



Advance Rulings National Customs Service Chile

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What are Advance Rulings?


"Advance rulings are binding decisions by Customs at the request of the person concerned on specific particulars in relation to the intended importation or exportation of goods. Advance rulings can be requested with regard to either the classification, the origin or the Customs value of the goods in preparation for importation or exportation."

(Trade Facilitation Implementation Guide, United Nations Economic Comissions for Europe, UNECE)






Brief Background

- Chile signed trade agreements.
 - Adaptation to international standards.
 - Replacement of the “dictámenes” mechanism.
 - Elimination of payments (70 US\$).
 - Expansion of coverage.
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Benefits of an Advance Ruling

- No cost.
 - Topics that could be consulted have been expanded
 - Binding on customs authorities.
 - Legal certainty.
 - Trade facilitation (facilitates clearing goods at the border)
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What issues do Advance Rulings cover?

- Tariff classification of the goods.
 - Application of criteria or valuation method.
 - Recognition of tariff preference.
 - Origin criteria of the good (determined according to a commercial agreement signed by Chile).
 - Drawback.
 - Transit and transshipment.
 - Other customs matters.
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¿Who can request an Advance Ruling?

- Any importer who intends to import a good.
 - Any producer of a good that is subject to the advance ruling.
 - Any exporter of a good that is subject to the advance ruling.
 - Customs broker or a legally authorized representative.
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Submitting the request

- To be presented prior to the acceptance of the import declaration
 - To be submitted in writing (in Spanish) to the Technical Subdirectorate of the National Customs Service
 - In the case when the applicant acts through a Customs broker or a third party, the mandate by which the representation has been assigned must be accredited
 - When attaching all the antecedents that prove the issuance of the ruling is applicable, the goods need to be described. This description needs to include; its composition, use and commercial / technical designation requested statement (such as catalogs, brochures, etc.)
 - To be presented accompanied by a sample of the good.
 - To be presented with a description of the customs operation that is proposed to be carried out and identification of the applicable legal provisions and rules.
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Submitting the request

- In the case of importation, it must be indicated if the good is to be accepted for any commercial agreement or free trade agreement signed by Chile.
 - Required to satisfy *"The goods and / or materials for the issuance of an Advance Rulings have not been the subject of an action or demand, remedies or claims before the ordinary courts, nor have they been the subject of a claim under article 117 of the Customs Ordinance, nor have they been the subject of a Applicant, whose resolution by administrative means, is pending."*
 - Others.
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Validity of the Advance Ruling

- Res, Ex. No. 4378, July 31, 2014, D.O. 03.09.2014
 - Maximum response time in 90 days.
 - 3 years; counted from the date of issue.
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USAID-ATAARI project Advance Rulings

- 2010: APEC Forum leaders target 10% improvement in the performance of the logistics chain, in terms of reducing time, costs and uncertainty in the movement of goods and services.
 - 2013 (Bali): recognizes the need for a capacity-building plan to help developing economies overcome specific obstacles.
 - 2016 (April): A team of the United States Agency for International Development (USAID) conducts a voluntary evaluation of Chilean Customs (ATAARI project) in the areas of:
 - advance rulings, with emphasis on preferential origin rulings,
 - electronic payment system, and
 - Separation of release from clearance through expanded use of a guarantee scheme.
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USAID-ATAARI project Advance Rulings

- Interviews with officials of the National Customs Service, SAG, Republic General Treasury, ZEAL, SOFOFA and CAPP.
- 2016 (August): Receipt of ATAARI study report. It focuses on the analysis of advance rulings (with emphasis on origin), electronic payment and goods clearance






Recommendations

- Synthesize and publish a clear, simple methodology for the various types of advance rulings, especially those related to origin.
 - Consider (during the review) the deadlines for the processing of advance rulings.
 - Maintain communication with the private sector throughout the review process.
 - Develop a plan to promote the use of Advance Rulings, particularly preferential resolutions on origin.
 - Develop an electronic application (specific to the type of advance rulings, origin, classification or value et al).
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Improvements

- Reduction of the processing time of the requests and the deadlines involved in the different stages of the procedure of emission of AR's.
 - Adequacy of the procedure to the Technical Guidelines on Classification, Origin and Evaluation Resolutions of the WCO (language harmonization and background submission form)
 - Development of a guide with clear guidelines and implementing rules describing the scope and new procedure
 - Increase awareness of the new procedure.
 - Evaluate the long-term development of an online processing platform.
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