WELCOME!

World Customs Organization and it’s
Trade Facilitation Instruments
The WCO, an Organization with global reach...

Headquartered in Brussels
177 Members, processing 98% of international trade
The WCO Mission

Enhancing the effectiveness and efficiency of Customs

...by improving member’s ability to

Trade regulations & Facilitation  Protection of Society  Collection Of Revenue

...which promotes

economic prosperity and social development
For a single transaction

Air, Sea, Land International Transport

Ship's Documents

• Manifest
• Bills of Lading
• Sea/AW Bill
• Container Plans

Certificate Of Origin

Importers

• Invoice
• Packing List
• Declaration
• Delivery Note

Quotations
• P.O.
• Contract Terms
• Delivery Instructions
• L.O.C.

Payments
• Remittance Advice

Payments
• Remittance Advice

Book/Confirm Transport

Pay Taxes
Clear Customs
Release Goods

Port Processes
• Internal Transport
• Storage
• Container Handling
• Loading

Finance Ministry

Bank

Government Departments

LOC Approval

LOC Courier

Port

Customs

Storage

DOMESTIC & Intel' SUPPLY CHAIN

• Raw Materials
• Packaging
• Transport
• Storage

• Invoices
• Packing List
• Delivery Notes
• Cons. Notes
• Invoices
• Statements

• Licenses
• Certificates
• Government Approvals

L.O.C.

Exporter

MANUFACTURER

P.O.

Chamber of Commerce

Government Departments

Customs

Port

LOCATION

Foreign Chambers of Commerce

Post/Courier

Overseas Embassies

“Legal Invoices”

Certificates Of Origin

Bank

Receive Goods

Foreign Buyer

Bank

For a single transaction

Source: WB, 2011
How to deal with this complexity?

What can WCO do?

Technically

- WCO TF Instruments

Strategically

- Customs in the 21st Cen.

RKC & Others

SAFE

C-B partnership, RM, CBM...

- AEO

Other Cooperation

Customs-Business partnership

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WCO’s TF Solution (not exhaustive)

Harmonization of coding and data
- Data Model Version 3.0 (Guide) (2010)
- HS Convention (2007)
- Data Model Version 2.0 (Guide) (2005)
- HS Convention (2002)
- Data Model Version 1.0 (Guide) (2002)
- HS Convention (1996)
- HS Convention (1987)

Standardization of procedures
- Recommendation on the use of WWW (1999)

Simplification and modernization of procedures
- Recommendation on pre-entry classification (1996)
- Guidelines for Express Consignments Clearance (1993)
- Istanbul Convention (1990)
- Kyoto Convention (1973)
- ATA Convention (1963)

Support tools for TF initiatives
- Time Release Study (Guide) (2001)

Convention establishing CCC (1950)

*Diagnostic Framework is a living document and contains entire Customs themes, including the TF
Revised Kyoto Convention

- International Convention on the Simplification and Harmonization of Customs Procedures (as amended, 1999)
- The Most Important & Basic TF tool
- Blueprint for Modern Customs Administration
- Seventy-eight contracting parties
Key Principles of RKC (I)

Transparency and predictability
- Rules for providing information, advance rulings
- Clear and transparent appeal procedures

Standardization and simplification of goods declaration
- Minimum data requirements
- Provisional / Incomplete Goods Declaration
- Submission by electronic means
“Fast track” procedures for authorized persons
- Release with minimum information

Pre-arrival declaration

Maximum use of information technology
- Consultation of all relevant parties
- Electronic commerce methods
Key Principles of RKC (III)

- Minimum necessary controls based on RM
- Audit based controls
- Co-ordinated intervention
- Partnership with the trade
  - Formal consultative relationships
  - Memoranda of Understanding (MOU)
RKC’s Main TF Techniques

Standard and simplified procedures and practices

Risk Management Programme; Risk Assessment

Control Techniques; Post Entry Audits

Maximum use of Information Technology; Automation

Pre-arrival Declaration

Partnership with the Trade

System of appeals

Publication of accurate, up-to-date information & Advance Rulings
Harmonized System

- "HS" is a multipurpose international product Nomenclature

- Used by more than 200 countries for Customs tariffs and for the collection of international trade statistics

- Universal economic language and code for goods and an indispensable tool for international trade

- Recommendation (1996) on the introduction of programmes for binding pre-entry classification information
Istanbul Convention / ATA System

Passport for temporary importation

- Commercial samples, Professional equipment and goods for use at exhibitions and others
- No duties and taxes for the temporary importation
- Covered by an internationally valid guarantee system
- ATA Carnet replaces national Customs formalities
- Istanbul Convention merges 13 existing temporary admission agreements into a single instrument
TRS (Time Release Study)

- **Shipping company**
- **Shipping agent**
- **Port Authority, etc.**

- **Importer, Customs broker**
- **Container Yard**
- **OGAs, etc.**

- **Customs, Bank, Customs broker**

- **Port Authority Container Yard, Warehouse, Forwarder, etc.**

**Process Phases**
- **Ship Arrival**
- **Uploading**
- **Declaration**
- **Permission**
- **Delivery**
To identify problems and bottlenecks

To demonstrate Customs efficiency and effectiveness

- Customs can use it strategically to get support from business, government and others
Source: Customs and Tariff Bureau, Ministry of Finance, Japan
TRS Reduction: 9.6 → 4.5 days (-53%)

Jan. 2003

Arrival → Bonded Area → Import decl. → Acceptance removal

Dec. 2005

1.4 → 3.0 → 1:39 → 1.3
Link to Other TF Indicators

Doing Business Index

Cross border
Time/
Procedures/
Policies

Logistics Performance Index

Global Enabling Trade Report
World Economic Form (DAVOS)
The SAFE Framework of Standards

- Aims for seamless movement of goods
- Customs-to-Business partnership
  - Integrated supply chain management
- Cooperation among Customs
The Core Principles

- Trade facilitation for legitimate trade; Authorized Economic Operator (AEO)
- Advance electronic information
- Common Risk management; 27 key data elements
- Inspection of high-risk cargo at port of origin;
  + Use of scanners, e-seals…
WCO Data Model

= Maximum framework of standardized sets of data & electronic messages (EDIFACT & XML) to complete border procedures

Started with G7 Initiative

Version 3.0 – Response, XML, data structure, OGA

> Customs (IM, EX, Transit / TIR, CR)
> Supports “Single Window” environment
WCO Data Model

- Aligned export and import data requirements (export information reused at import)
- Seamless transaction / faster release possible (single, global data set and uniform electronic messages to conduct business)
- Key for effective and efficient for B2G and G2G exchange and sharing of information
Customs in the 21st Century

- Strategic direction and vision for Customs
  - Globally Networked Customs
  - Coordinated Border Management (CBM)
  - Intelligence Driven Risk Management
  - Customs-Trade Partnership
  - Modern Working Methods
  - Enabling Technology
  - Enabling Legal Powers
  - Professional Knowledge-Based Service Culture
  - Capacity Building
  - Integrity

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World Trade Organization (WTO)

- Successor to 1947 GATT regime
- International Organization embodied in the results of the Uruguay Round
- Established: 1 January 1995
- Member driven (153 Members)
- Decision making by consensus
- Serviced by WTO Secretariat - 600+ staff
- Based in Geneva
### WTO Agreements

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Current Discussion in the WTO TF

Consolidated Negotiating Text
TN/TF/W/165 Rev.7

- Publication
- Prior publication
- Consultation
- Advance ruling
- Appeal procedures
- Fees/charges
- Pre-arrival process
- Separation of release
- Risk management
- Post Clearance Audit
- Authorized trader
- Border coordination
- Formalities
- Customs brokers Transit

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WTO vis-à-vis WCO TF Instruments

- WTO set **high principles**, the WCO provide **implementation tools**
- Consistency of the measures between WTO/WCO
  - the proposed WTO texts compatible with WCO instruments
- Scope of many proposals are **wider than Customs**
Thank You for Your Attention

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