

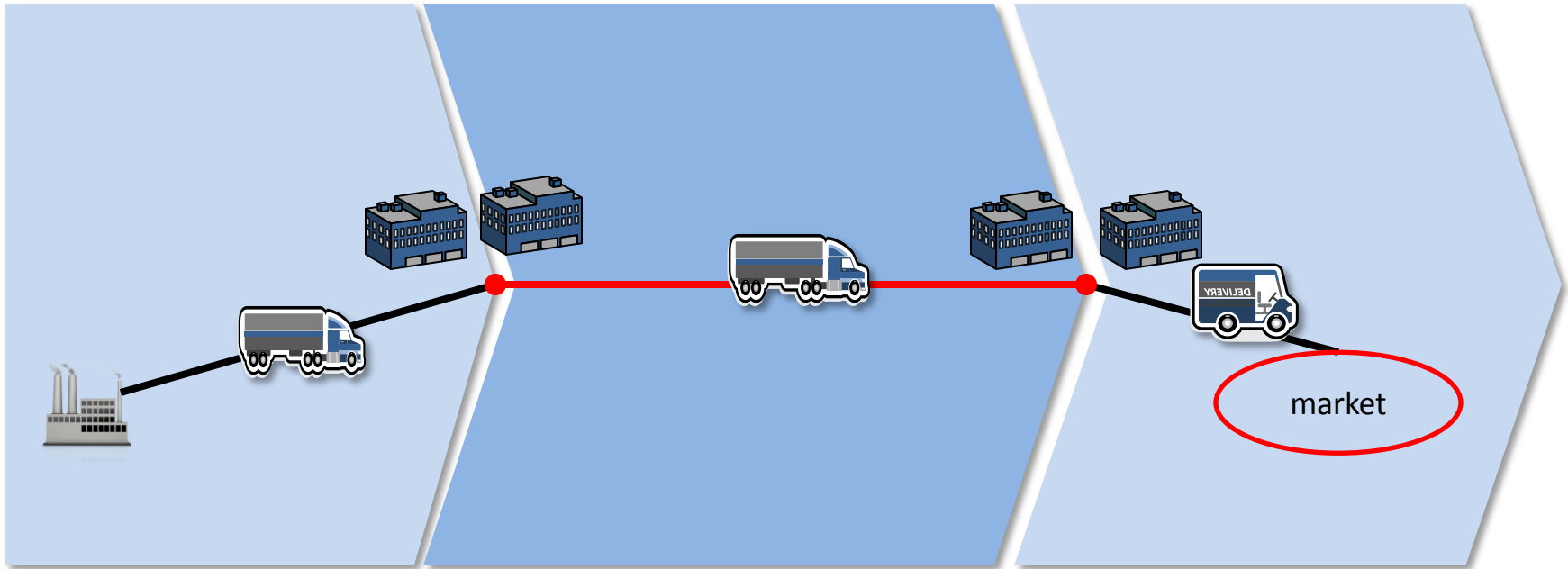


Transit

Toshihiko Osawa

**Compliance & Facilitation Directorate
WCO**

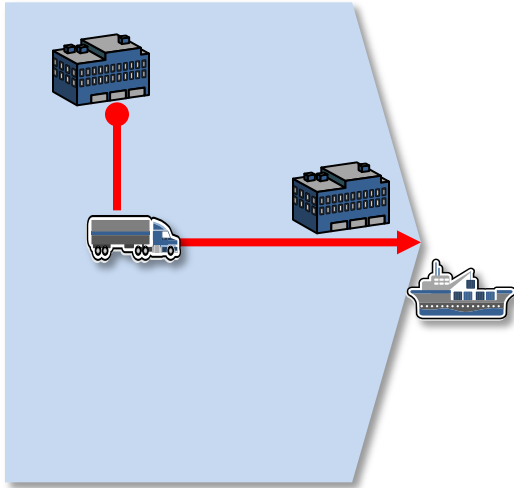
International Transit



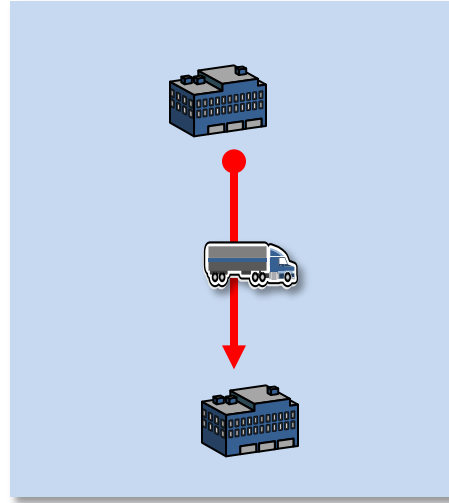
Traffic in Transit (GATT Article V)

Goods (including baggage), and also vessels and other means of transport, shall be deemed to be in transit across the territory of a contracting party when the passage across such territory, with or without trans-shipment, warehousing, breaking bulk, or change in the mode of transport, is only a portion of a complete journey beginning and terminating beyond the frontier of the contracting party across whose territory the traffic passes.

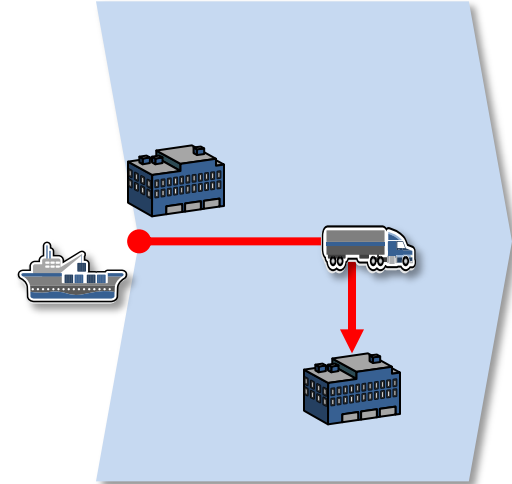
National Transit



Transit for exportation
transportation from an
inland Customs office to
an office of exit



Internal transit
transportation from one inland
Customs office to another
inland Customs office.



Transit for importation
transportation from an
office of entry to an inland
office

Article 9
Movement of goods under customs
control intended for import

Landlocked Developing Countries

List of LLDCs (by WCO regions)

Regions	No.	LLDCs
Europe	9	Azerbaijan, Armenia, Kazakhstan, Kirgizstan, Moldova, Tajikistan, The Former Yugoslav Republic of Macedonia, Turkmenistan, Uzbekistan
Asia Pacific	5	Afghanistan*, Bhutan*, Lao People's Democratic Republic*, Mongolia, Nepal*
East and Southern Africa	10	Botswana, Burundi*, Ethiopia, Lesotho*, Malawi*, Rwanda*, Swaziland, Uganda*, Zambia*, Zimbabwe
North of Africa, Near and Middle East	0	
West and Central Africa	5	Burkina Faso*, Central African Republic*, Chad*, Mali*, Niger*
South America, North America, Central America and the Caribbean	2	Bolivia, Paraguay

LLDCs and difficulties

The costs to export and import from/to LLDCs are on average more than twice the costs to export and import from/to transit developing countries

The level of development of average LLDC is 20% lower than the development of average coastal countries.

Efficient Transit system is essential for economic development of LLDCs.

Freedom of Transit

GATT Article V, paragraph 2

2. **There shall be freedom of transit through the territory of each contracting party**, via the routes most convenient for international transit, for traffic in transit to or from the territory of other contracting parties.

Principles of freedom of Transit

1. No distinction

2. Prohibition of unnecessary delay and restriction

3. Prohibition to levy Customs duties

4. Reasonable charges

5. No less favourable Treatment

Freedom of Transit by TFA

More Principles of freedom of Transit – TFA Article 11

1. Less trade restrictive regulation or formalities
2. No disguised restriction
3. charges = administrative expenses entitled by transit or cost of service rendered
4. No voluntary restrains
5. Strengthened non-discrimination

Complexity

Customs of departure

- Lodgement of Customs transit declaration
- Examination of goods

Customs of entry

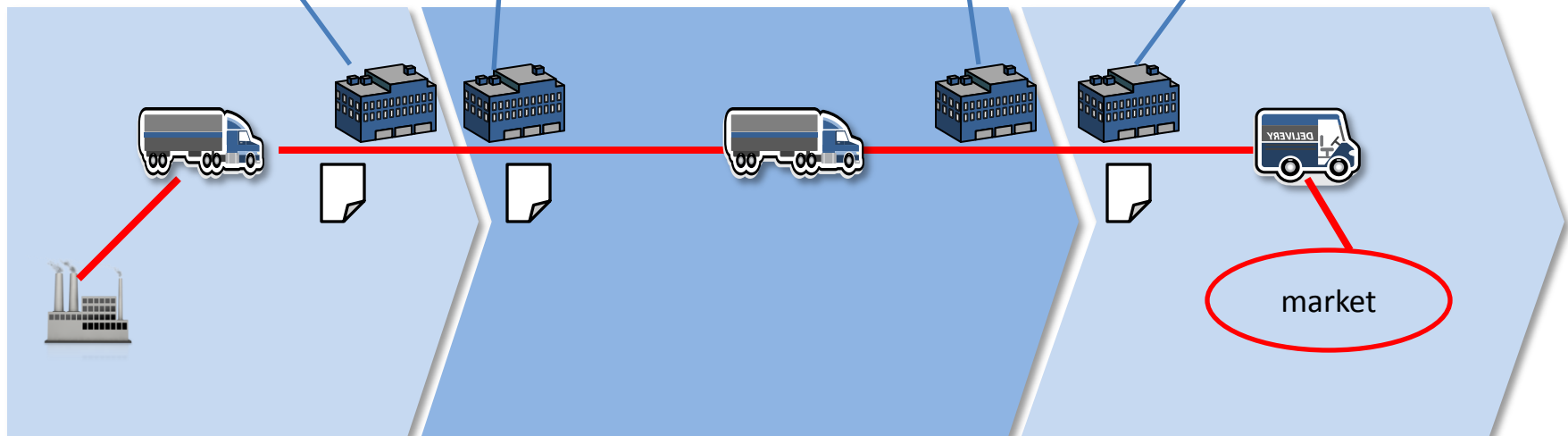
- Lodgement of Customs transit declaration
- Furnish of Guarantee
- Examination of goods
- Affixing Customs seals
- Notification to the Customs office of exit

Customs of exist

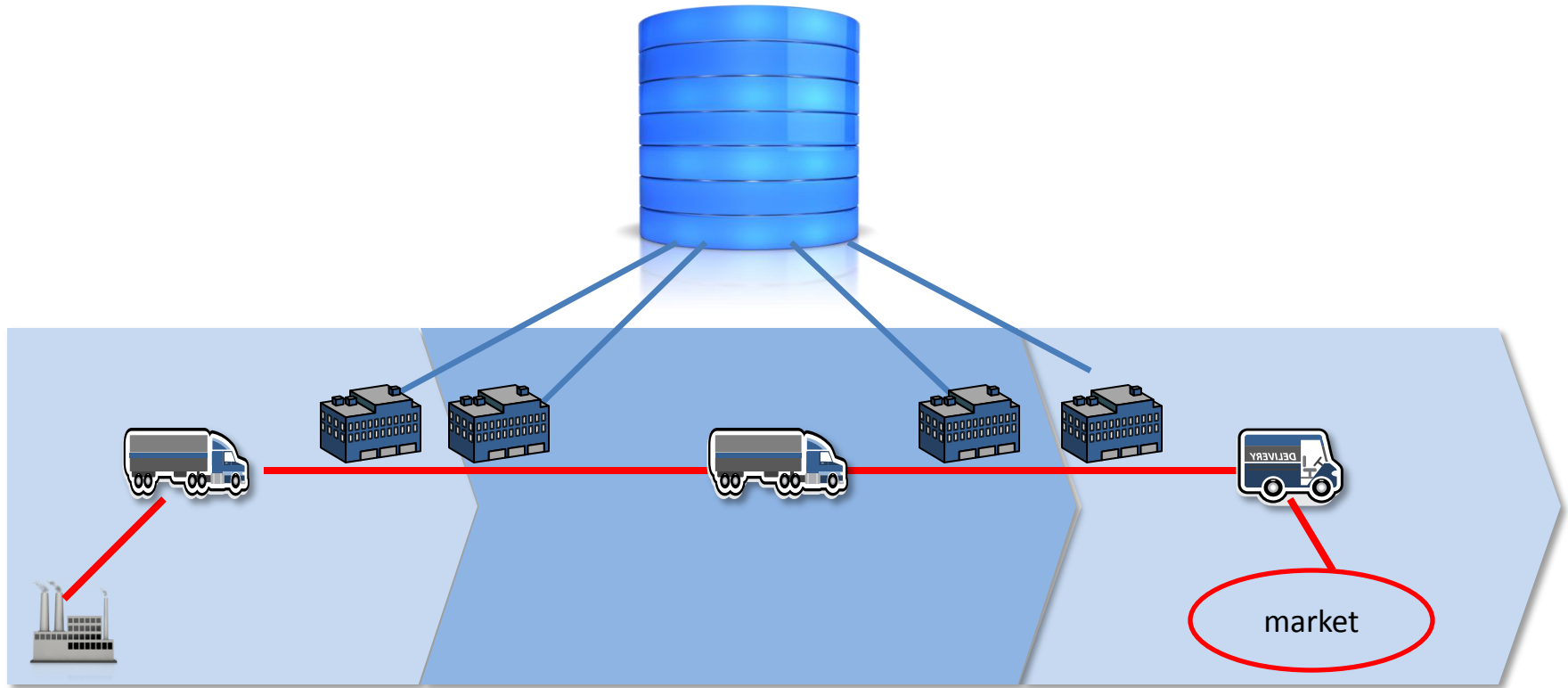
- Examination of goods
- Discharge of guarantee

Customs of destination

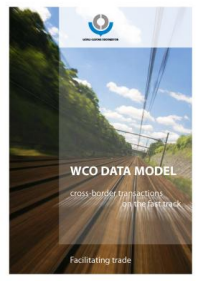
- Lodgement of Customs declaration
- Examination of goods
- Collection of import duties, taxes and charges



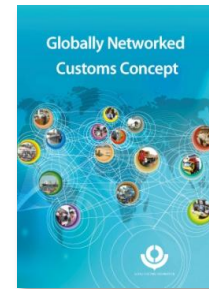
Approach 1 – Information sharing



Single Window
Compendium



Data Model



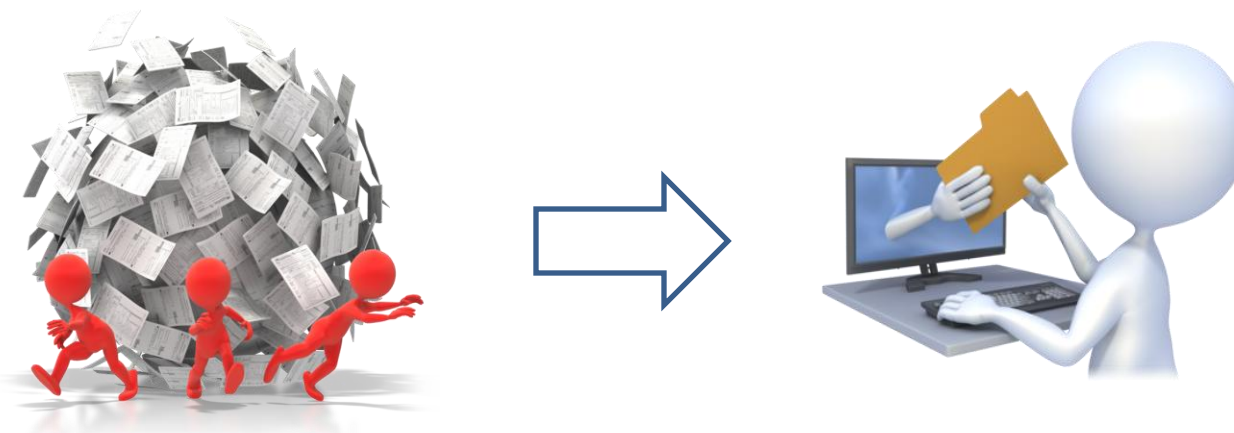
Globally
Networked Customs

Approach 2 – Simplification of documentations and formalities

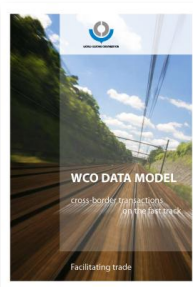
TFA Article 11 (Paragraph 6)

TFA Article 10

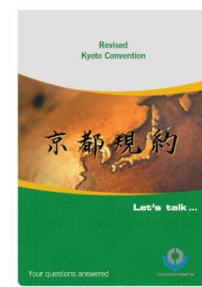
Formalities connected with importation and exportation and transit



Single Window
Compendium



Data Model



Revised Kyoto
Convention

Approach 3 – Risk Management

**TFA Article 7 (Paragraph 4)
Risk Management**

**TFA Article 7 (Paragraph 7)
Authorized Operators**

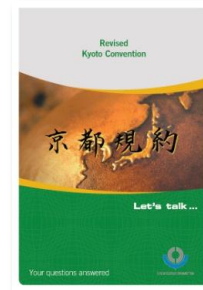
**TFA Article 11 (Paragraph 9)
Advance Filing**



SAFE
Framework of
Standards



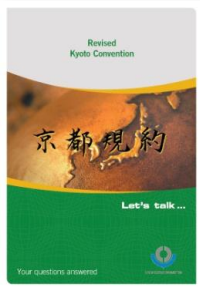
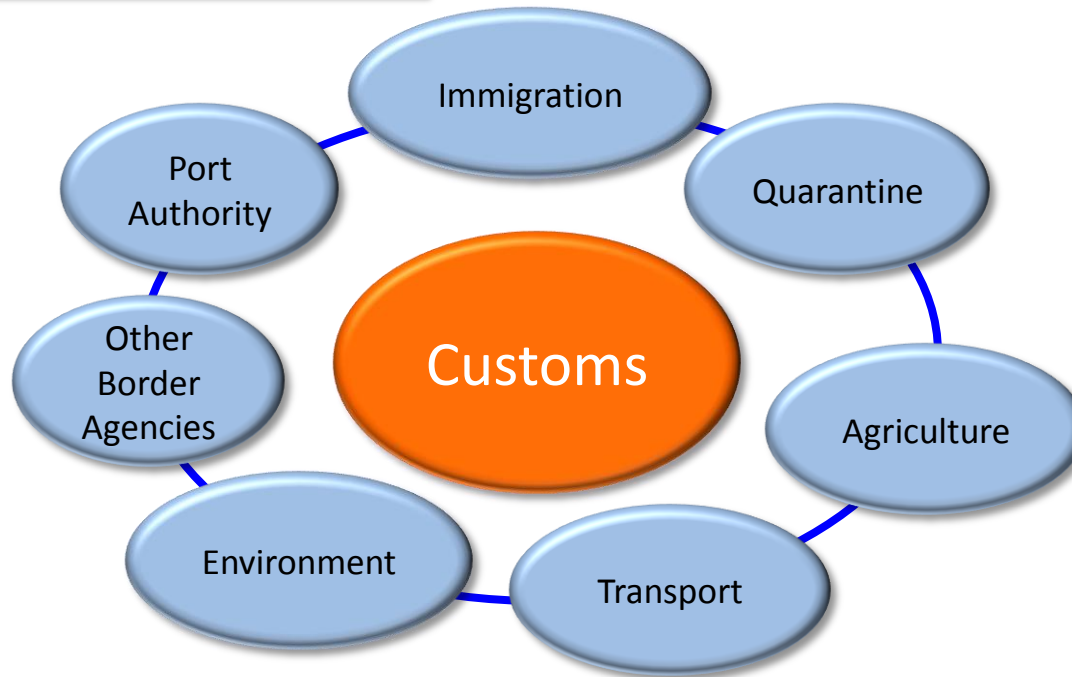
**Risk
Management
Compendium**



**Revised Kyoto
Convention**

Approach 4 – Coordinated Border Management

TFA Article 8 Border Agency Cooperation



Revised Kyoto
Convention



SAFE
Framework of
Standards



Single Window
Compendium

Coordinated
Border
Management
Compendium



Approach 5 – Infrastructure

TFA Article 11 (Paragraph 5) Physically Separate Infrastructure



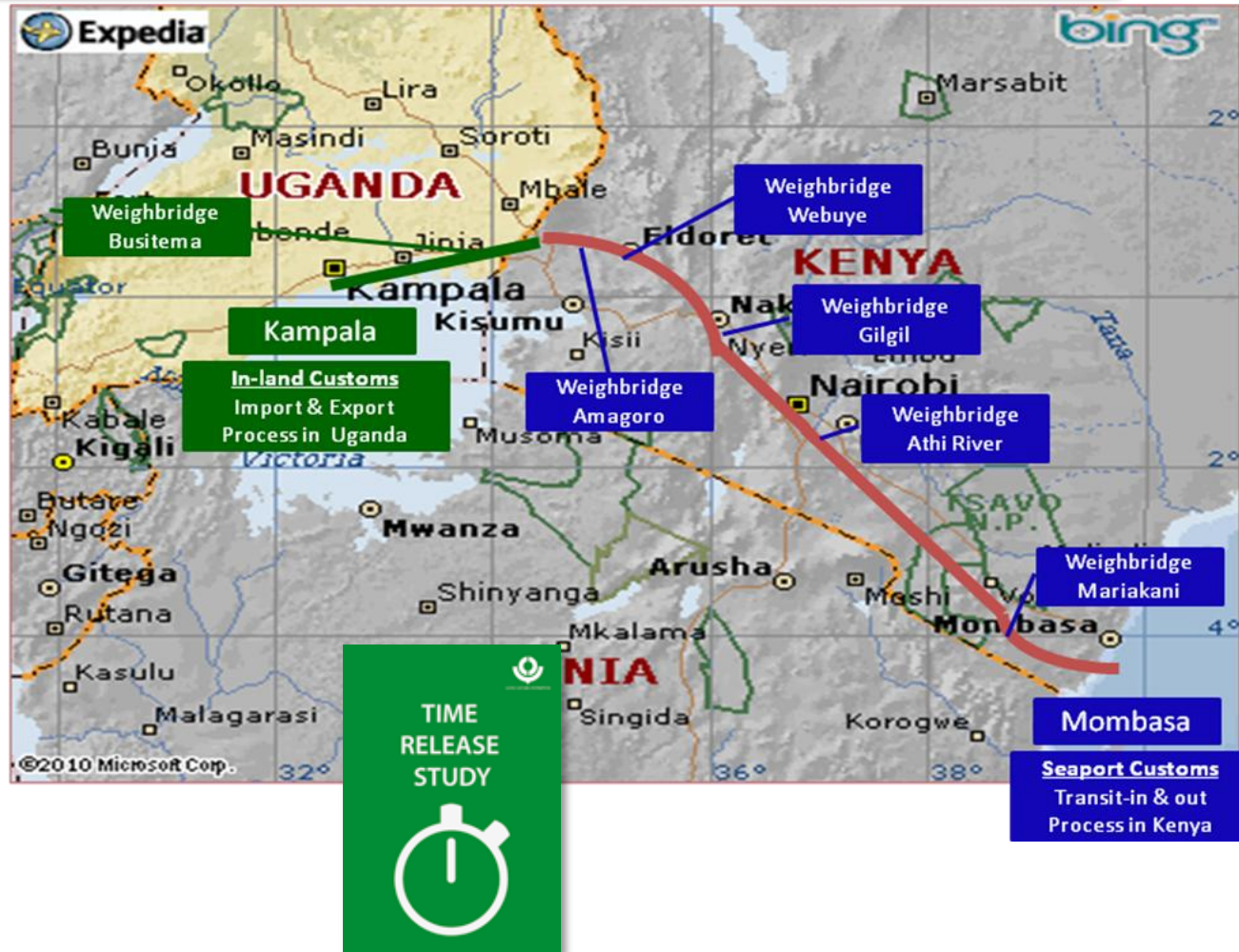
Kenya
Old bridge causes
sever traffic jam



Switzerland
Special lane for
Transit goods

Approach 6 Performance measurement

TFA Article 7 (paragraph 6) Average Release Time



Time Release
Study Guide

Guarantee

TFA Article 11 (Paragraphs 11.1-11.4) Guarantee

	TFA (Article 11)	RKC (GA Chapter 5)
Limit of guarantee	Paragraph 11.1	Standard 5.6
Discharge without delay	Paragraph 11.2	Standard 5.7
Comprehensive Guarantee	Paragraph 11.3	Standard 5.6

Security & Identification during journey

Customs Escort



**TFA Article 11
Paragraph 11.4**

**RKC
Specific Annex E**

Customs Seals



**RKC
Specific Annex E**

Time Limit



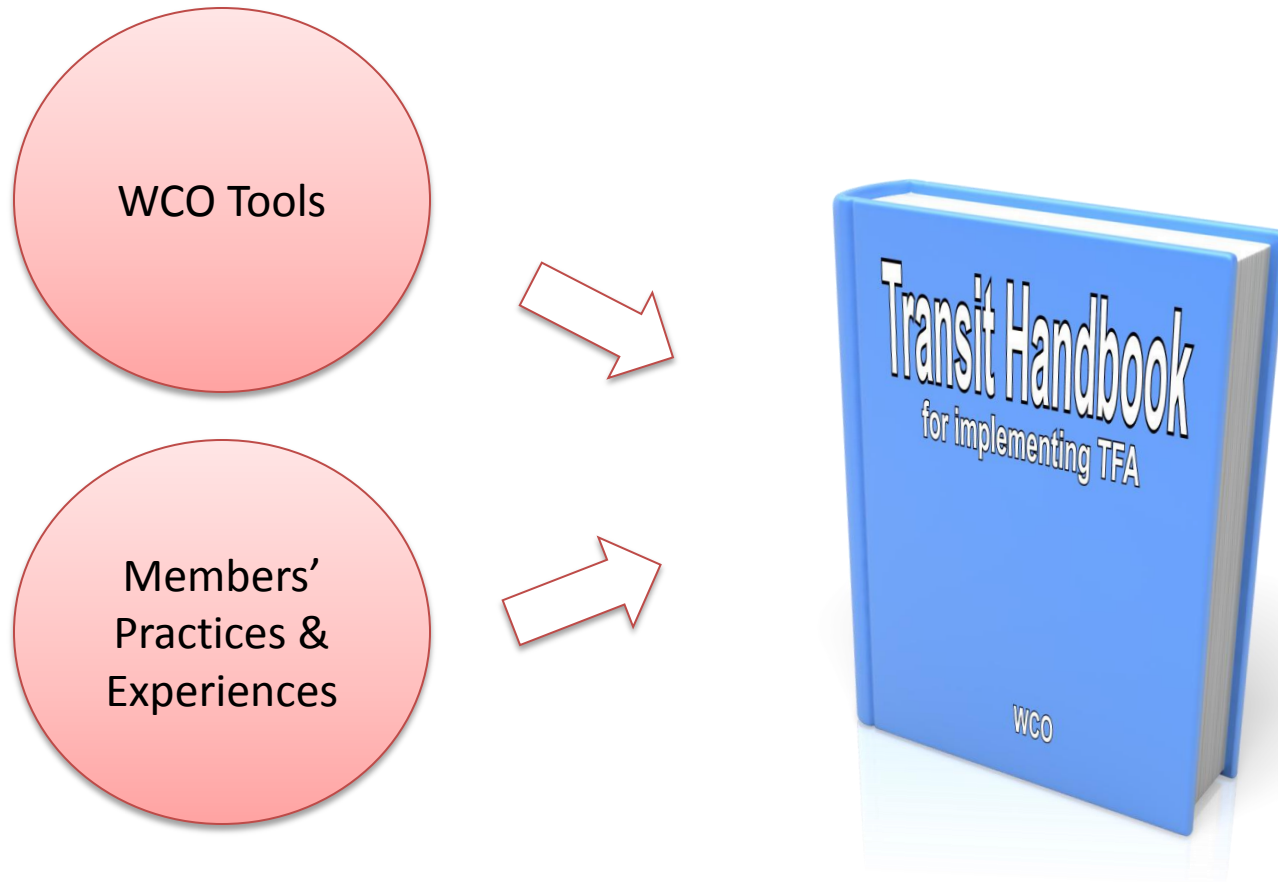
**RKC
Specific Annex E**

Prescribed itinerary



**RKC
Specific Annex E**

Further Work





More information
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