



WORLD CUSTOMS ORGANIZATION
ORGANISATION MONDIALE DES DOUANES

TRADE
FACILITATION

WCO IMPLEMENTING
WTO TFA



WTO Trade Facilitation Agreement and the Mercator Programme

The WCO's Role

7 July 2014

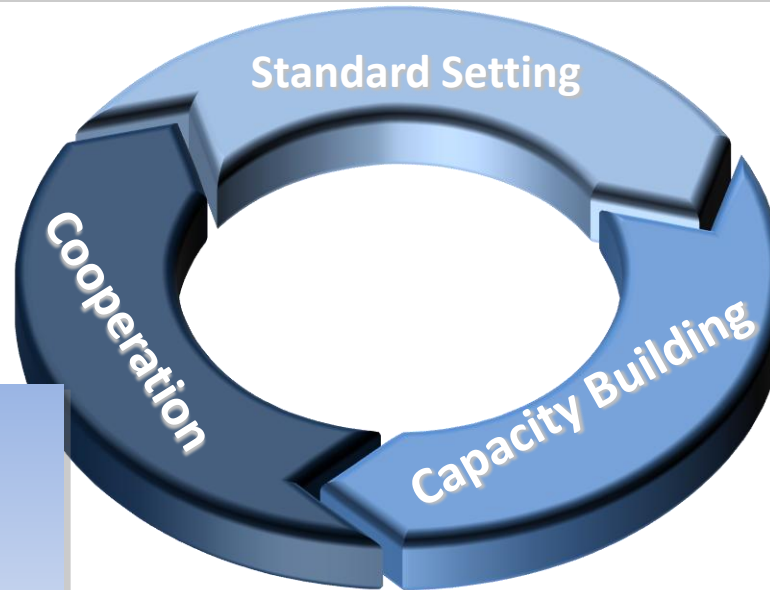


What is the WCO?

The WCO represents **179** Customs Administrations across the globe that collectively process approximately **98%** of world trade.

3 Main Strengths of WCO

✓ Capability and responsibility for global standard setting for Customs



✓ Network of accredited experts from Customs Administrations
✓ Cooperation with other international organizations and other agencies

✓ Capacity Building / Technical Assistance delivery

What is the TFA?

The WTO Trade Facilitation Agreement (TFA) contains 13 Articles regarding Trade Facilitation in Section I and special and differential (S&D) treatment for developing countries and Least-Developed Countries in Section II. It deals almost entirely with Customs-related topics but foresees cooperation with other agencies (CBM).

Section I

- Art.1 Publication and availability of information
- Art.2 Consultation
- Art.3 Advance ruling
- Art.4 Appeal/Review procedures
- Art.5 Other measures for transparency etc.
- Art.6 Fee and Charges
- Art.7 Release and Clearance of goods
- Art.8 Border Agency Cooperation
- Art.9 Movement of goods intended for import
- Art.10 Formalities
- Art.11 Transit
- Art.12 Customs cooperation
- Art.13 Institutional Arrangement
(TF Committee)

Section II

Special and Differential Treatment for Developing Countries and Least Developed Countries

- Rules about Categories A, B and C
- Assistance for Capacity Building
- Information to be submitted to the TF Committee

Cooperation with the WTO

The WCO and the WTO have a long standing history of cooperation, including WCO management of two important WTO agreements, on Customs Valuation and on Rules of Origin.



20 January 2014, Geneva

WCO's recent contribution to the WTO

- ❖ Supported the development of the WTO TFA Self- Assessment Guide
- ❖ Hosted a well-attended training session on the Self-Assessment Guide for Customs administrations
- ❖ Active participation in WTO's needs-assessments missions

Cooperation with other International Organizations

The WCO has enhanced cooperation with other international organizations, including other Annex D Organizations.

Example – Cooperation with UNCTAD

The WCO and UNCTAD signed a Memorandum of Understanding in April 2013 that further advances the WCO's performance measurement approach to reform and modernization.

The WCO and UNCTAD agreed to develop an "ASYCUDA World Software Performance Indicators" application to assist WCO Members with their operational capacity.



5 February 2014, Geneva

Lead role at the border

Customs should take a leading role to implement the TFA as a central government agency at the border.

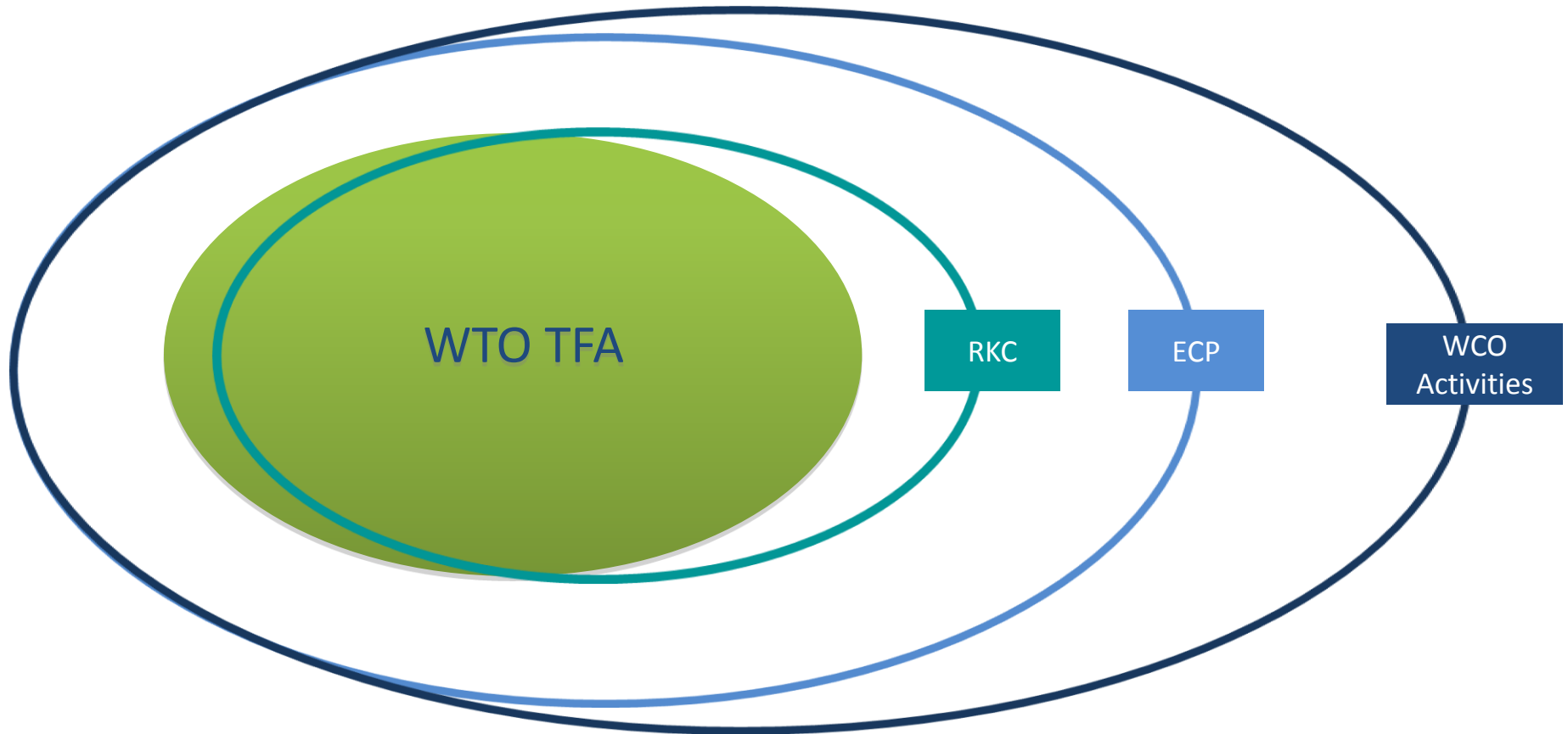
National Committee
On Trade Facilitation

Coordinated Border
Management



Range of WCO Activities

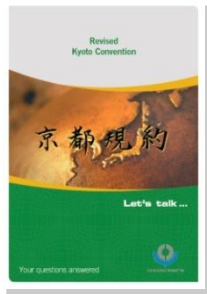
WCO activities cover a wide range of Customs matters, including economic competitiveness, compliance and enforcement, revenue collection and organizational development.



WCO tools to support TFA

The WCO has developed a number of instruments and tools, which respond to Members' needs as regards TFA implementation. The WCO is continuing to develop and fine-tune an inter-active guidance tool designed to help Customs implement the TFA.

Examples of WCO tools



Revised Kyoto Convention



SAFE Framework of Standards



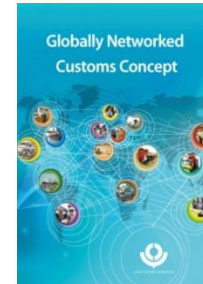
Time Release Study Guide



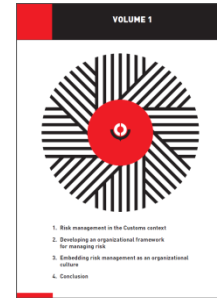
Single Window Compendium



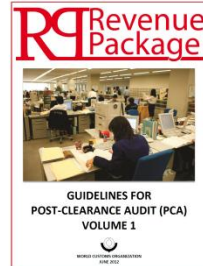
Data Model



Globally Networked Customs



Risk Management Compendium



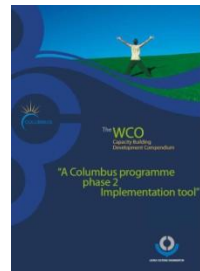
Post Clearance Audit Guidelines



CLiKC

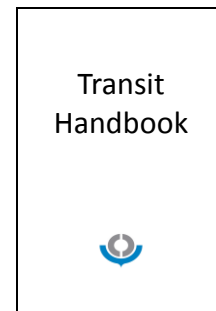
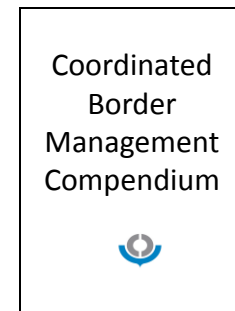


Project Map Database



Capacity Building Development Compendium

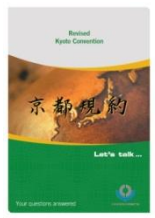
Upcoming



Example – Risk Management



The TFA obliges Members, to the extent possible, to adopt or maintain a risk management system for Customs control.



The RKC sets out principles of Customs risk management and the RKC Guidelines cover technical aspects of risk management and Customs control.



The Risk Management Compendium introduces detailed and technical information on risk management, based on practices and experiences of WCO Members.

Mercator Programme



The WCO **Mercator Programme** was endorsed at the WCO Council in June 2014.

Mercator Programme – Key Objectives



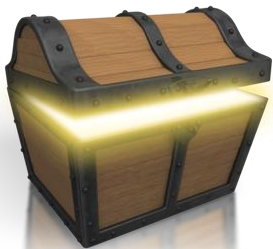
Tailor-made technical assistance and capacity building



Harmonized implementation based on WCO's global standards

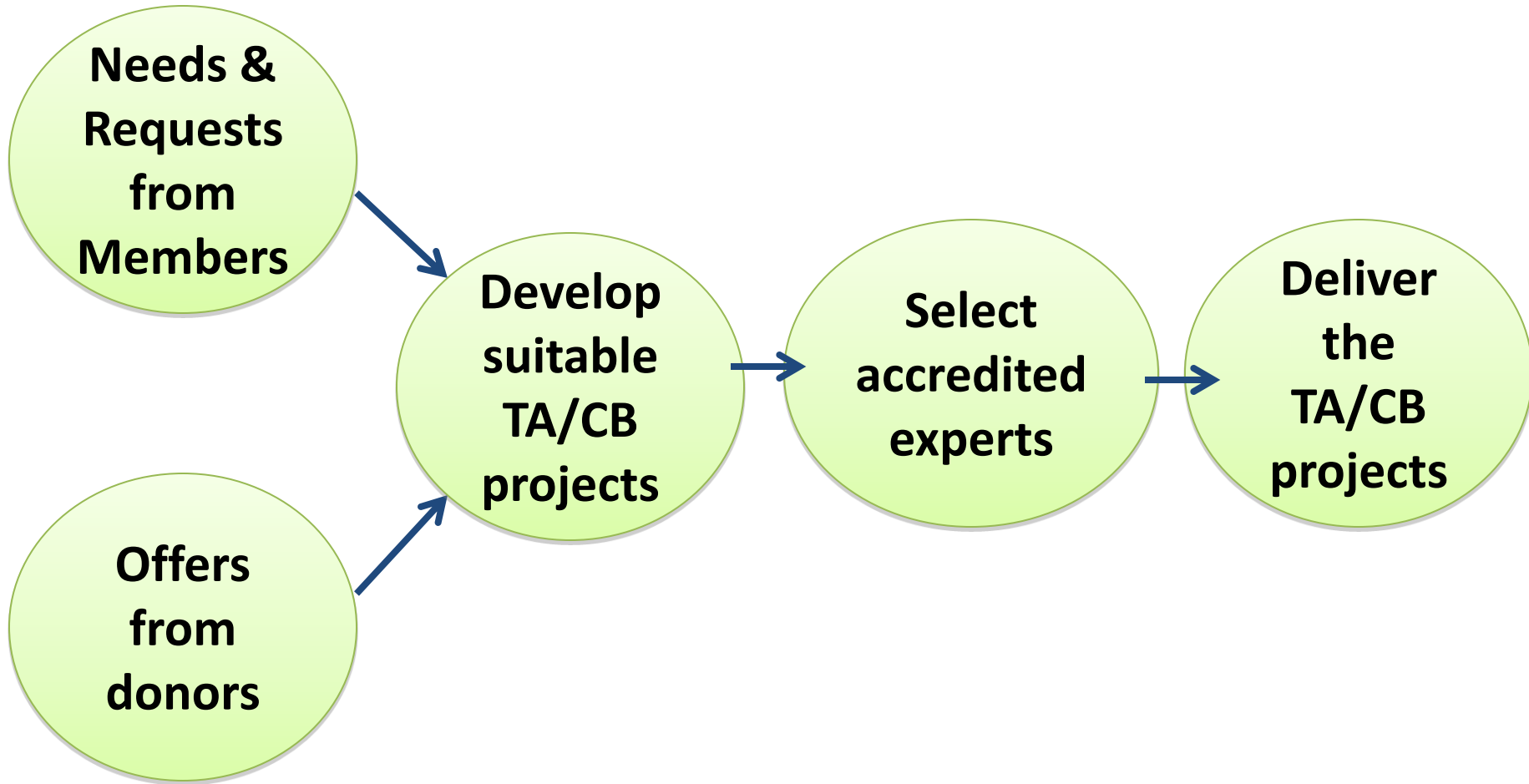


Effective coordination among all stakeholders



Beneficial for developing and least developed countries, all government agencies, donor institutions and private sector

Tailor-made assistance



Capacity Building and Technical Assistance

The WCO will provide Members with practical assistance to implement the TFA through its network of Customs experts.



The WCO Database has more than **400 accredited experts** from Members.



The Project Map Database supports donor and project coordination.

Donor Coordination

The WCO has extensive experience in managing projects with donors along results-based management principles.



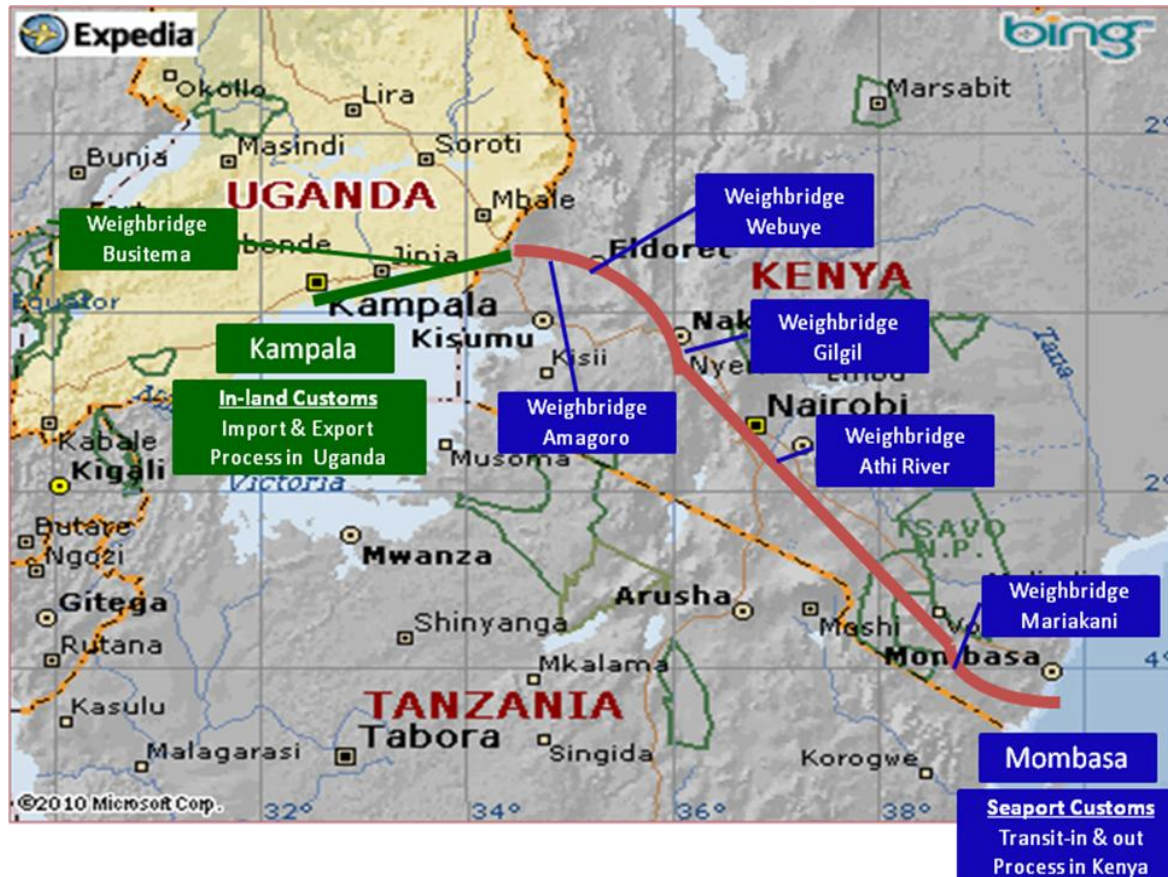
The WCO has enjoyed support from various governments and development agencies to fund its various technical assistance and capacity building programmes and projects.

Currently, the WCO is managing a number of projects that operate under this modality and that benefit from funding from SIDA, Finland, DFID, US State Department and World Bank.

Example of Capacity Building

Time Release Study in the East African Community

A Time Release Study (TRS) was carried out in a northern corridor of the East African Community (EAC). EAC Members undertook the TRS in part of a northern corridor from Mombasa seaport in Kenya to an inland customs office in Kampala, Uganda with technical support from the WCO, based on the WCO TRS Guide.



Harmonized Implementation – Guidance


The WCO has launched on its website the WCO Implementation Guidance for the TFA to support WCO Members in their efforts to implement the TFA

<http://www.wcoomd.org/en/topics/wco-implementing-the-wto-atf/atf.aspx>













Implementation Guidance

The World Customs Organization (WCO), an intergovernmental organization specially mentioned in the Bali Ministerial Declarations, is highlighting its role in the implementation and administration of the WTO Agreement on Trade Facilitation (ATF). The WCO, the centre of excellence on Customs matters world wide, is committed to the efficient implementation of the ATF.

Select an article below to view more information



Search articles:

Article 1 Publication and availability of information		Article 2 Opportunity to comment, information before entry into force and consultation		Article 3 Advance rulings	
Article 4 Appeal or review procedures		Article 5 Other measures to enhance impartiality, non discrimination and transparency		Article 6 Disciplines on fees and charges imposed on or in connection with importation and exportation	
Article 7 Release and clearance of goods		Article 8 Border agency cooperation		Article 9 Movement of goods under customs control intended for import	
Article 10 Formalities connected with importation and exportation and transit		Article 11 Freedom of transit		Article 12 Customs cooperation	

Harmonized Implementation – Guidance

The Guidance presents the relevance of WCO instruments and tools such as the Revised Kyoto Convention for TFA implementation.

WCO tools for Article 7.7 (Authorized Operators)

Browse Articles ▶

Release and clearance of goods

Search articles

1	Pre-arrival Processing
2	Electronic Payment
3	Separation of Release from Final Determination of Customs Duties, Taxes, Fees and Charges
4	Risk Management
5	Post-clearance Audit
6	Establishment and Publication of Average Release Times
7	Trade Facilitation Measures for Authorized Operators
8	Expedited Shipments
9	Perishable Goods

OVERVIEW +

WTO ATF +

REVISED KYOTO CONVENTION +

OTHER WCO TOOLS -

SAFE Framework of Standards ([download](#))

The SAFE Framework principally incorporated into its text detailed provisions on the conditions and requirements for Customs and Authorized Economic Operators (AEO), initially developed in a separate document. This addition was driven by the perception that both Customs and its business partners would benefit from having all SAFE and AEO provisions readily available in a single comprehensive instrument.

SAFE Package

The Package includes various tools relating to AEO including AEO Implementation Guidance, the AEO Compendium and Model AEO Appeal Procedures.

- **AEO Implementation Guidance** ([download](#))
- **AEO Compendium** ([download](#))
- **Model AEO Appeal Procedures** ([download](#))
- **AEO Benefits: Contribution from the WCO Private Sector Consultative Group**([download](#))
- **The Authorized Economic Operator and the Small and Medium Enterprise (FAQ)** ([download](#))
- **Mutual Recognition Arrangement/Agreement Guidelines** ([download](#))
- **AEO Template** ([download](#))

[print this item](#)

MEMBERS PRACTICES +

PERFORMANCE INDICATORS +

- Revised Kyoto Convention
- SAFE Framework of Standards
- AEO Implementation Guidance
- AEO Compendium
- Model AEO Appeal Procedures
- AEO Benefits: Contribution from the WCO Private Sector Consultative Group
- The Authorized Economic Operator and the Small and Medium sized Enterprise (FAQ)
- Mutual Recognition Arrangement/Agreement Guidelines
- AEO Template


Harmonized Implementation – Guidance

The Implementation Guidance introduces Members practices and experiences of implementing the TFA.

Members' experience regarding Article 10.4 (Single Window)

Browse Articles ▶

Formalities connected with importation and exportation and transit



Search articles

- 1 Formalities and Documentation Requirements
- 2 Acceptance of Copies
- 3 Use of International Standards
- 4 Single Window
- 5 Pre-shipment Inspection
- 6 Use of Customs Brokers
- 7 Common Border Procedures and Uniform Documentation Requirements
- 8 Rejected Goods
- 9 a. Temporary Admission of Goods
- 10 b. Inward and Outward Processing

OVERVIEW +

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OTHER WCO TOOLS +

MEMBER PRACTICES -

Data harmonization for Single Windows: a case study from Oman (WCO News, February 2014) ([download](#))

Qatar introduces the Customs Clearance Single Window (WCO News, February 2014) ([download](#))

New Zealand Single Window opens for business (WCO News, October 2013) ([download](#))

Nigeria develops an organic National Single Window (WCO News, October 2013) ([download](#))

Survey of Single Window Implementation (Single Window Compendium Volume 2)

The WCO Secretariat undertook a survey of Single Window Implementation. A total of 56 WCO member countries participated in the survey. The survey constitutes part of the WCO Single Window Compendium.

- Single Window Compendium Volume 2 ([download](#))

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PERFORMANCE INDICATORS +

New Zealand Single Window opens for business

IN AUGUST 2013 NZCS and the Ministry for Primary Industries (MPI) officially opened the Trade Single Window (TSW) for business, leveraging the WCO model to improve risk management and facilitation of compliant trade. New Zealand's economic wellbeing relies on efficient international travel and trade, while maintaining a secure border.

During 2012/13 NZCS processed 9.7 million international air passengers, and 6.21 million import and 3.48 million export transactions, while collecting 11,239 billion NZ dollars in revenue. With primary production currently generating more than two thirds of the country's export earnings, effective screening of arriving people, goods and craft for biosecurity risk is an ongoing concern for MPI.

NZCS and MPI have been developing their Joint Border Management System (JBMS) over the last three years. The JBMS modernizes two agencies' border systems and allows them to better share processes, data and technology. The TSW is a key component of the JBMS, and will ultimately provide a single channel for New Zealand's international cargo industry to submit information and receive responses from border agencies.

Existing border systems

All people, goods, and craft entering and leaving New Zealand must be reported to NZCS, and this is mainly done using electronic messages based on an early United Nations trade facilitation committee data model. Airlines and shipping lines submit information about the aircraft or ship, and its cargo, crew and passengers, in messages, including Inward and Outward Cargo Reports.

Information about arriving ships and crew is currently provided in an emailed form which is shared with MPI and New Zealand's maritime safety agency and port health officers. Commercial importers and exporters or their agents have to submit more detailed information electronically to obtain Customs clearance, including import entries and export entries.

The existing Customs system manages this, identifying craft and cargo that could pose a risk, managing import and export permit controls, collating information for invoicing duty and tax, sending clearance notifications to cargo terminals, and recording the results of inspections and audits for analysis and learning.

Information on export and import cargo that is required to manage biosecurity and food safety risks is also sent to MPI systems. Importers may need to submit a Biosecurity Authority Clearance Certificate (BACC) application to MPI for inbound shipping containers and many imported consignments. They are currently either sent electronically or by fax, and may be supplemented by data passed from Customs' systems.

Importers of certain foods need to email documents to a central processing office to obtain an import permit, and most animal and plant products exported from New Zealand must be accompanied by an approved export certificate which exporters apply for through MPI's export certification systems.

The existing NZCS and MPI systems lack the flexibility to respond to the increasing demands being placed on them to manage border risks while ensuring the smooth flow of trade and travel. The existing systems and border processes are not well integrated, requiring the duplication of data and processing which slows the supply chain.

While many commercial freight software products are able to join up information at the 'front end' for industry users, at the 'back end' the data is sent to the agencies separately, and updating software can be complex when there are changes.

Clients have also been limited to using one mandated 'messaging gateway' for sending electronic messages to NZCS and MPI.

A smarter, swifter border system

The JBMS initiative modernizes the two agencies' border systems and brings a fundamental change to the way NZCS and MPI

operate at the border. It will enable the agencies to work more collaboratively, with shared processes, data and technology.

The TSW will ultimately provide a single channel for importers, exporters and their agents to provide information required by border agencies. It will cut out the duplication of data and connections required for submitting information to the agencies' separate systems (see illustration).

The richer information available in new messages will be shared by NZCS and MPI to support New Zealand's border and revenue protection, and management of biosecurity and food safety risks. The country's maritime safety agency and port health officers will also access information about craft and crew, and give directions to ships via the TSW.

New message formats

The new electronic craft and cargo reporting and clearance messages are one of three key changes as a result of the TSW. They are based on Version 3.2 of the WCO Data Model (WDM3), enabling information requirements to be harmonized across the border agencies as much as possible. New Zealand border agencies have been closely involved in the development of the WDM3, and are now amongst the first agencies to use the new message formats.

These new WDM3 messages will ultimately replace the current or 'legacy' craft arrival and departure notices, inward and outward cargo reports and import and export clearance documents. The messages will be shared by the border agencies, starting with NZCS, MPI, Maritime New Zealand and port health officers.

For example, the new WDM3-based Import Declaration combines the Customs, biosecurity and prescribed food information required for clearance, in one message. Clients can move to the new WDM3 messages as they are introduced, or continue to use the current 'legacy' messages until the new messages are mandated. NZCS and MPI are consulting with industry on the mandatory date, but it will be no earlier than December 2014.

New connection options

The second key change with the TSW is the availability of new options for clients to submit messages, providing the opportunity to reduce transaction costs. Clients

Effective Coordination - Working Group

The TFAWG is the platform for Members to share experiences regarding the implementation of the TFA among the WCO's 179 Members, coordinate with the donor community, engage with other international organizations and bodies, as well as with the private sector.

- Analyse TFA and prepare relevant actions
- Set new standards or modify existing tools
- Discuss technical assistance activities
- Donor information
- Report to PTC/CBC/Policy Commission/Council



**The next Working Group meeting will be held
on 29-30 September 2014.**

The WCO is ready to support the implementation of the TFA!



MORE INFORMATION

Procedures and Facilitation team of the WCO

facilitation@wcoomd.org