goods.
- National legislation should also stipulate grounds under which Customs may decline to release the goods.
- Customs may impose certain conditions relating to the storage or security of the goods once they have been released from Customs control.
- Customs should retain the right at all time to inspect the goods or documents relating to the goods once they have been released from customs control.
- If the appellant is successful, Customs should immediately act to formally release the goods in accordance with the terms of the decision and to return to the appellant such surety as may have been paid.
- If the appellant is not successful, Customs may seek immediate payment of the duty concerned, or take the security as final payment, or require the delivery of the goods in question to Customs control, depending upon the terms of the initial release of the goods.

F. OTHER MEASURES TO ENHANCE IMPARTIALITY AND NON-DISCRIMINATION

Points to note – uniform administration of trade regulations:

- All relevant information of general application pertaining to Customs law should be readily available.
- Consider the establishment of a central function in Government which has the primary responsibility to interpret trade regulations such as those relating to customs classification or customs valuation etc. This function should be within the information department of the Customs administration, and be provided by qualified staff with a detailed understanding of the tariff, valuation and preferential systems.
- Information should be made available through as many media as possible, including the internet, brochures and other publications, and public notices to traders. Case studies provide an excellent illustration of the way in which traders should interpret relevant legislation.
- Provide staff training based on case studies of customs classification, customs valuation and origin. Key staff should be trained to write public materials in ways which reflect the administration's interpretation of the relevant customs legislation.
- Information programmes should run in parallel with systems of advisory rulings and binding rulings. They provide detailed information to the public, which guides the public in its understanding of the Customs law.

- Where changes to the law are required to be made, customs information programmes should be run in advance of the changes to assist the public to understand the new laws upon their entry into force.
- To the extent possible, Customs should use information technology – and particularly the internet – to maximize the scope for the public to access such information.
- Note that guidance on the management of information programmes is provided in Section 2, Chapter 9 of the Revised Kyoto Convention General Annex Guidelines.

Points to note – integrity & ethical conduct among officials:

- Establish a Code of Conduct.
- Incorporate integrity and ethics into the training programme.
- Consider the use of automated systems to reduce/eliminate officer discretion.
- Introduce a system of penalties.
- Accede to and implement the provisions of the Arusha Declaration.⁵⁸

G. FEES AND CHARGES CONNECTED WITH IMPORTATION AND EXPORTATION

Points to note:

- Specify fees and charges payable against identified services in legislation and publish a notification of such fees and charges in advance of implementation.
- Specifically prohibit the collection of unpublished fees and charges by including that prohibition in primary legislation.
- To the extent possible, minimize the manual collection of fees through the use of electronic collection.
- Consolidate and reduce the number and diversity of fees and charges that are imposed.
- Relate the service being provided to the fees being imposed and ensure that the fees levied refer to the approximate cost of those services. The fees or charges cannot, therefore, be calculated on an *ad valorem* basis.
- Calculate the approximate cost of services by breaking the costs down into direct costs (that is, costs directly related to the specific services rendered, including labour, materials, equipment and utilities) and indirect costs (for example, the costs of supporting labour, equipment, and office rent).
- Include periodic review of fees and charges to ensure that they remain commensurate with the cost of provision of the specified services and include that review as part of any consultative mechanism implemented under C.

⁵⁸ Issues of integrity and corruption are of particular significance. The WCO has recognized this through the development of the Arusha declaration (Declaration of the Customs Co-operation Council Concerning Good Governance and Integrity in Customs), and the principles of the Declaration remain the cornerstone of best practice in this area.

H. FORMALITIES CONNECTED WITH IMPORTATION AND EXPORTATION

Points to note – non-discrimination:

- Customs clearance formalities and procedures for imports and exports should not discriminate against goods on the basis of their country of origin.
- Customs clearance formalities and procedures for imports and exports should not discriminate against goods on the basis of their means of transport.
- National legislation should ensure that the principle of non-discrimination is expressly provided for.
- Goods are to be selected for examination on the basis of risk factors identifying them as requiring inspection or some other form of intervention.
- Risk based intervention should be based on best practice international standards.⁵⁹

Points to note – periodic reviews:

- Introduce a structured approach to the review of clearance procedures and formalities. The review should include the following elements:
 - A programme of regular consultation with the private sector to identify improvements in procedure as seen by users of the system;
 - Benchmarking of procedures to enable comparison with other customs administrations;
 - Identification of new automation processes to expedite goods clearance;
 - Identification of obsolete or redundant procedures.
- Review fees and charges regularly to ensure that fees reflect the actual costs of processing. Aim to reduce fees where clearance is being expedited through the use of automated systems and as an encouragement to traders to adopt automated clearance procedures.
- Identify the regulatory objectives of the procedures and formalities and verify that they are still relevant and efficiently serviced by the applicable procedures.

Points to note – reduction/limitation of formalities/procedures & data/documentation requirements:

- The format of the goods declaration should be laid down by Customs, included in national legislation, and conform to international standards, e.g., UN Layout key, UNTDED, and CCC Recommendations in the field of trade document formats, data elements thereof, electronic message standards.
- The data required in the goods declaration should be limited to such particulars as are deemed necessary for the assessment and collection of duties and taxes, the compilation of statistics and the application of Customs (and other related border agency) law.
- Where a declarant does not have all the required information, customs should permit the lodgement of a provisional or incomplete declaration pending the receipt of the full information.
- To the maximum extent possible Customs should require the lodgement of a single declaration. Multiple copies should not be required unless necessary for risk management purposes.

⁵⁹ See Revised Kyoto Convention, Guidelines to General Annex, Chapter 6.

- Customs shall require only those documents necessary to permit control of the operation and to ensure that all requirements relating to the application of the Customs law have been complied with. Where certain supporting documents cannot be lodged with the goods declaration for reasons deemed valid by the Customs, they shall allow production of those documents within a specified period. Where declarations can be lodged electronically, supporting documents should also be able to be lodged electronically.
- Customs should permit the lodging of the goods declaration at any designated customs office and by electronic means.
- The goods declaration shall be lodged during the hours designated by the Customs, but Customs should consider enabling the lodgement of declarations during extended rather than office hours. Electronic lodgement should be available 24/7.
- National legislation should allow for the lodgement of the declaration and supporting documentation before the arrival of the goods.
- Customs may release the goods from customs control before or immediately upon arrival on the basis of risk assessment of the documents relating to the goods (pre-clearance).

Points to note – use of international standards:

- Make a formal Government decision to adopt the international standards set out in the following Conventions/international instruments:
 - Revised Kyoto Convention;
 - WTO Customs Valuation Agreement;
 - Harmonized System Convention;
 - UNEDIFACT and UN Layout Key for trade documents.
- Address the process of treaty accession methodically and carefully, by undertaking the following steps:
 - A situation analysis to determine the extent to which existing legislation and practice is consistent with the international standards;
 - A gap analysis to determine what changes need to be made to legislation and practice to bring them into conformity with the conventions;
 - Passage of legislation to make such legislative changes as are necessary;
 - Revision of operating procedures and guidelines to implement the new legislation in consultation with stakeholders;
 - Appropriate training of staff, and where appropriate industry, modification of systems and revision of document formats to reflect the new procedures;
 - An information programme to inform traders of the new procedures and requirements.

Points to note – uniform customs code:

- National Customs policy, practice and procedure should be codified in legislation, be transparent and accessible, and be subject to regular review by Government and private sector working together.

- National legislation must conform to constitutional requirements, but also give effect to international obligations and standards as adopted through international conventions and instruments.
- Within Customs Unions, there should be uniform legislation to ensure uniformity of application of the law throughout the Union.

Points to note – acceptance of commercial information:

- Customs should maximize the use of commercially available documentation to minimize the need for duplication of documents.
- For cargo declarations, the documentation should not be required to contain more than the information necessary to identify the goods and the means of transport and the information should be limited to what is available in carriers' normal documentation.⁶⁰
- Customs should accept commercial documents as constituting the cargo declaration required to be delivered by carriers.
- Procedures should be established to ensure the confidentiality and security of the commercial information, including though the use of electronic signatures where the information is delivered by electronic means.
- Customs procedures and legislation should recognize that copies of commercial documents rather than originals should be sufficient to satisfy clearance requirements.
- Customs should use post transaction audit and compliance techniques to verify proper use of copies and commercial documents and not delay clearance of goods in order to verify their authenticity.

Points to note – automation:

- Customs agencies should develop automated clearance systems as a matter of priority.
- Systems should be designed to maximize speed of clearance while ensuring the maintenance of customs control and the strengthening of the capacity to risk manage clearance procedures.
- Electronic funds transfer facilities should also be developed to enable the rapid payment of duty and other taxes and charges.
- Develop automated release procedures to deliver a rapid cargo clearance process, reduce congestion in ports and airports, and greatly facilitate the movement of individual consignments.
- Follow the Guidelines in the Revised Kyoto Convention, General Annex, Chapter 7:
 - The Customs shall apply information technology to support Customs operations, where it is cost effective and efficient for the Customs and the trade. The Customs shall specify the conditions for its application;
 - When introducing computer applications, the Customs shall use relevant international standards;
 - The introduction of information technology shall be carried out in consultation with all relevant parties directly affected, to the greatest extent possible;
 - National legislation should provide for:
 - a. Electronic commerce methods as an alternative to paper-based documentary methods;

⁶⁰ See Revised Kyoto Convention, Specific Annex A, Chapter 1.

- b. The right of the Customs to retain information for their own use and, as appropriate, to exchange such information with other Customs administrations and all other legally approved parties by means of electronic commerce.

Points to note – single window/one-time submission:

- National legislation to require government agencies to maximize cooperation and to simplify procedures for the lodgement of documents at the border.
- There should be a single agency (Customs) designated to receive all documents relating to border clearance procedures.
- Coordination to be based on an agreed inter-agency document (MOU or similar) setting out roles and responsibilities of each agency.
- Performance measurement statistics and reporting to be maintained to enable all agencies to monitor implementation and results of the programme.

Points to note – elimination of PSI:

- Amend National Legislation to remove the requirement for PSI.
- Ensure that the Customs administration is able to perform functions currently undertaken under PSI once the goods have arrived in the country.
- If PSI is to be retained for reasons of national interest, ensure that it does not impede trade. This requires the importing country to perform PSI in accordance with the WTO Agreement on Pre-Shipment Inspection.

Points to note – mandatory use of customs brokers:

- Maintain a legislated system of licensing for Customs brokers, based on the demonstrated qualification and competence of the broker. This will involve training by a competent authority.
- Ensure that this licensing system operates in a non-discriminatory way.
- Allow traders to interact with Customs without the mandatory use of brokers.
- Follow the standards set down in the Revised Kyoto Convention, General Annex, Chapter 8, relating to dealing with third parties.

I. CONSULARIZATION

Points to note:

- National legislation should be amended where necessary to remove the requirement for documentation to be consularized, or for Customs to be able to act only upon the production of "consularized" documents. Customs should be able to clear goods where such documents have not been obtained except in certain circumstances where consularization is seen as essential. (e.g., where international legal obligations require proof of this nature).
- National legislation should also be amended to remove the powers of consular officers to charge fees for the provision of such services.
- Consular invoices should be abolished.
- Customs administrations should work with other border agencies and permit issuing agencies to identify other less onerous proof of dealing with goods where that is required for risk management purposes.

J. BORDER AGENCY COORDINATION

Points to note – one stop shop:

- National legislation to require government agencies to maximize cooperation and to simplify procedures for the clearance of goods at the border.
- Clearance of cargoes using risk management. All Government agencies should use the same systematic risk management approach to determine those cargoes which require examination. This risk management programme should be based on international best practice (Revised Kyoto Convention, General Annex, Ch 6).
- There should be a single coordinated inspection process for those cargoes identified as high risk. A single agency (Customs) should be designated to coordinate all inspections to ensure there is no duplication.
- Standard operating procedures to be developed for all agencies concerned and to be endorsed by all agencies concerned. All agencies to be consulted in the development and implementation of these procedures.
- Coordination to be based on an agreed inter-agency document (MOU or similar) setting out roles and responsibilities of each agency.
- Performance measurement statistics and reporting to be maintained to enable all agencies to monitor implementation and results of the programme.

Points to note – shared border facilities:

- Where customs offices are located at a common border crossing, the Customs administrations concerned shall correlate the business hours and the competence of those offices.
- At common border crossings, the Customs administrations concerned shall, whenever possible, operate joint controls.
- To the maximum extent possible, data requirements for the two customs administrations should be simplified and harmonized to enable goods to be cleared across both borders on a single set of data.
- As much as possible, clearance formalities should be carried out jointly so that a one stop process is established covering both export and import or transit procedures.
- If a single clearance is not possible, there should be maximum exchange of data between customs offices to enable rapid clearance of goods moving between the two offices.
- Where the Customs intend to establish a new Customs office or to convert an existing one at a common border crossing they shall, wherever possible, cooperate with the neighbouring Customs to establish a juxtaposed Customs office to facilitate joint controls.

K. RELEASE AND CLEARANCE OF GOODS

Points to note – pre-arrival clearance:

- This facility allows traders to submit clearance data to Customs for advance processing and release of goods immediately upon arrival to the country or even prior to arrival subject to all necessary details in relation to the goods having been communicated and screened by Customs in advance.
- Pre-arrival clearance forms part of a risk management approach to customs control and should be utilized in conjunction with efficient clearance processes and post-clearance audit. Advance clearance on the

basis of early document submission containing specified data allows traders to take delivery of their goods on arrival and achieve time and money savings.

- Whilst electronic "screening" of the cargo data is the most efficient method to use, it is quite possible to apply documentary checks prior to the arrival of goods despite the fact that manual methods of processing are employed. For example, Sri Lanka was successful in introducing pre-arrival screening and clearance for air express consignments prior to the availability of its automated systems. This consisted of a combination of manual documentary assessment, selective examination, and the establishment of x-ray facilities to address the potential risk of misdescription. Consolidated manifests were manually submitted to customs prior to aircraft arrival, together with advance copies of air waybills and invoices. These were manually screened by customs to identify potentially high-risk shipments (based on intelligence, emerging trends, the previous compliance record of consignees and consignors, and so on). Any consignments that were considered to be high risk were identified for further examination upon arrival, together with certain dutiable and restricted goods that were held pending formal clearance. All other consignments (that is, low-risk shipments) were available for delivery on arrival.⁶¹
- Additional guidance can be obtained from the recommended standards contained within the WCO Revised Kyoto Convention.

Points to note – expedited procedures for express shipments:

- Introduce expedited clearance procedures for express consignments based on the WCO "Guidelines for the Immediate Release of Consignments by Customs" (2000). A key element of the Guidelines is the recognition of the time-sensitive nature of air express consignments and the principle that "Customs will generally grant immediate release/clearance to all consignments, provided that the conditions laid down by Customs are met and that the necessary information is communicated before the consignments arrive. The advance communication of that information is facilitated, in particular, through exchange of data electronically."
- The Guidelines divide consignments into four categories for the purpose of expediting Customs clearance/release:
 - Category 1 – Correspondence and documents;
 - Category 2 – Low value consignments for which no duties and taxes are collected;
 - Category 3 – Low value dutiable consignments;
 - Category 4 – High value consignments.
- Category 1 comprises correspondence and documents having no commercial value and which are not subject to duties and taxes. Correspondence is limited to written messages from one person to another, post cards and letters containing personal messages. Documents are limited to printed matter in non-commercial quantities. Correspondence or documents that are recorded on carrier media will not be included in this category. Any items that are prohibited or restricted are not included. The Guidelines indicate that consignments falling into this category can be released on the basis of the transport document or other simplified declaration.
- Category 2 comprises material for mass distribution in commercial quantities, certain types of literature for the blind, printed papers; low value consignments where duties and taxes are remitted or waived as the amount of duties and taxes applicable would be negligible, e.g., unsolicited gifts below a defined value, trade samples; and low value goods which are not dutiable and/or not taxable in their own right. Any

⁶¹ See Widdowson, David (2004) "Managing Risk in the Customs Context" pp. 91-99 in: Luc De Wolf & Jose B Sokol (eds) Customs Modernization Handbook. World Bank, Washington DC.

items which are prohibited or restricted are excluded. The Guidelines indicate that consignments falling into this category can be released against a simplified declaration that is submitted to Customs in advance of the goods arrival. The value limit should be specified in legislation in terms of that country's currency.

- Category 3 comprises consignments which are above the value and/or duty/tax limits of category 2 consignments or do not qualify for duty and tax remission or waiver. Any items which are prohibited or restricted are excluded. The Guidelines indicate that consignments falling into this category can be released against a simplified or even periodic declaration. Duties and taxes payable may be secured or deferred against a guarantee entered into by the importer with a financial institution.
- Category 4 comprises consignments not falling under the other three categories described above and includes consignments containing goods that are subject to restrictions. Normal release and clearance procedures, including payment of duties and taxes apply. Such goods may obtain facilitated clearance subject to certain conditions being met, including the advance submission of specified information and the existence of a duty/tax guarantee.

Points to note – risk management/analysis, authorized traders:

- Risk management in the present context is the systematic application of management procedures and practices that enable Customs to mitigate risks presented by particular activities or consignments.
- Customs border activity is characterized by a high volume of transactions and finite resources which means it is impossible to check all transactions. The effective application of risk management techniques enables the facilitation of trade while maintaining appropriate regulatory controls. As such, low-risk shipments are able to be processed quickly, and resources may be deployed to higher risk areas. This improves productivity and efficiency and reduces costs for traders by, for example, replacing certain documentary controls at the border with post-clearance audits.
- Risk management in the Customs context is informed by good intelligence that leads to the identification of potentially high risk activity and consignments.
- Chapter 6 of General Annex to the Revised Kyoto Convention and its associated Guidelines can be utilized as guidance by administrations developing and implementing a risk management regime.
- "Authorized trader" programmes are based on the principles of risk management, and are designed to identify and acknowledge sustained high levels of compliance by members of the international trading community. The concept of "authorized traders" relates to businesses and others involved in the supply chain that are known and trusted by Customs authorities because of their good compliance record of accurate declarations and timely payments. This group of traders can be exempted from the standard system of controls and be provided with a higher level of facilitation through more streamlined procedures and minimum Customs intervention. Their status as authorized traders is monitored through periodic post-compliance audit that focuses on the integrity of their compliance management systems and procedures, and through occasional checks. The implementation of such programmes also provides a mechanism for directing Customs resources towards those traders who are assessed to represent a higher level of risk.⁶²

⁶² See also WCO SAFE Framework of Standards, Authorized Economic Operator Guidelines.

Points to note – post-clearance audit:

- Post-clearance audit is associated with efficient clearance processes and pre-arrival clearance as outlined previously. Post-clearance audit is a form of customs control that is exercised subsequent to the release of cargo from Customs. Such an audit can take into account individual transactions or transactions that have occurred over a particular period and can take place at Customs premises or that of the trader. This reduces the cost to traders and allows for the efficient movement of cargo. As part of an overall risk management regime, post-clearance audit allows Customs to release the vast majority of shipments without examination and retain only those consignments matching particular risk profiles.
- Post-clearance audit may be conducted physically at the trader's premises or as a "desk-top" (electronic) audit, and will focus on the supporting documents for particular transactions and related material. Post-clearance audit requires appropriately skilled staff and legislation that clearly states the powers that can be exercised by those staff. The focus of such audits should be a comprehensive "company-based" strategy rather than transaction-based strategy, where appropriate, and may utilize sampling techniques to obtain a broader picture of individual trader (and industry) activity.
- By creating a "compliance database" based on the findings of such audits, and comparing data within that holding, inconsistencies can be identified which may indicate areas of potential risk. This in turn may lead to a more coordinated and targeted approach to intervention.

Points to note – separating release from clearance:

- This practice allows goods to be released by Customs prior to payment of duties and taxes in cases where the final tariff classification of the goods, assessment of their value and perhaps other transactions are still pending.
- The implementation of separate release procedures is complementary to risk management and financial security arrangements and can be institutionalized by creating post-entry, account-based, payment options for traders with proven payment histories that are willing to enter into a financial guarantee arrangement. Such payment options may be electronic, but this is not essential.
- In order to protect the revenue, an important precondition for separating release from clearance is the establishment of financial arrangements and associated administrative procedures to underwrite the release process such as a bank guarantee or surety bond (customs security). Details of how such arrangements may be implemented can be found in Chapter 5 of the General Annex to the Revised Kyoto Convention, and the associated Guidelines.

Points to note – other measures to simplify customs release and clearance:

- Simplify and rationalize documents to facilitate greater control of trade by government and ease business compliance such as permitting a single, commercially oriented document to serve for both import and export purposes based on UN Layout Key Standards.
- Reduce the number of required, nation-specific documents as well as requirements for document signatures and other complex stamp procedures that don't add value to the transaction.
- Provide clear penalties for negligent mistakes on customs documentation coupled with a process to mitigate those penalties subject to clearly stated criteria.
- Conduct inspections and clearance audits at off-site premises, or even trader's premises to avoid port congestion, particularly for authorized traders rather than insisting on movement of goods to a customs-operated warehouse unless the goods are subject to detention or seizure action.
- Establish hours of operation for entry points according to commercial needs and operational requirements that may include overtime.

- Assign a single agency such as Customs as the coordinating agency for border control and processing and undertake joint border processing.
- Utilize the WCO Data Model as a framework of standard and harmonized sets of data and standard electronic messages to be submitted by trade for Customs and other regulatory purposes to accomplish formalities for the arrival, departure, transit and clearance of goods in international trade.

Points to note – establish and publish average release and clearance times:

- Utilise the WCO Time Release Study to establish benchmark processing times for goods release and clearance and publish same.
- Measure border processing performance from a user perspective across relevant border agencies and report that performance on a monthly basis to a management committee and/or online.

L. TARIFF CLASSIFICATION

Points to note:

- Adopt the WCO's Convention on the Harmonized Commodity Description and Coding System (HS Convention) as the objective criteria for tariff classification of goods.

M. MATTERS RELATING TO GOODS TRANSIT

Points to note – strengthened non-discrimination:

- Don't apply trade laws that limit the free transit of goods and means of transport for non-commercial reasons.
- Non-discriminatory, most-favoured-nation treatment to be applied with respect to all charges, regulations and formalities imposed in connection with transit.

Points to note – disciplines on fees and charges:

- Publish details of transit requirements, fees and charges to improve transparency. This should occur on the same basis as set out under A. "Publication and Availability of Information."
- Conduct periodic reviews of the appropriateness of the amount and number of fees, charges and formalities imposed.
- The charges for transportation and administrative expenses should be reasonable, that is, no more than is necessary to recover the costs of the service being provided by Customs. Direct transportation costs and legitimate fees are often artificially inflated by the inclusion of such things as excessive deposits, mandatory requirements for convoys, and gratuities to customs staff and/or border police.
- Transit procedures should permit the movement of goods from the point of entry, into the customs territory of the transit country, and finally to the country of destination, without the payment of import duties, taxes, and other charges due on importation, and without being subject to other import regulations, such as health and safety inspections, applicable in the transit country.

Points to note – formalities and documentation requirements:

- Customs transit should be built around three principles: secure cargo, a guarantee mechanism and centralized flow of information.
- Simplify and standardize documentation, data requirements and procedures applicable to goods and means of transport in transit including pre-arrival processing of transit documents, use of commercially

available information and data, risk management, and authorized trader programmes. Guidance for that simplification and standardization can be obtained from Standard 6 and Recommended Practice 7 of Specific Annex E, Revised Kyoto Convention and Standard 5, Recommended Practice 6 of Specific Annex E, Revised Kyoto Convention.⁶³

- Identification of transit goods should be assured through use of customs seals, and ideally electronic seals. Sealing of the shipment should occur at the point where the transit operation is initiated. The seal should be a physically secure mechanism so that goods that are loaded at the beginning of the transit operation leave the transit country in the same quantity, form, and status as when they were loaded. Customs should seal the truck or other conveyance to ensure that goods cannot be removed from or added to the conveyance without breaking the seal or leaving visible marks on the vehicle. Best practice is the use of an electronic seal that includes a microchip that is activated when broken. When activated, these chips transmit a signal, picked up by a satellite network, and send information to the organization or principal of the goods, including information on the location of the goods. Annex E, Standard 3 of the Revised Kyoto Convention provides some guidance in terms of customs seals and fastening.
- Customs should be given a guarantee to cover the payments of import duties, taxes, and other charges due on importation in the transit country, to cover the situation where goods do not leave the country when using the transit procedure. A strong financial system is important for the efficient and effective conduct of a transit guarantee regime. Best practice is the TIR Convention applicable throughout Europe with its network of national guaranteeing associations.⁶⁴
- To control the start and completion of a transit procedure, a monitoring system for the flow of information should be implemented. The system can be based on paper documentation that is held by the driver of the vehicle as it moves between the customs post at the exit of the country where goods are loaded through the transit country to the customs post of the country of final destination. Transmission of these documents can also occur electronically. When the relevant copies of the documents match, the transit operation is completed and the guarantee released. If the documents don't match, the transit procedure isn't completed and the guarantee is called into operation together with any applicable penalties.

Points to note – coordination and cooperation:

- Establish formal mechanisms for improving cooperation and coordination between relevant agencies within and among the transit countries. For example, the feasibility of joint border processing should be explored to reduce the impact of duplication of regulation.
- Transit agreements, such as "corridor agreements", can promote cooperation between and among transit and land-locked countries and therefore reduce costs to traders. These agreements can occur at a bilateral, sub-regional or regional level and may provide for mutual recognition of formalities carried out by the competent authorities of the other country, including inspections and documents certifying compliance with the requirements of the import country or equivalent requirements of the export country. They can also deal with issues beyond the simple transit process including infrastructure, visas, permits and insurance. Bilateral agreements tend to be more limited in scope than regional agreements, dealing with such issues as preferred routes and freight-sharing.

⁶³ Chapter 1 of Specific Annex E to the Revised Kyoto Convention recommends that, in order to minimize data requirements for the purposes of the goods declaration for transit, the commercial document should be accepted as the descriptive part of the declaration.

⁶⁴ The TIR Convention provides that goods carried under the TIR procedure in approved and sealed road vehicles, combination of vehicles or containers, are not subject to Customs examination, unless irregularities are suspected. It dispenses with the need to operate national guarantees and national systems of documentation while utilizing a single transit document, the "TIR Carnet".

- Government-private sector cooperation and regular exchanges of information, e.g., through a mechanism such as a National Trade and Transport Facilitation Committee, can improve the efficiency and effectiveness of transit processing and the operation of the guarantee system. Such mechanisms can also be a means of monitoring the performance of transit processes and can help to identify weaknesses in border crossing procedures.

REVISED KYOTO CONVENTION⁶⁵ - RELEVANT PROVISIONS

Main Areas Covered	Main GATT Article(s) Concerned	Key Kyoto Provisions Concerned	Details of Kyoto Provisions
A. PUBLICATION AND AVAILABILITY OF INFORMATION	Article X with some proposals also relating to Article VIII	Standard 1.2	The conditions to be fulfilled and Customs formalities to be accomplished for procedures and practices in this Annex and in the Specific Annexes shall be specified in national legislation and shall be as simple as possible.
		Standard 9.1	The Customs shall ensure that all relevant information of general application pertaining to Customs law is readily available to any interested person.
		Transitional Standard 9.3	The Customs shall use information technology to enhance the provision of information.
		Standard 9.4	At the request of the interested person, the Customs shall provide, as quickly and as accurately as possible, information relating to the specific matters raised by the interested person and pertaining to Customs law.
		Standard 9.5	The Customs shall supply not only the information specifically requested but also any other pertinent information which they consider the interested person should be made aware of
		Standard 9.6	When the Customs supply information, they shall ensure that they do not divulge details of a private or confidential nature affecting the Customs or third parties unless such disclosure is required or authorized by national legislation
		Standard 9.7	When the Customs cannot supply information free of charge, any charge shall be limited to the approximate cost of the services rendered

⁶⁵ World Customs Organization's International Convention on the Simplification and Harmonization of Customs Procedures (as amended).

B. TIME PERIOD BETWEEN PUBLICATION AND IMPLEMENTATION	Article X with some proposals also relating to Article VIII	Standard 9.2	When information that has been made available must be amended due to changes in Customs law, administrative arrangements or requirements, the Customs shall make the revised information readily available sufficiently in advance of the entry into force of the changes to enable interested persons to take account of them, unless advance notice is precluded.
C. CONSULTATION AND COMMENTING ON NEW AND AMENDED RULES	Article X	Standard 1.3	The Customs shall institute and maintain formal consultative relationships with the trade to increase co-operation and facilitate participation in establishing the most effective methods of working commensurate with national provisions and international agreements.
		Standard 6.8	The Customs shall seek to co-operate with the trade and seek to conclude Memoranda of Understanding to enhance Customs control
		Standard 9.2	When information that has been made available must be amended due to changes in Customs law, administrative arrangements or requirements, the Customs shall make the revised information readily available sufficiently in advance of the entry into force of the changes to enable interested persons to take account of them, unless advance notice is precluded.
D. ADVANCE RULINGS	Article X	Standard 9.9	The Customs shall issue binding rulings at the request of the interested person, provided that the Customs have all the information they deem necessary
E. APPEAL PROCEDURES Right of Appeal Release of Goods in Event of Appeal	Article X with some proposals also relating to Article VIII	Standard 9.8	At the written request of the person concerned, the Customs shall notify their decision in writing within a period specified in national legislation. Where the decision is adverse to the person concerned, the reasons shall be given and the right of appeal advised
		Standard 10.1	National legislation shall provide for a right of appeal in Customs matters
		Standard 10.2	Any person who is directly affected by a decision or omission of the Customs shall have a right of appeal
		Standard 10.3	The person directly affected by a decision or omission of the Customs shall be given, after having made a request to the Customs, the reasons for such decision or omission within a period specified in national legislation. This may or may not result in an appeal

		Standard 10.4	National legislation shall provide for the right of an initial appeal to the Customs
		Standard 10.5	Where an appeal to the Customs is dismissed, the appellant shall have the right of a further appeal to an authority independent of the Customs administration
		Standard 10.6	In the final instance, the appellant shall have the right of appeal to a judicial authority
		Standard 10.7	An appeal shall be lodged in writing and shall state the grounds on which it is being made
		Standard 10.8	A time limit shall be fixed for the lodgement of an appeal against a decision of the Customs and it shall be such as to allow the appellant sufficient time to study the contested decision and to prepare an appeal
		Standard 10.9	Where an appeal is to the Customs they shall not, as a matter of course, require that any supporting evidence be lodged together with the appeal but shall, in appropriate circumstances, allow a reasonable time for the lodgement of such evidence
		Standard 10.10	The Customs shall give its ruling upon an appeal and written notice thereof to the appellant as soon as possible
		Standard 10.11	Where an appeal to the Customs is dismissed, the Customs shall set out the reasons therefor in writing and shall advise the appellant of his right to lodge any further appeal with an administrative or independent authority and of any time limit for the lodgement of such appeal
		Standard 10.12	Where an appeal is allowed, the Customs shall put their decision or the ruling of the independent or judicial authority into effect as soon as possible, except in cases where the Customs appeal against the ruling

<p>F. OTHER MEASURES TO ENHANCE IMPARTIALITY AND NON-DISCRIMINATION</p> <p>Uniform Administration of Trade Regulations</p> <p>Maintenance & Reinforcement of Integrity & Ethical Conduct Among Officials</p>	<p>Article X</p>	<p>Standard 9.1</p>	<p>The Customs shall ensure that all relevant information of general application pertaining to Customs law is readily available to any interested person.</p>
		<p>Transitional Standard 9.3</p>	<p>The Customs shall use information technology to enhance the provision of information.</p>
		<p>Standard 4.3</p>	<p>The factors on which the assessment of duties and taxes is based and the conditions under which they are determined shall be specified in national legislation</p>
<p>G. FEES & CHARGES CONNECTED WITH IMPORTATION & EXPORTATION</p>	<p>Article VIII with some proposals also relating to Article X</p>	<p>Standard 3.2</p>	<p>At the request of the person concerned and for reasons deemed valid by the Customs, the latter shall, subject to the availability of resources, perform the functions laid down for the purposes of a Customs procedure and practice outside the designated hours of business or away from Customs offices. Any expenses chargeable by the Customs shall be limited to the approximate cost of the services rendered</p>
		<p>Specific Annex A; Ch1, 19 (Standard)</p>	<p>Any expenses chargeable by the Customs in connection with:</p> <ul style="list-style-type: none"> - accomplishment of Customs formalities prior to the lodgement of the Goods declaration outside the designated hours of business of the Customs; - unloading goods at a place other than the one approved for unloading; or - unloading goods outside the designated hours of business of the Customs, shall be limited to the approximate cost of the services rendered.
		<p>Standard 9.7</p>	<p>When the Customs cannot supply information free of charge, any charge shall be limited to the approximate cost of the services rendered</p>
<p>H FORMALITIES CONNECTED WITH IMPORTATION AND EXPORTATION</p> <p>Disciplines on Formalities/Procedures and</p>	<p>Article VIII with some proposals also relating to Article X</p>	<p>Standard 1.2</p>	<p>The conditions to be fulfilled and Customs formalities to be accomplished for procedures and practices in this Annex and in the Specific Annexes shall be specified in national legislation and shall be as simple as possible.</p>
		<p>Standard 1.3</p>	<p>The Customs shall institute and maintain formal consultative relationships with the trade to increase co-operation and facilitate participation in establishing the most effective methods of working commensurate with national provisions and international agreements.</p>

<p>Data/Documentation Requirements Connected with Importation and Exportation</p> <p>(a) Non-discrimination</p> <p>(b) Periodic Review of Formalities/Procedures and Requirements</p> <p>(c) Reduction/Limitation of Formalities/Procedures & Data/Documentation Requirements</p> <p>(d) Use of International Standards</p> <p>(e) Uniform Customs Code</p> <p>(f) Acceptance of Commercially Available Information and of Copies</p> <p>(g) Automation</p> <p>(h) Single Window/One-Time Submission</p> <p>(i) Elimination of Pre-Shipment Inspection</p>	Standard 3.6	National legislation shall specify the conditions under which a person is entitled to act as declarant
	Standard 3.11	The contents of the Goods declaration shall be prescribed by the Customs. The paper format of the Goods declaration shall conform to the UN-layout key. For automated Customs clearance processes, the format of the electronically lodged Goods declaration shall be based on international standards for electronic information exchange as prescribed in the Customs Co-operation Council Recommendations on information technology
	Standard 3.12	The Customs shall limit the data required in the Goods declaration to only such particulars as are deemed necessary for the assessment and collection of duties and taxes, the compilation of statistics and the application of Customs law.
	Standard 3.15	The Customs shall require the lodgement of the original Goods declaration and only the minimum number of copies necessary.
	Standard 3.16	In support of the Goods declaration the Customs shall require only those documents necessary to permit control of the operation and to ensure that all requirements relating to the application of Customs law have been complied with.
	Transitional Standard 3.18	The Customs shall permit the lodgement of supporting documents by electronic means.
	Standard 3.20	The Customs shall permit the lodging of the Goods declaration at any designated Customs office
	Transitional Standard 3.21	The Customs shall permit the lodging of the Goods declaration by electronic means
	Standard 3.25	National legislation shall make provision for the lodging and registering or checking of the Goods declaration and supporting documents prior to the arrival of the goods.

(j) Phasing Out Mandatory Use of Customs Brokers	Transitional Standard 3.35	If the goods must be inspected by other competent authorities and the Customs also schedules an examination, the Customs shall ensure that the inspections are coordinated and, if possible, carried out at the same time.
	Standard 6.3	In the application of Customs control, the Customs shall use risk management
	Standard 6.4	The Customs shall use risk analysis to determine which persons and which goods, including means of transport, should be examined and the extent of the examination
	Standard 6.5	The Customs shall adopt a compliance measurement strategy to support risk management
	Standard 6.6	Customs control systems shall include audit-based controls.
	Transitional Standard 6.9	The Customs shall use information technology and electronic commerce to the greatest possible extent to enhance Customs control.
	Standard 6.10	The Customs shall evaluate traders' commercial systems where those systems have an impact on Customs operations to ensure compliance with Customs requirements.
	Standard 7.1	The Customs shall apply information technology to support Customs operations, where it is cost-effective and efficient for the Customs and for the trade. The Customs shall specify the conditions for its application.
	Standard 7.2	When introducing computer applications, the Customs shall use relevant internationally accepted standards
	Standard 7.3	The introduction of information technology shall be carried out in consultation with all relevant parties directly affected, to the greatest extent possible.
	Standard 7.4	New or revised national legislation shall provide for: <ul style="list-style-type: none"> ▪ electronic commerce methods as an alternative to paper-based documentary requirements; ▪ electronic as well as paper-based authentication methods; ▪ the right of the Customs to retain information for their own use and, as appropriate, to exchange such information with other Customs

			administrations and all other legally approved parties by means of electronic commerce techniques.
		Standard 8.1	Persons concerned shall have the choice of transacting business with the Customs either directly or by designating a third party to act on their behalf
		Standard 8.2	National legislation shall set out the conditions under which a person may act for and on behalf of another person in dealing with the Customs and shall lay down the liability of third parties to the Customs for duties and taxes and for any irregularities
		Standard 8.3	The Customs transactions where the person concerned elects to do business on his own account shall not be treated less favourably or be subject to more stringent requirements than those Customs transactions which are handled for the person concerned by a third party
		Standard 8.4	A person designated as a third party shall have the same rights as the person who designated him in those matters related to transacting business with the Customs
		Standard 8.5	The Customs shall provide for third parties to participate in their formal consultations with the trade
		Standard 8.6	The Customs shall specify the circumstances under which they are not prepared to transact business with a third party
		Standard 8.7	The Customs shall give written notification to the third party of a decision not to transact business
		Specific Annex A, Ch1, 8 (Standard)	Where the Customs require documentation in respect of the production of the goods to the Customs, this shall not be required to contain more than the information necessary to identify the goods and the means of transport
		Specific Annex A, Ch1, 9 (Recommended Practice)	The Customs should limit their information requirements to that available in carriers' normal documentation and should base their requirements on those set out in the relevant international transport agreements
		Specific Annex A,	The Customs should normally accept the cargo declaration as the only required documentation for the production of the goods

		Ch1, 10 (Recommended Practice)	
		Specific Annex A, Ch1, 2 (Recommended Practice)	Customs formalities prior to the lodgement of the Goods declaration should apply equally, without regard to the country of origin of the goods or the country from which they arrived
I. CONSULARIZATION	Article VIII		
J. BORDER AGENCY COORDINATION "One stop Shop" Shared Border Facilities	Article VIII	Standard 3.3	Where Customs offices are located at a common border crossing, the Customs administrations concerned shall correlate the business hours and the competence of those offices
		Standard 3.4	At common border crossings, the Customs administrations concerned shall, whenever possible, operate joint controls
		Standard 3.5	Where the Customs intend to establish a new Customs office or to convert an existing one at a common border crossing, they shall, wherever possible, co-operate with the neighbouring Customs to establish a juxtaposed Customs office to facilitate joint controls
K. RELEASE AND CLEARANCE OF GOODS	Article VIII with some proposals also relating to Article X	Standard 3.25	National legislation shall make provision for the lodging and registering or checking of the Goods declaration and supporting documents prior to the arrival of the goods.
		Standard 3.32	For authorized persons who meet criteria specified by the Customs, including having an appropriate record of compliance with Customs requirements and a satisfactory system for managing their commercial records, the Customs shall provide for: -release of the goods on the provision of the minimum information necessary to identify the goods and permit the subsequent completion of the final Goods declaration; -clearance of the goods at the declarant's premises or another place authorized by the Customs; and, in addition, to the extent possible, other special procedures such as: - allowing a single Goods declaration for all imports or exports in a given period where goods are imported or exported frequently by the same person; - use of the authorized persons' commercial records to self-assess their duty and tax liability and, where appropriate, to ensure compliance with other Customs requirements;

			- allowing the lodgement of the Goods declaration by means of an entry in the records of the authorized person to be supported subsequently by a supplementary Goods declaration.
		Standard 3.40	Goods declared shall be released as soon as the Customs have examined them or decided not to examine them, provided that : -no offence has been found; -the import or export licence or any other documents required have been acquired; -all permits relating to the procedure concerned have been acquired; and -any duties and taxes have been paid or that appropriate action has been taken to ensure their collection.
		Standard 6.2	Customs control shall be limited to that necessary to ensure compliance with the Customs law.
		Standard 6.3	In the application of Customs control, the Customs shall use risk management
		Standard 6.4	The Customs shall use risk analysis to determine which persons and which goods, including means of transport, should be examined and the extent of the examination
		Standard 6.5	The Customs shall adopt a compliance measurement strategy to support risk management
		Standard 6.6	Customs control systems shall include audit-based controls.
L. TARIFF CLASSIFICATION	Article VIII with some proposals also relating to Article X		
M. MATTERS RELATING TO GOODS TRANSIT	Article V	Specific Annex E; 5 (Recommended Practice)	The Customs should approve persons as authorized consignors and authorized consignees when they are satisfied that the prescribed conditions laid down by the Customs are met
		Specific Annex E; 6 (Standard)	Any commercial or transport document setting out clearly the necessary particulars shall be accepted as the descriptive part of the Goods declaration for Customs transit and this acceptance shall be noted on the document
		Specific Annex E; 7	The Customs should accept as the Goods declaration for Customs transit any commercial or transport document for the consignment concerned which meets all the

		(Recommended Practice)	Customs requirements. This acceptance should be noted on the document
		Specific Annex E; 16 (Standard)	Customs seals and fastenings used in the application of Customs transit shall fulfil the minimum requirements laid down in the Appendix to this Chapter
		Specific Annex E; 17 (Recommended Practice)	<p>Customs seals and identification marks affixed by foreign Customs should be accepted for the purposes of the Customs transit operation unless :</p> <ul style="list-style-type: none"> -they are considered not to be sufficient; -they are not secure; or -the Customs proceed to an examination of the goods. <p>When foreign Customs seals and fastenings have been accepted in a Customs territory, they should be afforded the same legal protection in that territory as national seals and fastenings</p>
		Specific Annex E; 18 (Recommended Practice)	Where the Customs offices concerned check the Customs seals and fastenings or examine the goods, they should record the results on the transit document
		Specific Annex E; 3 (Standard)	Goods being carried under Customs transit shall not be subject to the payment of duties and taxes, provided the conditions laid down by the Customs are complied with and that any security required has been furnished
		Specific Annex E; 2 (Standard)	<p>The Customs shall allow goods to be transported under Customs transit in their territory :</p> <ul style="list-style-type: none"> - from an office of entry to an office of exit; - from an office of entry to an inland Customs office; - from an inland Customs office to an office of exit; and - from one inland Customs office to another inland Customs office

GATT ARTICLES XX AND XXI

Article XX

General Exceptions

Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail, or a disguised restriction on international trade, nothing in this Agreement shall be construed to prevent the adoption or enforcement by any contracting party of measures:

- (a) necessary to protect public morals;
- (b) necessary to protect human, animal or plant life or health;
- (c) relating to the importations or exportations of gold or silver;
- (d) necessary to secure compliance with laws or regulations which are not inconsistent with the provisions of this Agreement, including those relating to customs enforcement, the enforcement of monopolies operated under paragraph 4 of Article II and Article XVII, the protection of patents, trade marks and copyrights, and the prevention of deceptive practices;
- (e) relating to the products of prison labour;
- (f) imposed for the protection of national treasures of artistic, historic or archaeological value;
- (g) relating to the conservation of exhaustible natural resources if such measures are made effective in conjunction with restrictions on domestic production or consumption;
- (h) undertaken in pursuance of obligations under any intergovernmental commodity agreement which conforms to criteria submitted to the CONTRACTING PARTIES and not disapproved by them or which is itself so submitted and not so disapproved;*
- (i) involving restrictions on exports of domestic materials necessary to ensure essential quantities of such materials to a domestic processing industry during periods when the domestic price of such materials is held below the world price as part of a governmental stabilization plan; *Provided* that such restrictions shall not operate to increase the exports of or the protection afforded to such domestic industry, and shall not depart from the provisions of this Agreement relating to non-discrimination;
- (j) essential to the acquisition or distribution of products in general or local short supply; *Provided* that any such measures shall be consistent with the principle that all contracting parties are entitled to an equitable share of the international supply of such products, and that any such measures, which are inconsistent with the other provisions of the Agreement shall be discontinued as soon as the conditions giving rise to them have ceased to exist. The CONTRACTING PARTIES shall review the need for this sub-paragraph not later than 30 June 1960.

Article XXI

Security Exceptions

Nothing in this Agreement shall be construed

- (a) to require any contracting party to furnish any information the disclosure of which it considers contrary to its essential security interests; or
- (b) to prevent any contracting party from taking any action which it considers necessary for the protection of its essential security interests
 - (i) relating to fissionable materials or the materials from which they are derived;
 - (ii) relating to the traffic in arms, ammunition and implements of war and to such traffic in other goods and materials as is carried on directly or indirectly for the purpose of supplying a military establishment;
 - (iii) taken in time of war or other emergency in international relations; or
- (c) to prevent any contracting party from taking any action in pursuance of its obligations under the United Nations Charter for the maintenance of international peace and security.

WCO INFORMATION SHEETS

WCO Information Sheets on Key Trade Facilitation Measures

A number of trade facilitation measures have been proposed by WTO Members during the WTO Trade Facilitation negotiations. While Customs are familiar with almost all of these trade facilitation measures, it might be slightly difficult to explain these measures to national stakeholders without providing written material.

Accordingly, the WCO has prepared information sheets to help administrations to explain the WCO concept and terms of some of the key trade facilitation measures. As a matter of fact the WCO has worked on for some considerable time on these concepts, in particular, during work related to the revision of the Kyoto Convention.

The information sheets should not be regarded as additional proposals to the WTO negotiations or alternatives to the WTO Members' proposals. They were prepared to assist trade negotiators better understand certain key topics. The WCO is ready to respond to inquiries on these concepts and terms. Questions on the WTO Members' proposals should be made to the proponents of the proposals.

The WCO papers are on the following topics:

- Advance Rulings
- Appeals in Customs matters
- Single Window
- Risk Management/Post Clearance Control
- Simplified procedures/Authorized persons

Binding Rulings/Advance Rulings

With the aim of providing advance and predictable information to companies in order to facilitate compliance with Customs requirements, a number of Customs administrations have established a binding ruling programme, in accordance with the provisions of Standard 9.9 of the revised Kyoto Convention.

The expression "binding ruling" (or "advance ruling") generally designates the option for Customs to issue a decision, at the request of an economic operator planning a foreign trade operation, relating to the regulations in force. The main benefit for the holder is the legal guarantee that the decision will be applied.

Although tariff classification is at the present time the most common area for binding rulings, origin and valuation rulings are also common. With regard to tariff classification, for example, this system helps operators obtain the correct tariff classification for the goods they plan to import or export. This is clearly an important factor, given that the tariff heading of the goods determines the rate of the Customs duties as well as the application of the different legal provisions (import/export licences, rules of origin, anti-dumping duties, security standards, etc.).

The use of such a ruling will also help importers and exporters reduce the Customs clearance formalities for their goods and will consequently expedite the goods' release.

The basic elements of this procedure can be summarized as follows :

- The request must supply the administration with all the information required (detailed description of the goods, possible inclusion of samples, plans, various documents, etc.). Should the request contain inaccurate or incomplete information, the ruling based on such information could be revoked;
- The reply must be issued in writing within a specified period;
- The ruling is binding on the administration following its issue and is valid for a specified period. However, in some cases (issuing of a new regulation, amendment of the interpretation of the nomenclature at international level, etc.), this decision ceases to be valid;
- Only the holder of the binding ruling can call upon its application, provided that he/she demonstrates that the commodity presented and the commodity described in the decision correspond in every respect;
- These decisions are generally made public to ensure transparency and equality of treatment of operators as well as the uniform application of the regulations.

Appeals in Customs matters

Where a person considers himself/herself to have been directly affected by a decision or omission of Customs, it is important to allow that person to obtain, upon request, an explanation of the reasons for that decision or omission, and to offer him/her the right to appeal to a competent authority.

The purpose of this right of appeal is to protect individuals against decisions or omissions of Customs which may not comply fully with the laws and regulations that Customs are responsible for administering and enforcing. In addition, the review conducted by the competent authority and the verdicts of that review can be a suitable means of ensuring uniform application of the laws and regulations.

The provisions of Chapter 10 of the General Annex to the revised Kyoto Convention cover appeals in all matters relating to the laws and regulations which Customs are responsible for administering and enforcing, including in particular matters of tariff classification, origin and Customs valuation, as well as appeals against provisions of a general character. They do not, however, embrace appeals in penal matters, or appeals against opinions expressed by the Customs authorities which are not binding in effect.

The introduction of a Customs appeals system must be based on the following principles:

- existence of legal provisions providing for the right of appeal;
- right of any person directly affected by a decision or omission of Customs to lodge an appeal, or refrain from doing so;
- establishment of a multi-stage appeals procedure, i.e., an initial appeal to the Customs authority, a further appeal to an authority independent of the Customs administration, and in the final instance, the right to appeal to a judicial authority;
- definition of the form and grounds of the appeal, including in particular the obligation to lodge an appeal in writing and state the grounds on which it is made, and the fixing of a time limit which allows the appellant sufficient time to study the contested decision and prepare the appeal;
- notification to the appellant, in writing, of the ruling and of his/her right to lodge any further appeal;
- implementation of the final ruling handed down by Customs, the independent authority or the judicial authority.

Consequently, the establishment of a right of appeal will enable Customs to deal with all Customs matters in a transparent and fair manner. In addition, the possibility of an independent judicial review should give the public and trade confidence in government institutions, and particularly in the Customs administration.

THE SINGLE WINDOW CONCEPT

The World Customs Organization's Perspective

A reference to the Single Window Concept has been made in several of the country proposals to the World Trade Organization during the current negotiations on trade facilitation. It would appear that there is not a common understanding of this concept. The purpose of this paper is to outline context in which the WCO uses the term.

The Members of the WCO and the WCO Secretariat as well as industry, and various governmental and international organizations devoted a significant amount of time and resources in developing the single window concept.

The most commonly applied definition of the term Single Window is the following:

A single window is defined as a facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfill all import, export, and transit related-related regulatory requirements.(1)

The single window is clearly a trade facilitative measure. It permits the trader or transporter to submit all the data needed for determining admissibility of the goods in a standardized format only once to the authorities involved in border controls and at a single portal. (2) The Single Window concept places the onus on the authorities to manage the Single Window and to ensure that the participating authorities or agencies are either given access to the information or are actually given the information by the managing authority. It eliminates the need for the trader or transporter to submit the same data to several different border authorities or agencies.

Implementation of a Single Window does not necessarily imply the implementation and use of high-tech information and communication technology. The Single Window concept can be implemented in a manual environment with the co-operation of all border authorities. However, countries may enjoy fuller benefits of a Single Window by using ICT and dataset standards commonly accepted by the relevant public and private stakeholders. In particular, the use of internationally accepted standards, such as, Harmonized System of Commodity Description and Coding, the WCO Data Model and the Unique Consignment Reference is important. Agencies involved in Integrated Border Management should determine the essential amount of data necessary to effect their controls.

If examination of the goods is necessary, the co-ordination of physical inspection amongst the relevant agencies adds significantly to the value to of the Single Window.

- (1) See, the United Nations Economic Commission for Europe Recommendation on Establishing a Single Window (Recommendation 33, ECE/TRADE/352).
(http://www.unece.org/cefact/recommendations/rec33/rec33_trd352e.pdf).
- (2) The data may come from more than one source. See the WCO's Integrated Supply Chain Management Guidelines.

Risk management – Post-clearance control

Risk can be defined as "the chance of something happening that will have an impact on objectives". Risk management attempts to control and manage risk in order to achieve the best possible results; it can be applied to nearly every decision-making situation.

In the Customs context, risk management represents a modern, effective and efficient way of working and importantly assists Customs administrations in managing their various functions effectively and in deploying their resources more effectively.

For a given risk sector, the risk management process involves identifying the risks which could arise, analyzing the likelihood that they will in fact occur, evaluating their impact and assigning an order of priority for dealing with them. Implementing this risk management procedure in Customs work will make it possible to :

- focus attention on the high-risk areas, for a more cost-effective use of the available resources;
- detect irregularities more easily;
- perform fewer checks on companies which comply with the laws and regulations;
- avoid hindering the circulation of goods unnecessarily.

In the context of this approach, Customs administrations also rely on post-clearance (sometimes known as post-facto) audit. What distinguishes this type of control is the fact that it is carried out on the premises of operators who have conducted external trading operations, and involves in-depth scrutiny of their commercial and accounting records. This shifts some of the burden away from the traditional transaction by transaction control carried out at the border, towards those carried out in the companies' premises. This is an effective means of optimizing Customs controls and expediting the clearance of goods.

Post-clearance audits are generally carried out for compliance verification purposes in the areas of valuation, origin, tariff classification, duty relief/drawback remission programmes, etc., but other areas may also be targeted as necessary. Depending on the profile of the auditee and its business (e.g., type of business, goods, revenue involved, etc.) the audit may be conducted on a continuous, cyclical or occasional basis.

Post-clearance audit is an effective tool for Customs control because it provides a clearer and more comprehensive picture of the transactions relevant to Customs as reflected in the books and records of international traders. At the same time, it enables Customs administrations to offer the trader facilitation measures in the form of simplified procedures (e.g., periodic entry system).

Simplified procedures – Authorized persons

Through implementation and use of a risk management programme, Customs can determine which goods and which traders are generally in compliance with Customs law and thus pose a low risk for control purposes. These traders can then be approved for simplified (also called special or "fast track") procedures that require little intervention by Customs for the clearance of their goods. Such traders are referred to as "authorized persons" for the purposes of the Revised Kyoto Convention.

Simplified procedures are beneficial for both Customs and the trade. They facilitate the movement of goods, encourage compliance with Customs rules and enable more effective use of Customs resources. They also promote the modern concept of a partnership between Customs and traders within international trade.

The simplified procedures granted to authorized persons generally consist of the following:

- the provision of minimal information at the time of release of the goods, followed later by a supplementary Goods declaration containing all the normally required information;
- clearance at the declarant's premises or other inland locations. The requirement to use this procedure may simply be a notification to Customs of the impending arrival of imported goods at the approved premises or the despatch of goods for export. This is followed, within a period of time specified in the authorization, by the lodgement of the Goods declaration;
- lodgement of a Goods declaration covering multiple transactions over a certain period. In the context of this procedure, Customs only requires a minimum of information at the time of release of the goods and the global declaration is only lodged at the end of a period of time specified by the regulation; and
- lodgement of the Goods declaration by an entry in the commercial records of the authorized person. This entry is generally considered an initial declaration that must subsequently be followed by a supplementary declaration.

These procedures provide only an example of additional procedures that could be introduced. They are not mutually exclusive, but provide a framework within which Customs and the relevant parties can work to find agreeable facilitation methods that meet trade and Customs requirements.

These procedures are clearly not mandatory upon all traders, particularly as they are designed only for those who meet the qualifications to be authorized set by Customs. The criteria or conditions to be met by a trader in order to benefit from a simplified procedure are generally that the applicant can demonstrate a good record of compliance with Customs requirements and the maintenance of an adequate system for commercial records.

UNCTAD TRUST FUND FOR TRADE FACILITATION NEGOTIATIONS

Technical Notes on Trade Facilitation Measures

All of these can be found at: <<http://r0.unctad.org/ttl/technical-notes.htm>>0

1. Publication of Trade Regulations and their Uniform Administration
2. Levy of Fees and Charges
3. Use of Customs Automation Systems
4. Release of Goods in Event of Appeal
5. Customs Procedures – Post Clearance Audit
6. Single National Enquiry Points
7. Maintenance of Integrity among Officials
8. Freedom of Transit and Regional Transit
9. Documentation Requirements in Maritime Transport
10. Right of Appeal against Customs and other Agency Rulings and Decisions
11. Prerequisites for Internet Publication
12. Risk Management in Customs Procedures
13. Simplification of Trade Documentation Using International Standards
14. Border Agency Coordination
15. Pre-Arrival Customs Clearance
16. The Electronic Submission of Trade Documentation
17. Bonded Transport Regimes
18. Border Cooperation and Coordination Amongst Agencies, Authorities and the Private Sector in Relation to Transit
19. Separating Release from Clearance Procedures
20. Trade Transaction Modelling
21. Automated System for Customs Data (ASYCUDA)
22. Advanced Rulings

GENERAL REFERENCES

- WTO National Experience Paper: Egypt – TN/TF/W/75, Egypt's National Experience Concerning Measures Related to Articles V, VIII and X of GATT 1994: Future Needs and Priorities
 - WTO National Experience Paper: Thailand – TN/TF/W/61, Trade Facilitation: Thailand's Experience
 - WTO National Experience Paper: Malaysia – TN/TF/W/50, Trade Facilitation: Malaysia's Experience
 - OECD Document TD/TC/WP(2003)12/FINAL – Trade Facilitation Principles in GATT Articles V, VIII and X: Reflections on Possible Implementation Approaches
 - OECD Document TD/TC/WP(2002)36/FINAL – Transparency and Simplification Approaches to Border Procedures: Reflections on the Implementation of GATT Article X – Related Proposals in Selected Countries
 - OECD Document TD/TC/WP(2002)50/FINAL – Transparency and Simplification Approaches to Border Procedures: Reflections on the Implementation of GATT Article VIII – Related Proposals in Selected Countries
 - OECD Document TD/TC/WP(2002)51/FINAL – Transparency and Simplification Approaches to Border Procedures: Reflections on the Implementation of GATT Article V – Related Proposals in Selected Countries.
 - WCO Framework of Standards to Secure and Facilitate Global Trade.
-