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# **Compendium of Trade Facilitation Recommendations**



**UNITED NATIONS**

**New York and Geneva, 2002**

## **NOTE**

The designations employed and the presentation of the material in this publication do not imply the expression of any opinion whatsoever of the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area, or of its authorities, or concerning the delimitation of its frontiers or boundaries.

<b>ECE/TRADE/279</b>
<b>UNCTAD/SDTE/TLB/3</b>

## ***FOREWORD***

This is the second edition of the *Compendium of Trade Facilitation Recommendations*. It was compiled by the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT), in cooperation with the United Nations Conference on Trade and Development (UNCTAD). The *Compendium* was completed in 2000 and was endorsed by the UN/CEFACT Plenary meeting in March 2001. The original edition of the *Compendium*, published in 1994, was compiled within the UNCTAD Special Programme for Trade Efficiency (SPTE).

The *Compendium* is intended to be used as a reference by those engaged in simplifying, harmonizing and rationalizing trade procedures and practices. It is also useful for industry, commerce, transport, administrations and organizations, to create awareness of the possibilities that exist in the area of facilitation and harmonization of trade and transport.

The Introduction (section I) contains background information on the fundamental and practical issues that Trade Facilitation addresses. It reviews the present situation in international trade regarding information flows, documentary requirements, electronic business, official requirements and payment procedures with a view to coming to an increased efficiency through further harmonization, standardization and simplification.

Section II provides a structured list of the trade facilitation recommendations included in the *Compendium*. Section III contains the complete or abridged text, or a paraphrase as appropriate, of the Recommendations listed in Section II. *These extracts from international instruments are given for reference purposes, and not as a substitute for the full text, which constitutes the only valid source for official use.*

The various instruments referred to in this *Compendium* have been elaborated through the work of mandated international organizations. For each of these organizations, section IV gives a brief description of the objectives and scope of its respective instruments.

The revised version of the *Compendium of Trade Facilitation Recommendations* is the demonstration of the continuing and close collaboration between two United Nations bodies. It is the hope of both secretariats that the *Compendium* will prove to be a useful tool for its readers. The secretariats welcome comments and constructive criticism.

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## ***LIST OF ABBREVIATIONS***

### ***General***

<b>CCO</b>	<b>Customs Convention on Containers</b>
<b>EDI</b>	<b>Electronic Data Interchange</b>
<b>FAL</b>	<b>Convention on Facilitation of International Maritime Traffic</b>
<b>GATS</b>	<b>General Agreement on Trade and Services</b>
<b>GATT</b>	<b>General Agreement on Tariffs and Trade</b>
<b>HAR</b>	<b>International Convention on the Harmonization of Frontier Control of Goods</b>
<b>HS [Harmonized System]</b>	<b>International Convention on the Harmonized Commodity Description and Coding System</b>
<b>KC [Kyoto Convention]</b>	<b>International Convention on the Simplification and Harmonization of Customs Procedures</b>
<b>L/C</b>	<b>Letter of credit</b>
<b>RKC [Revised Kyoto Convention]</b>	<b>International Convention on the Simplification and Harmonization of Customs Procedures</b>
<b>TIR</b>	<b>Transports Internationaux Routiers</b>
<b>TRIPS</b>	<b>Agreement on Trade-Related Aspects of Intellectual Property Rights</b>
<b>UCP</b>	<b>Uniform Customs and Practice for Documentary Credits</b>
<b>UNCID</b>	<b>Uniform rules of Conduct for Interchange of trade Data by teletransmission</b>
<b>UN/EDIFACT</b>	<b>United Nations Electronic Data Interchange for Administration, Commerce and Transport</b>
<b>UNSMs</b>	<b>United Nations Standard Message Types</b>
<b>UNTDDED</b>	<b>United Nations Trade Data Exchange Directory</b>
<b>UNTDID</b>	<b>United Nations Trade Data Interchange Directory</b>

## *International Organizations and Bodies*

<b>ICAO</b>	<b>International Civil Aviation Organization</b>
<b>ICC</b>	<b>International Chamber of Commerce</b>
<b>ICS</b>	<b>International Chamber of Shipping</b>
<b>IMO</b>	<b>International Maritime Organization</b>
<b>ISO</b>	<b>International Organization for Standardization</b>
<b>UN/CEFACT</b>	<b>United Nations Centre for Trade Facilitation and Electronic Business</b>
<b>UNCITRAL</b>	<b>United Nations Commission on International Trade Law</b>
<b>UNCTAD</b>	<b>United Nations Conference on Trade and Development</b>
<b>UNECE</b>	<b>United Nations Economic Commission for Europe</b>
<b>WCO</b>	<b>World Customs Organization</b>
<b>WTO</b>	<b>World Trade Organization</b>

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## *SECTION I*

# INTRODUCTION

### **1.1 Information Flows**

1.1.1 Formalities, procedures and paperwork in international trade and transport are generated by the need for both Governments and industry to monitor and control the movement of goods and the transfer of services and by the necessity of safeguarding every party's legitimate interests. Closely related to this are the diverse requirements for information and financial flows between all involved parties. Over the years, trade facilitation efforts conducted by international or national bodies in various countries or sectors have introduced improvements in the information flows, by analysing the processes, simplifying the requirements, harmonizing procedures and documentation, standardizing commercial practices and introducing agreed codes for the representation of information elements. However, certain countries still maintain requirements which run contrary to these facilitation efforts, because of historical precedents, commercial inertia, difficulty in adjusting the methods of their control bodies, or ignorance of solutions that have been developed elsewhere.

1.1.2 The processes and systems developed to link shippers, carriers, port authorities, bankers, insurance companies, customs, consignees and other parties in the value chain are constantly being adapted to meet the changing needs. This is in particular associated with the speed of modern transport, the use of containers and express freight deliveries but also to take advantage of the possibilities that Information and Communication technology offer to improve information processing and transmission.

1.1.3 Today information flows are at a point midway between paper documents still often painfully filled in by hand, signed and authorized and those produced by computer but still sent manually (and often re-entered manually into another computer). Whilst at the same time the world of automatic data transmission where data is sent from computer to computer with minimal

human intervention is increasingly and globally applied.

1.1.4 The timely arrival of information is a vital component in any international trade transaction. However, it still happens frequently that the goods arrive at the destination before the necessary essential information is available to enable the respective operators to perform their function.

1.1.5 Delays in information production and transfer can be reduced if agreement is reached to make the maximum use of modern information and communication technology, e.g. the use of computers to prepare the required documents, sending copies by e-mail or Electronic Data Interchange (EDI). Whenever this is deemed too far advanced the use of Fax and standard aligned documents can provide a solution for simplifying document preparation. However, more needs to be done to facilitate the information flows (i.e. how the data are collected, transferred and dealt with). While part of the answer may lie in the simplification of the official and commercial procedures themselves, there should be, in addition, some systematic way of handling information relevant to the technology available. The advent of electronic trade tools such as the Internet and the availability of cheap and reliable computers even in the least advanced countries offers huge opportunities.

1.1.6 The problems created by trade documents and procedures fall into two categories: the supply of data; and the complexity of some of the procedures.

1.1.7 As stated above, goods often arrive before the information which should precede them and which is essential if they are to be dealt with expeditiously. Some companies take very expensive solutions, e.g. the use of courier services, to avoid delays due to missing documents at critical points in the transaction chain. However, this can be efficient only if dispatches are adjusted to the speed of the best practical performance that can be expected in average international transactions.

1.1.8 Owing to the complexity of some of the procedures, efficiency is lost if steps are not taken to minimize the amount of information required, for instance whilst goods are in transit. More generally, procedural requirements should be re-examined and manual systems tidied up before information technology can, with safety and economic advantage, be systematically applied.

1.1.9 In theory, there should be nothing inherently too complicated in the systems and procedures for selling goods from one country to another. Apart from the official requirements caused by the protection of national interests, difficulties arise in part from the sheer scale of the operations and in part from the vast number of people, interests, nations and languages involved. What may appear as a facilitation solution in one part of this network can, and often does, create difficulties in another. To take one example, Preshipment Inspection (PSI), which may be appropriate to solve a specific problem in the importing country, can sometimes impede the exporter, and the latter incorporates the costs incurred into the selling price. The resulting costs of PSI are finally borne by the final consumer of the goods in the importing country. (See recommendations to discourage the practice of PSI).

1.1.10 Buyers and sellers want to see their agreement for the sale and purchase of goods accomplished with the minimum of complication and cost against the background of their total production control and marketing arrangements. The sellers want sure payment and a safe timely arrival of their goods so that a single transaction is not only satisfactory to both parties but also contributes to the possibility of future business. The buyers want to receive the goods they have agreed to buy at the place and time provided in their contracts in good condition and with no more formalities or exertion on their part than are reasonably necessary to obtain possession and make payment.

1.1.11 Carriers and other parties involved in the transport chain such as terminals and forwarders want to be able to receive and deliver the goods on behalf of their clients with the minimum of complication. They also seek to fulfil this function in ways and under conditions conforming as closely as possible to their own requirements for the effective operation of their transport and handling resources.

1.1.12 Their want to finance and facilitate payment for customers' trade transactions by means which, while meeting individual requirements as closely as possible, will give proper weight to prudent precautions against loss or misunderstanding. In this they need the prompt presentation of documents which comply with the terms of the instructions they have received. Any variation in the documents, particularly when payment is made in the framework of a Documentary Credit, will result in delays for correction or verification.

1.1.13 However reasonable and economically justified such needs can be, it is by no means uncommon for the requirements of one commercial business or trade to conflict with those of another. Individual needs and incompatibilities must be identified before they can be reconciled. Moreover, the needs should be reconciled before they can be attended. The best people to explain their needs will always be the commercial interests themselves, but this requires that they have ample means of expressing their views through a variety of organizations and National Trade Facilitation Bodies, as recommended by UN/CEFACT (United Nations Centre for Trade Facilitation and Electronic Business) (UN/CEFACT Recommendation No. 4).

1.1.14 As mentioned above, the requirements of both Governments and commercial operators to monitor and control the movement of goods and payment thereof drive the procedures and paperwork generated in international trade. Whilst the ultimate destination of the information may be divided between the official and commercial sectors, during the transaction the data required by both sectors remain closely and inextricably linked. Commercial requirements are devised by the trading parties to meet their own needs and are therefore malleable and easily adaptable to comply with changing trade practices. By contrast, official requirements are enforced and controlled by Governments and have diverse aims, such as fiscal, protective, trade control and health requirements. The facilitation of trade may not be the primary purpose, so the possibility of change can be limited or, at best, very slow.

1.1.15 Those asking for and those providing information each have certain responsibilities. The essence of the technical task is to move minimum information with maximum efficiency. The criterion should be the minimum information necessary to service the transaction and not the minimum that people would like to obtain for other purposes. This

puts a special responsibility on those interests, especially Governments, banks and other credit institutions, which are in a position to enforce their data requirements.

1.1.16 Regardless of the end use of the data, the timely arrival of information, certainly before the arrival of the goods, is a vital component in any international trade transaction. As world distances "shrink" and travel times are reduced, it is essential that information is transmitted using the quickest, most effective method available to the parties involved. If it arrives after the cargo, the best information in the world will still cause acute problems, especially in the port community. Whilst it is appreciated that the technology available in different parts of the world may differ, where possible the use of modern technology should be encouraged, and suitable conditions for such use (including the necessary legal or regulatory framework) should be established in the countries concerned.

## **1.2 Documentary Requirements**

1.2.1 One of the arguments commonly put forward against the paperwork and procedures in international trade is that they may give rise to avoidable costs, e.g. those concerning duplication and reproduction of data, a problem which is greatly accentuated when a transaction is not perfectly executed.

1.2.2 Costs in this crude sense may be an ambiguous and even misleading index. Effective overall control systems might be established which, while showing substantial advantages at the management centre, could impose extra complications and costs on shipping and movement control functions taken in isolation.

1.2.3 Given the large volumes of information are required in international trade, which can result in abundance of paper documents, there are attractions in any method, which can simplify the production of the numbers and copies of documents. Many of the difficulties associated with information flows can be eliminated by the use of "aligned documents" i.e. documents printed on the same size paper and with common items of information set out in the same relative position on each form.

1.2.4 Although the range of documents aligned to a common standard, the United Nations Layout Key is now fairly extensive, many companies still do not

avail themselves of this facility. They should be made aware of the benefits they could derive from using aligned documents, the more so if internal company requirements are also linked to the aligned system.

1.2.5 The basic system is very simple and can operate without modern technology. By putting the details of the transaction or shipment on a master document, the aligned forms can be prepared by what is known as the "one-run" system. Items of information which are not required on individual forms for a particular procedure can be omitted by the use techniques which blank out the data on the reproduced document.

1.2.6 Information can be added to the master document at any time during the preparation and printing of individual forms. These systems reduce the cost and time taken to prepare documents and, once the master has been checked, ensure that the information on all forms is accurate.

1.2.7 Software packages are also available for extracting the required information from internal databases and producing aligned documents using microcomputers. This enables the companies either to produce masters which are used for reproducing the required forms, to print information on pre-printed forms, or to produce completed forms from plain paper by using a laser printer.

1.2.8 In considering reforms in documentation and procedures, commercial interests will be much influenced by likely effective reductions in the overall cost of financing, handling and moving goods from exporter to importer, seller to buyer. It should be realised in this respect that the direct costs of documents and procedures are only one part of the story. Indirect costs, such as fines, demurrage and loss of business because of inadequate documentation, which can be far more significant, are difficult if not impossible to cost in advance or quantify. Documentation and procedural costs in a particular transaction may be minimal yet any one of the many minor errors, which are endemic throughout present systems, may result, for example, in demurrage costs of thousands of dollars.

1.2.9 In this context, those asking for information, e.g. Customs, carriers, etc. should ask for the minimum of information at the best time and, if asking others to complete their documents (e.g. goods declarations), provide these in a

standard format. Those providing information have a responsibility to provide accurate data at the right time on the agreed format. When these conditions are fulfilled, each party - both the provider and receiver of information - can operate efficient documentation systems and carry out their own procedures in the minimum time.

### **1.3 Electronic Business**

1.3.1 Electronic business should be seen as the process of transacting business electronically. This includes the sharing of unstructured or structured business information by any electronic means among suppliers, customers, governmental bodies, service providers and other parties in order to conduct and execute transactions in business, administrative and other activities. It is a development of the most rapid advancing technology in present times, namely Information and Communication Technology (ICT). Use of this technology has made it possible to use Electronic Data Interchange together with Internet solutions for data to be exchanged between business applications with minimal human intervention. ICT revolutionizes business communications by removing a complete layer in business practices the use and processing of paper documents. The rationalization of data flows within a company enhances the integration of business functions and hence facilitates the decision making process. EDI opens up potent strategies such as "just in time" manufacturing. In addition, it enables companies to forge closer and more effective links with their trading partners.

1.3.2 EDI stands for the transfer of structured data, by agreed standards from computer application to computer application through electronic means. EDI is not a new concept or a new practice. Various industries, Governments and financial institutes use it to exchange high volume and changing information such as purchase orders, container stowage information and financial data.

1.3.3 Paperless trading is growing fast in many countries, in particular because "just in time" stock control usually means more, smaller shipments with very tight delivery schedules that paper documents cannot cope with, and also because EDI is a natural evolution in the international trade cycle. Indeed, one of the principal reasons for using EDI is the mountain of paper documents produced, moved, handled, corrected, transcribed and copied in normal business transactions. EDI has none of the

disadvantages of paper documents and brings substantial benefits and savings to companies that implement it. Accuracy (data are received directly from computer files and are not re-entered manually), speed and savings (it saves on the cost of mailing, copying, filing, distributing and capturing data) are some of the advantages.

1.3.4 EDI cannot function without standards. Various EDI standards have been developed to meet sectorial and national requirements for a speedy and successful implementation within closed groups, but implementation across national and sectorial boundaries is difficult as partners have to be able to support, maintain and interpret several EDI standards at great expense and inconvenience. To remedy this, for more than ten years UN/ CEFAC and its predecessor UNECE's WP.4 have been developing essential standards covering data elements, codes, segments and syntax rules for EDI. UN/EDIFACT, the result of this development, provides the world market with the necessary ingredients for using complete standard message types (UNSMs) for business data interchange. These standards, together with other UN/CEFACT recommendations, represent the business knowledge necessary to exchange data in whatever format through the Internet, VANS or other means. Electronic business uses these building blocks to ensure that the right information is available at the right time.

1.3.5 It is obvious that replacing paper documents by electronic information does not change the basic trade requirements between partners in international trade transactions. The same fundamental functions should be fulfilled, and the partners will still be, through for instance EDI, sending and receiving a purchase order, or declaring goods to Customs, or reserving space with a carrier and arranging payments. However, the implementation of Electronic Business solutions will lead to different processes and further simplification.

1.3.6 For international information flows used in Trade and Transport, the electronic transfer of data will permit substantial procedural rationalization, and a more efficient trade / transport, as is already the case e.g. in the framework of community systems largely based on the use of information technology including EDI. In some countries, this may necessitate changes in laws and regulations,

e.g. for permitting the replacement of traditional paper documents, Customs declarations, etc. by electronic messages, or for giving such messages the same legal value as that of a paper document.

## **1.4 Cargo/Goods Requirements**

1.4.1 Each participant in international trade needs to identify consignments, goods and equipment uniquely. Customs need to know precisely which goods have been declared for examination and control purposes. Port authorities, terminals, carriers and their agents need to know exactly which goods they have authority to deliver from their charge. Shipping lines need to itemize and account for goods and equipment, which they carry. Importers and exporters need to know precisely which of their goods are in transit and for which to arrange for carriage and handling payments.

1.4.2 Currently many references are used in ports and terminals as a single consignment reference, which has to appear on both the cargo and associated documentation as identifiers. It is important that those who handle or examine goods be able to recognize and separate one consignment from another. The marks and numbers, together with the description and the number, of packages fulfil this requirement.

1.4.3 Regardless of the mode of transport, goods moved internationally by conventional methods still require physical markings, which are sometimes also reproduced in related documents and even transmitted as data in electronic messages. The purpose of a shipping mark has always been to identify cargo and help in moving it rapidly, smoothly and safely, without delays or confusion, to its final destination and to enable the checking of cargo against documents. At present, with the fast advance of the use of containers in transport the link between the goods and the equipment in which they are carried is becoming essential to ensure proper handling and control. The result of not being able to recognize consignments leads to unnecessary costs, mistakes, confusion and shipment delays.

1.4.4 References and marks differ widely between countries and between modes of transport. With the increasing volume of international trade, the advent of multimodal and intermodal transport and the fast increase of the use of containers, there is a growing need to manage such data (whether in paper documents or using electronic exchange of

information). With increasing cost consciousness, it is clear that simple and consistent standards should be applied for physical marking of goods. Such is the purpose of the recommended practice on the use of Simpler Shipping Marks (UN/CEFACT Recommendation No. 15)

1.4.5 Numerous references on documents are created and received through the exchange of information through EDI and other electronic messages. The current referencing systems, while being purposeful to the generator, mean little or nothing to a third party who, in turn, generates its own reference. In an international trade transaction, up to 30 or more references can be generated, all of which are usually held in some form of database. With the development of EDI, it becomes obvious that these many references are expensive to store, to transfer and to relate to. Therefore a method had to be found to harmonize and align these wherever possible and feasible.

1.4.6 To that effect, UN/CEFACT developed in 1992 Recommendation No.8, the Unique Identification Code Methodology (UNIC), which proposes a method for referencing a transaction or consignment for the totality of its existence. It can be generated by either the buyer, the seller or provider of service and can be used by both official and commercial organizations. It complies both with UN/EDIFACT and United Nations documentary standards and has the specific function of becoming the only reference in international and, potentially, national trade. The current Recommendation relies on existing codes and references issued by commercial coding agencies, official bodies such as fiscal or statistical authorities, and trading companies themselves. The methodology is generic and can be represented as a barcode with the appropriate symbologies. At present, the WCO and local Customs are working towards finding new ways to apply this Recommendation and where appropriate revise it.

## **1.5 Official Requirements**

1.5.1 Many of the documents and procedures required in international trade have been devised by commercial interests to meet their own commercial requirements. Even when considered out of date or inappropriate for changed circumstances (e.g. changes in transport methods), they are at least designed to facilitate trade, whereas government requirements, and the documentation and procedures which stem from them, have diverse

aims and the facilitation of trade may not be their primary purpose. However, in many countries, the trade may be aware of an almost continuous process review, in particular by Customs, to meet the demands of new methods of trade and transport and to increase the efficiency and effectiveness of control services. This results in part from a progressive implementation of the provisions of the revised Kyoto Convention of the WCO, and also from the introduction of automated systems like the UNCTAD ASYCUDA program and other EDI initiatives, in an increasing number of countries.

1.5.2 Customs agencies tend to be responsible for the application of a wide variety of measures for which the basic policies of which are determined by other government departments. For instance, they enforce exchange control regulations and import and export restrictions and prohibitions; they ensure compliance with certain public health regulations; they compile trade statistics and collect certain levies on behalf of other agencies.

1.5.3 Willingness by Customs to modify their requirements in no way relieves exporters of their obligation to make accurate declarations for exported goods, and importers of their obligation to ensure the speedy release of the goods by meeting the necessary detailed Customs requirements for information and documents. In many countries now, Customs are willing to accept telex, faxed, or where appropriate e-mail information, either in lieu of packing lists or as temporary substitutes for an invoice, and will release imported goods accordingly. Nevertheless, errors by importers continually hinder the swift clearance of goods. Analysis of representative samples of import entries shows that some 20-30 per cent of them are incorrect in at least one respect. Typical errors are omission of essential information, incorrect tariff or statistical classification, and failure to produce supporting documents. Again, the use of the aligned system of documents and of EDI should ensure that such occasions are reduced.

1.5.4 These errors can have a considerable effect on the service Customs are able to provide. For instance, trader performance is often taken into consideration by Customs for granting greater facilities and accelerated procedures. Such facilities include Customs clearance undertaken at the traders' premises, based on qualifying criteria of movement and trader performance, or simpler Customs documentation linked to audit based controls.

1.5.5 Harmonization of Customs data in the area of product classification has been achieved by the introduction of the WCO International Convention on the Harmonized Commodity Description and Coding System (HS). The HS was created to meet a vital and pressing need for a single classification system, which would respond to the basic commodity description and coding requirements of the entire international trade community. Countries using the HS account for over 85% of world trade. However, one of the basic objectives of the HS, with its multipurpose features, is to apply the classification code outside the Customs environment, i.e. to ensure its application not only by Customs and statisticians but also by commercial interests such as traders, carriers and producers. This objective is far from being attained, and every effort should be made to ensure that this genuine business opportunity is not lost. (See recommendations D.7 and N.16)

## **1.6 Payment Procedures**

1.6.1 Payment is an essential parameter in international trade. The method of payment and its efficiency is influenced not only by commercial practices but also, in some countries, by government policy.

1.6.2 Methods of payment are sometimes not as efficient as they should be because of exchange control regulations imposed by the Government in the country of import, or because traders are not fully conversant with the implications of certain methods, or because they wish to overprotect the payment. These restrictions are generally counterproductive and result in deterring rather than encouraging trade.

1.6.3 One of the most widely used methods is the Letter of Credit (L/C). The Documentary Credit system, which has been in use for over a 150 years, was introduced to provide payment against proper presentation of documents. L/Cs are used for consignments of both very low and very high value, even though for low value consignments this method is not always economically justifiable.

1.6.4 The requirements for a L/C vary considerably throughout the world, the more difficult cases being associated with developing countries. For example, a credit from one of those countries could well be expected to consist of four pages of requirements, which must be strictly adhered to, and are often contradictory.

1.6.5 Research in the United Kingdom has also indicated that in over 50% of cases, the documents which had to be presented to secure settlement were rejected on first presentation because of defects or errors which made them unacceptable according to the terms of credit. Not surprisingly, this was found to be largely due to reliance on manual processing and the rewriting or rekeying of information.

1.6.6 Credit requirements are also affected by interpretation of language. This is especially evident where, under the terms of the credit, transshipment is prohibited. Although defined in the Uniform Customs and Practice for Documentary Credits (UCP) of the International Chamber of Commerce (ICC), the term transshipment is sometimes interpreted in different ways, and this can result in the credit being void. Similar difficulties may be caused by misunderstandings between buyer and seller. Frequently the buyer will specify a condition, e.g. "shipped on deck", which may have a particular interpretation to him whilst to the seller it has a conflicting meaning. If parties do not agree on the conditions beforehand, the discrepancy may come to light at the time of presentation to the bank when the possibility for amendment is limited. Although the ICC has produced the above mentioned UCP (recently revised and issued as "UCP 500", which we refer on various occasions in this publication), some countries insist on referring to their standard banking practice, which is specific to that country and often not definitive.

1.6.7 As well as methods of payment, the methods of remittance of funds are also important. These methods range from the S.W.I.F.T. Express Money Transfers (EMTs) to postal cheques or electronic banking, and delays in the system vary considerably. It is not untypical for a payment transfer to take up to 30 days and, in interest costs alone, it can amount to a considerable sum. From the buyers' standpoint remittance times are not beneficial, as the sums have already been removed from their accounts. All major banks openly state that it is not their policy to retard money transfers nor retain traders' money any longer than absolutely necessary. Nevertheless, in almost all international trade transactions where money passes from buyer to seller, more than one bank is involved in the money transfer and delays occur which are often caused by technological flaws or human error.

1.6.8 Delays can be reduced by using efficient and fast remittance systems such as EMTs, but the cost for using these systems could be prohibitive: At

present it would not be economical to use EMTs for sums of less than US\$ 10,000 as the cost would exceed the benefits. This directly affects international trade efficiency and has particular implications for the smaller international trader who relies heavily on cash flow.

1.6.9 An additional cause for possible delays stems from strict Exchange Control regulations in some countries, which impose certain payment methods (like the compulsory use of L/Cs whilst other more flexible methods such as bills of exchange or open accounts could be used in many instances, e.g. when the transaction takes place between established and trusted partners). In practice, some of the current official requirements may be onerous to the trader and tend to impede trade information flows. They can actively discourage trade with certain countries where the requirements are too stringent. It would obviously be beneficial for these countries to study how their legitimate objective, i.e. to protect their scarce resources in hard currencies and, in some instances, to control the repatriation of export proceeds, could be attained through methods that would not delay normal payments between trade partners.

## 1.7 Conclusion

1.7.1 In the same manner as the speed of a convoy is determined by that of the slowest truck or ship, or the strength of a chain by that of its weakest link, trade efficiency cannot be reached if one operator in the transaction chain does not operate efficiently. This goes for both private parties and government agencies controlling the movement of goods in international trade.

1.7.2 It is therefore essential that trade procedures and practices are governed by universally agreed basic principles and norms that could be applied by all participants in the transaction, irrespective of their methods of intervention and the degree of sophistication of their information management systems. There is no doubt that the use of electronic techniques for information transfer, and in particular EDI, will significantly contribute to a more efficient trade; however, it should be realized that this objective will be attained only if the basic procedures are in order in the exporting as well as the importing country.

1.7.3 Tools for devising efficient procedures are available in the form of standards, recommended practices, model procedures, etc. The *Compendium*

*of Trade Facilitation Recommendations* includes a comprehensive list of such practical measures. Although there are no recent indications concerning the extent to which they are actually implemented in the individual countries, it is well known that most of these tools are extensively used in a large number

of countries at various levels of development; they have proven their efficiency. Many of them are fundamental for the streamlining of international trade procedures; their generalized application would be a formidable step forward towards more efficient trade through better practices.



# LIST OF TRADE FACILITATION RECOMMENDATIONS

Brief descriptions of the recommendations contained in this *Compendium* have been grouped under the following headings:

- A. General provisions to facilitate trade
- B. Provisions relating to official procedures and controls
- C. Provisions relating to transport and transport equipment
- D. Provisions relating to the movement of persons
- E. Provisions relating to the management of dangerous goods and harmful substances
- F. Provisions relating to payment procedures
- G. Provisions relating to the use of Information and Communications Technology (ICT)
- H. Provisions relating to commercial practices and the use of international standards
- I. Legal aspects of trade facilitation

## A. General provisions to facilitate trade

### A.1. Trade

General bonds to cover Customs, immigration and health obligations	ICAO
Facilitation of clearance of cargo, passengers, crew and baggage	IMO
Establishment of a national focal point for trade facilitation	UN/CEFACT, IMO
Limitation on requests for copies of documents	UN/CEFACT
Use of Facilitation Measures related to International Trade Procedures	UN/CEFACT
Preshipment Inspection not a regulatory requirement	UN/CEFACT
Use of Preshipment Inspection as an interim recourse	UN/CEFACT
Use of Preshipment Inspection to carry out Customs related activities	UN/CEFACT
Agreement on Preshipment Inspection	WTO
Procedures to be as simple as possible	WTO
Agreement on Rules of Origin	WTO
Agreement on Technical Barriers to Trade (TBT Agreement)	WTO
Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement)	WTO

### A.2. Customs and other regulatory bodies

Co-ordination and harmonization of controls	ICAO, UNECE, WCO
Information on veterinary inspection requirements	ICAO, UNECE
Sanitary certificates and other documents to be simple and standardized	IMO
Adequate resources for control services	UNECE
Coordinated and joint controls between adjacent countries	UNECE, WCO
Information on medicosanitary inspection requirements	UNECE
Information on phytosanitary inspection requirements	UNECE
Information on technical standards requirements	UNECE
Information on quality controls	UNECE
Coordinate working hours at borders	UNECE, WCO
Publicity for official tariff, information on clearance procedures, etc.	WCO
Provision by Customs of information of a specific nature	WCO
Customs to give information on duties and taxes, valuation and procedures	WCO
No penalty for inadvertent declaration errors	WCO
Designated offices for Customs clearance	WCO
Person to make declaration	WCO

## **B. Provisions relating to official procedures and controls**

### **B.1.1. Provisions relating to exports**

#### **B.1.1 General**

Fees charged to be commensurate with work involved	WTO
Export procedures to be as simple as possible	WTO
Publication of export regulations	WTO
Impartial Application of Export Regulations	WTO
Preshipment Inspection to be non-discriminatory	WTO
Agreement on Technical Barriers to Trade	WTO

#### **B.1.2 Customs**

Certified Cargo Manifest not to be evidence of arrival abroad	ICAO
Clearance at any approved Customs office	ICAO
Whenever possible, no physical export examination	ICAO
Examination of exports with minimal handling of cargo	ICAO, WCO
Loading up to time of aircraft departure	ICAO
Waive presentation of individual documents	ICAO
Evidence of arrival abroad not normally required	WCO
Acceptance of goods declarations at inland offices	WCO
Periodic export declarations	WCO
No export delay for minor information omission	WCO

#### **B.1.3 Official documents**

Simple formalities for goods permits and licences	ICAO
Alignment of documents with United Nations Layout Key (ISO 6422)	ICAO
Limitation of documents to simple export declaration	ICAO
Number of copies of export declaration	WCO

## **B.2 Provisions relating to imports**

#### **B.2.1 General**

National legislation to cater for computerized procedures	UN/CEFACT
Fees charged to be commensurate with work involved	WTO
Agreement on Import Licensing Procedures	WTO

#### **B.2.2 Customs**

Airfreight consignments of low value to be exempted from import duties	ICAO
Acceptance of declaration before arrival of goods	ICAO, WCO
Abolition of consular invoices and fees	ICAO
Priority examination of live animals, perishables, etc.	ICAO, WCO
Selective examination of goods	ICAO
Reduce documentary requirements	ICAO
Simplified Customs documentation for air cargo up to specified value or weight	ICAO
Commercial invoice the basic document	ICAO
Provisional declaration if all data not available	ICAO
Customs or other official information not to be required on air waybill	ICAO
Expeditious clearance of goods	UN/CEFACT
Immediate release to importer's premises	UN/CEFACT, WCO
Customs to give information on clearance procedure	WCO
Customs to supply information to assist completion of goods declaration	WCO
Inward processing use of equivalent domestic goods	WCO

Temporary importation of special handling equipment	WCO
Limited Customs control of imported goods	WCO
General security for goods in temporary store	WCO
No security if Customs control temporary store	WCO
No duty on goods destroyed in temporary store	WCO
Limit for temporary storage	WCO
Responsibilities and rights of declarant	WCO
Customs to give information on clearance procedure	WCO
No separate declaration for samples taken	WCO
Periodic home use declarations	WCO
Prompt examination of goods	WCO
Limited Customs control	WCO
Clearance by summary examination whenever possible	WCO
Detailed examination by selective methods	WCO
Provisional declaration if all data not available	WCO

### **B.2.3 Official documents**

Simple formalities for goods permits and licenses	ICAO
Alignment of Customs import goods declarations	ICAO, WCO
Number of copies of goods declaration	WCO
No unnecessary certification of origin	WCO
Acceptance of declaration of origin	WCO
Information on origin requirements	WCO
Alignment of certificates of origin	WCO

## **B.3 Provisions relating to transit**

### **B.3.1 General**

Normally no technical standards control	UNECE
Normally no quality control	UNECE
Freedom of transit to be allowed	WTO
No distinction based on flag, origin, ownership, etc.	WTO
No unnecessary delays or restrictions	WTO

### **B.3.2 Customs**

Limitation of inspection	UNECE
Exemption from Customs duties	UNECE, WCO
Flat rate bonds for transit goods	UNECE
No routine calculation of duty on transit goods	UNECE
TIR transit regime valid for all modes of transport	UNECE
Normally no escort of goods	UNECE
No duty on transit goods accidentally lost or destroyed	WCO
No escort of goods in transit or itinerary	WCO
Commercial or transport document as descriptive part of transit declaration	WCO
No unnecessary delays or restrictions	WTO

### **B.3.3 Health and Safety**

No medicosanitary inspection for goods in transit if no contamination risk	UNECE
No veterinary inspection for animal products in transit if no contamination risk	UNECE
No phytosanitary inspection for goods in transit if no contamination risk	UNECE

### **B.3.4 Security**

Declarant to choose form of security	WCO
General security for several transit operations	WCO
On completion, discharge of security without delay	WCO

## **B.4 Measures relating to transshipment of goods**

### **B.4.1 Customs**

No duty on transhipped goods	WCO
No duty on destroyed transshipment goods	WCO
Reduced duty if goods damaged and not exported	WCO
Normally no examination of transshipments	WCO
Normally no escort of transshipments	WCO

### **B.4.2 Security**

Declarant to choose form of security	WCO
General security for regular transshipments	WCO

## **C. Provisions relating to transport and transport equipment**

### **C.1. Air transport**

Minimization of dwell-time of air cargo	ICAO
No General Declaration for air transport	ICAO
Use of ICAO standard General Declaration if one required	ICAO
Agent or pilot may sign declaration	ICAO
Standard Manifest for air cargo	ICAO
Nature of goods not to be shown on Standard Manifest	ICAO
Minimum documentation for aircraft arrival/departure	ICAO
Arrival/departure documents not required for internal stops, only on arrival from and departure to abroad	ICAO
No duty on air transport ground equipment	ICAO
No duty on air transport training equipment	ICAO

### **C.2. Sea transport**

Acceptance of standard manifest	ICS
Use of Standard Bill of Lading	ICS
Single comprehensive security for shipowners	IMO
No prior authentication of ship and cargo documents	IMO
Minimum formalities at second port call	IMO
Grant of pratique by radio	IMO
Limited documents required on ship's arrival	IMO
Use of General Declaration	IMO
Same form of General Declaration for arrival	IMO
Information required on General Declaration	IMO
Authentication of General Declaration	IMO
Use of Cargo Declaration for arrival and departure	IMO
Information required on Cargo Declaration	IMO
Limited information about cargo remaining on board	IMO
Number of copies of documents	IMO
Authentication of Cargo Declaration	IMO, ICAO
Manifest in lieu of Cargo Declaration	IMO
Separate advice of unmanifested parcels	IMO
Acceptance of Bill of Lading as alternative to Cargo Declaration	IMO

No departure Cargo Declaration for cargo remaining on board	IMO
Correction of inadvertent errors without delay to ship	IMO
Use of model arrival forms	IMO
No penalties for inadvertent errors	IMO
Issue of single original Bill of Lading	UN/CEFACT
Use of Sea Waybill in preference to Bill of Lading	UN/CEFACT
Simpler Shipping Marks	UN/CEFACT

### **C.3. Multimodal transport**

Use of blank-back forms	UN/CEFACT
Use of codes for modes of transport	UN/CEFACT
Layout Key for Standard Consignment Instructions	UN/CEFACT
Undocumented temporary importation of vehicles or containers containing goods under TIR	UNECE
Acceptance of foreign Customs seals on containers	UNECE, WCO
Minimum Customs formalities for means of transport	WCO
Temporary importation of means of transport	WCO
Duty on destroyed or damaged means of transport	WCO
No prior authentication of means of transport documents	WCO
Reduced number of copies of declaration of arrival	WCO
Use of foreign containers in internal traffic	WCO
Acceptance of foreign containers for temporary admission	WCO
Temporary admission for replacement parts for containers	WCO
Temporary admission for accessories and equipment for containers	WCO
Undocumented temporary importation of foreign containers	WCO
Acceptance of approved foreign containers	WCO

## **D. Provisions relating to the movement of persons**

No passenger manifest to be required for air transport	ICAO
Use of Standard Passenger Manifest if one required	ICAO

## **E. Provisions relating to the management of dangerous goods and harmful substances**

Separate advice of dangerous goods	IMO
Information relating to dangerous goods	UN/CEFACT
Use of dangerous goods declaration	UN/CEFACT

## **F. Provisions relating to payment procedures**

Use of abbreviations for PAYTERMS	UN/CEFACT
Duty payment by means other than cash	WCO
Deferred duty payments	WCO
Proof of duty payment to be issued	WCO
Refund of overpayments	WCO

## **G. Provisions relating to the use of Information and Communications Technology (ICT)**

Basic principles for the introduction of EDI	ICAO
Participation by operators to be optional	ICAO
Study use of information technology to facilitate airfreight	ICAO
Encouragement of use of EDI	ICAO
Customs to provide data interchange with trade users	ICAO
Acceptance of information technology prepared Cargo Manifest	ICAO
Electronic data-processing techniques for facilitation of ships clearance	IMO
Acceptance of authentication without signature	UN/CEFACT
Use of UN/EDIFACT including use of UN Trade Data Interchange Directory (TDID) (syntax : 1509735)	UNECE
National legislation to cater for computerized procedures	WCO
Continuos liaison Customs – national information technology services	WCO
Customs administrations to exchange information technology information	WCO
Customs to maximize use of information technology techniques	WCO
Customs computer systems to use international standards	WCO
Review Customs manual procedures before computerizing	WCO
Customs to provide data interchange with trade users	WCO
Customs to use information technology criteria	WCO
Exchange of information technology information between Customs administrations	WCO
Exchange of information technology information between Customs and other parties	WCO

## **H. Provisions relating to commercial practices and the use of international standards**

Avoidance of excessive detail in credits	ICC
Authenticated teletransmission deemed operative credit/amendment unless qualified	ICC
Despatch of operative credit/amendment without delay after qualified teletransmission	ICC
Bank acceptance of photocopied, carbon copies and information technology produced documents	ICC
Copies do not need to be signed	ICC
Acceptance of alternative documents when credit calls for Bill of Lading	ICC
Limited acceptance of transshipment when credit prohibits	ICC
Acceptance of alternative documents when credit calls for non-negotiable waybill	ICC
Acceptance of alternative documents when credit calls for charter party Bill of Lading	ICC
Acceptance of alternative documents when credit calls for multimodal transport document	ICC
Acceptance of alternative documents when credit calls for an air transport document	ICC
Acceptance of alternative documents when credit calls for road, rail or inland waterway transport document	ICC
Acceptance of post receipt or certificate of posting (conditions)	ICC
Acceptance of courier receipt (conditions)	ICC
Limited acceptance of freight forwarder issued transport document	ICC
Commercial invoices need not be signed	ICC

Acceptance of weight certificate on transport document	ICC
Acceptance of goods description in general terms	ICC
Use of aligned trade documents	UN/CEFACT
Use of country codes	UN/CEFACT
Use of INCOTERMS abbreviations	UN/CEFACT
Use of Aligned Invoice Layout Key	UN/CEFACT
Use of codes for dates, times, periods of time	UN/CEFACT
Use of a Unique Identification Code (UNIC)	UN/CEFACT
Use of International Currency Codes	UN/CEFACT
Use of codes for the Identification of ships	UN/CEFACT
Official adoption of agreed location codes (UN/LOCODE)	UN/CEFACT
Use of codes for Units of Measure	UN/CEFACT
Use of Packaging Codes	UN/CEFACT
Use of Standard Consignment Instructions	UN/CEFACT
Use of Freight Codes	UN/CEFACT
Use of Trade and Transport Status Codes	UN/CEFACT
Use of the EDI standard	UN/CEFACT
The commercial use of Interchange Agreements for Electronic Data Interchange	UN/CEFACT
Use of trade data elements internationally (ISO 7372)	UNECE
Standards and certification systems should not create obstacles to trade	WTO
Use of International Standards	WTO

### **I. Legal aspects of trade facilitation**

Use of Uniform Rules of conduct for Interchange of Trade Data by Teletransmission (UNCID)	ICC
Electronic Commerce Agreement	UN/CEFACT





## SECTION III

# THE RECOMMENDATIONS

This *Compendium* includes references to, and extracts from, international instruments. The contents of the *Compendium* should not be considered as a substitute for use of the full text of these instruments. Reference should always be made to the full text, which constitutes the only valid source for official use.

### A. General provisions to facilitate trade

#### A.1. Trade

##### **General bonds to cover Customs, immigration and health obligations**

*ICAO, Convention on International Civil Aviation, Annex 9 (8.1) Recommended Practice.* “If a Contracting State requires bonds of an operator to cover his liabilities under the Customs, immigration, public health, animal and plant quarantine, or similar laws of the State, it should permit the use of a single comprehensive bond whenever possible.”

##### **Facilitation of clearance of cargo, passengers, crew and baggage**

*IMO, Convention on Facilitation of International Maritime Traffic, 1965, Annex B (3.11) Recommended Practice.*

“Public authorities should, with the co-operation of shipowners and port authorities, take appropriate measures to the end that satisfactory port traffic flow arrangements may be provided so that passengers, crew and baggage can be cleared rapidly, should provide adequate personnel, and should ensure that adequate installations are provided, particular attention being paid to baggage loading, unloading and conveyance arrangements (including the use of mechanized systems) and to points where passenger delays are frequently found to occur”

##### **Establishment of a national focal point for trade facilitation**

*UN/CEFACT, Recommendation No. 4* “... recommends that Governments establish and support

national trade facilitation bodies with balanced private and public sector participation in order to:

Provide a national focal point for the collection and dissemination of information on best practices in international trade facilitation; ...”

*IMO, Conference on Facilitation of Maritime Travel and Transport, 1965, Resolution III.* “Further to that Resolution, in August 1989, the International Maritime Organization (IMO) issued guidelines for the establishment and operation of national facilitation committees. They recommend the establishment of a body consisting of the main interests concerned with facilitation, including government clearing agencies, such as immigration, Customs, consular, passport and visa, public health, agriculture, security and narcotics control; other governmental agencies including postal services, tourism and trade departments; port authorities; shipowners and operators; shipping and freight forwarders and agents.”

##### **Limitation on requests for copies of documents**

*UN/CEFACT, Recommendation No. 12*, paragraph 7 and 8. “...participants in international trade, including shipowners, shippers, consignees, banks and insurers and other parties interested in the maritime transport of goods and to Governments, international organisations concerned and national trade facilitation organs...”

- (i) regarding the negotiable bill of lading, to:
  - (a) discourage their unnecessary use;
  - (b) restrict the number of originals and copies issued;...”

### **Use of facilitation measures related to international trade procedures**

*UN/CEFACT, Recommendation No. 18*, "... recommends that Governments, administrations and organisations responsible for the relevant national regulations and practices related to the movement of goods in international trade, support international facilitation work by implementing facilitation measures described hereafter;

Recommends that international organisations responsible for the relevant international agreements to include these measures when reviewing existing or preparing new international instruments;

Recommends that participants in international trade to accept and implement those facilitation measures described hereafter, which fall within their area of interest; ..."

### **Preshipment Inspection not a regulatory requirement**

*UN/CEFACT, Recommendation No. 27* "The UN Centre for the Facilitation ...

- being aware that excessive administrative and official formalities constitute non-tariff barriers to trade which can cause delays and additional costs;
- noting that a number of Governments require inspection prior to the shipment of goods from the exporting country; and
- recalling its earlier recommendation discouraging the use of preshipment inspection,
- recommends that preshipment inspection (PSI) should not be made a regulatory requirement."

### **Use of Preshipment Inspection as an interim recourse**

*UN/CEFACT, Recommendation No. 27*, "Where in certain circumstances the interim recourse to PSI is still considered necessary, UN/CEFACT recommends that:

- PSI should be considered as a short term measure and the procedure should be reviewed every twelve to eighteen months to ensure fulfilment of objectives;
- a deadline, which should not exceed five years, should be established for removing regulatory PSI procedures;
- the WTO Agreement on Preshipment Inspections should be formally adhered to..."

### **Use of Preshipment Inspection to carry out Customs related activities**

*UN/CEFACT, Recommendation No. 27* "Where PSI is used to carry out Customs related activities, UN/CEFACT recommends that:

- Governments and Customs administrations formally adopt the WCO Arusha Declaration Concerning Integrity in Customs;
- a comprehensive programme of Customs reform and modernization, with adequate resources, be combined with the introduction of the PSI program; and
- maximum use be made of available PSI information."

### **Agreement on Preshipment Inspection**

*WTO, The Agreement on Preshipment Inspection* was negotiated with the aim of reducing any non-tariff barriers that could result from the use of private agents to conduct quantity, quality and price inspection of imports. The Agreement does not encourage countries to use PSI, but recognizes that some developing countries might employ such private entities on a transitional basis. The PSI Agreement does not apply directly to PSI entities; it is rather implemented through WTO Members who use PSI entities such that they ensure through their contracts that the entities adhere to the provisions contained in the Agreement. In establishing a set of provisions for the carrying out of these inspection activities, the Agreement harmonizes the rules for the carrying out of preshipment inspection activities worldwide.

### **Procedures to be as simple as possible**

*WTO, General Agreement on Tariffs and Trade, Article VIII (1) (c)*. "The Contracting Parties also recognize the need for minimizing the incidence and complexity of import and export formalities and for decreasing and simplifying import and export documentation requirements."

### **Agreement on Rules of Origin**

*WTO, The Agreement on Rules of Origin* aims at harmonization of *non-preferential* rules of origin, and seeks to ensure that such rules do not themselves create unnecessary obstacles to trade. The Agreement sets out a harmonization work programme for *non-preferential* rules of origin to be undertaken in conjunction with the WCO. The underlying principle is that the originating status of a good should be either the country where the good has been wholly obtained or, when more than one country is concerned in its production, the country where the last substantial transformation has been carried out. The harmonization work is currently ongoing in the WTO. Until the completion of the harmonization work programme, Members shall ensure that their rules of origin do not discriminate between Members; the rules of origin shall be clearly defined and transparent; they must be administered in a consistent, uniform, impartial and

reasonable manner and be based on a positive standard. Members have to publish their rules of origin promptly; any administrative action in relation to the determination of origin shall be promptly reviewable by judicial, arbitral or administrative tribunals or procedures independent of the authority issuing the determination; such findings can modify or reverse the determination. Upon request, assessments of origin shall be issued as soon as possible but no later than 150 days after such a request is received.

### **Agreement on Technical Barriers to Trade (TBT Agreement)**

*WTO, The TBT Agreement* recognizes that product standards, technical regulations and conformity assessment procedures are essential for the functioning of modern economies. The WTO does not develop product standards, nor does it require its Members to have such standards. Rather, the TBT Agreement allows Members to develop their own technical regulations, standards and conformity assessment procedures for certain legitimate purposes, such as the protection of human, animal, plant life or health, of the environment, or for the prevention of deceptive practices, and seeks to ensure that no unnecessary obstacles to trade are constituted. Technical regulations shall not be more trade restrictive than necessary to fulfil a legitimate objective. Product regulations shall, where appropriate, be specified in terms of performance rather than design or descriptive characteristics.

The Agreement lays down the principle of non-discrimination between Members and encourages them to use existing international standards in the development of their national regulations. Members are to give positive consideration to accepting, as equivalent, technical regulations of other Members, even if these regulations differ from their own, provided they are satisfied that these regulations adequately fulfil the objectives of their own regulations. Finally, the Agreement encourages Members to enter into mutual recognition agreements for the acceptance of conformity assessment procedures.

### **Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement)**

*WTO, The SPS Agreement* contains several provisions, which relate to facilitating the flow of goods across borders. A fundamental obligation in this respect is that Members shall ensure that their sanitary and phytosanitary measures do not arbitrarily or unjustifiably discriminate between Members, where identical or similar conditions

prevail. The Agreement further ensures national treatment. Moreover, sanitary and phytosanitary measures shall not be applied in a manner which would constitute a disguised restriction on international trade (Art. 2.3). In addition, there are a number of more specific provisions related to trade facilitation, particularly regarding harmonization of SPS measures, equivalence, recognition of disease-free areas, transparency, and control, inspection and approval procedures.

The Agreement encourages the use of international standards, guidelines and recommendations, thus enhancing transparency and security. The Agreement provides that Members shall accept SPS measures of other Members as equivalent, even if these measures differ from their own or from those used by other Members. The onus to demonstrate equivalence rests with the exporting Member. Moreover, the Agreement encourages Members to enter into consultations with the aim of achieving bilateral and multilateral equivalence agreements (Art. 4). Members are required to notify any new or changed sanitary and phytosanitary requirements which affect trade. They also have to set up Enquiry Points to respond to requests for any additional information on new or existing measures, including on how they apply their food safety and animal and plant health regulations. Annex C to the Agreement establishes detailed provisions aiming at rendering the control, inspection and approval procedures non-discriminatory and as efficient as possible taking into account legitimate commercial interests.

## **A.2. Customs and other regulatory bodies**

### **Co-ordination and harmonization of controls**

*ICAO, Convention on International Civil Aviation, Annex 9 (4.30) Recommended Practice.* “Where the nature of the consignment could attract the attention of different clearance agencies, e.g. Customs and veterinary or sanitary controllers, Contracting States should endeavour to delegate authority for clearance to customs or one of the agencies, or where not feasible, take all necessary steps to ensure that clearance is carried out simultaneously, at one point and with a minimum of delay.”

*UNECE, International Convention on the Harmonization of Frontier Control of Goods, 1982, Article 4.* “The Contracting Parties shall undertake, to the extent possible, to organize in a harmonized manner the intervention of the Customs services and the other control services.”

*WCO, Revised Kyoto Convention, General Annex, Chapter 3 Transitional Standard 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."

(See also 1973 Kyoto Convention, Annex B.1 Recommended Practice 34.)

### **Information on veterinary inspection requirements**

*ICAO, Convention on International Civil Aviation, Annex 9 (4.58)*. "Contracting States which in certain circumstances require sanitary certificates or related documents in respect of particular animal and plant shipments shall publish the details of their requirements in this connection."

*UNECE, International Convention on the Harmonization of Frontier Control of Goods, 1982, Annex 3, Article 3*. "Each Contracting Party shall ensure that information on the following is readily available to any person interested:

- "– The goods subject to veterinary inspection;
- "– The places where the goods may be presented for inspection;
- "– The compulsorily notifiable diseases;
- "– The requirements as set out in laws and regulations concerning veterinary inspection as well as their procedures of general application."

### **Sanitary certificates and other documents to be simple and standardized**

*IMO, Convention on Facilitation of International Maritime Traffic, 1965, Annex B (5.3) Recommended Practice*. "Where Sanitary Certificates or similar documents are required in respect of shipments of certain animals, plants or products thereof, such certificates and documents should be simple and widely publicized and Contracting Governments should co-operate with a view to standardizing such requirements."

### **Adequate resources for control services**

*UNECE, International Convention on the Harmonization of Frontier Control of Goods, 1982, Article 5*. "To ensure that the control services operate satisfactorily, the Contracting Parties shall see to it that, as far as possible, and within the framework of national law, they are provided with:

- "(a) qualified personnel in sufficient numbers consistent with traffic requirements;
- "(b) equipment and facilities suitable for inspection, taking into account the mode of transport, the goods to be checked and traffic requirements;

"(c) official instructions to officers for acting in accordance with international agreements and arrangements and with current national provisions."

### **Coordinated and joint controls between adjacent countries**

*UNECE, International Convention on the Harmonization of Frontier Control of Goods, 1982, Article 7*. "Whenever a common inland frontier is crossed, the Contracting Parties concerned shall take appropriate measures, whenever possible, to facilitate the passage of goods, and they shall, in particular:

- "(a) endeavour to arrange for the joint control of goods and documents, through the provision of shared facilities."
- "(b) endeavour to ensure that the following correspond:
  - "– opening hours of frontier posts;
  - "– the control services operating there;
  - "– the categories of goods, the modes of transport and the international Customs transit procedures accepted or in use there."

*WCO, Revised Kyoto Convention, General Annex, Chapter 3 Standard 3, Transitional Standard 4 and 5*

"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."

"3.4. At common border crossings, the Customs administrations concerned shall, whenever possible, operate joint controls."

"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."

### **Information on medicosanitary inspection requirements**

*UNECE, International Convention on the Harmonization of Frontier Control of Goods, 1982, Annex 2, Article 2*. "Each Contracting Party shall ensure that information on the following is readily available to any person interested:

- "– The goods subject to medico-sanitary inspection;
- "– The places where the goods in question may be presented for inspection;
- "– The requirements as set out in laws and regulations concerning medico-sanitary inspection as well as their procedures of general application."

### **Information on phytosanitary inspection requirements**

*UNECE, International Convention on the Harmonization of Frontier Control of Goods, 1982, Annex 4, Article 3.* "Each Contracting Party shall ensure that information on the following is readily available to any person interested:

- "– The goods subject to special phytosanitary conditions;
- "– The places where particular plants and plant products may be presented for inspection;
- "– The list of pests of plants and plant products for which prohibitions and restrictions are in force;
- "– The list of requirements as set out in laws and regulations concerning phytosanitary inspection as well as their procedures of general application."

### **Information on technical standards requirements**

*UNECE, International Convention on the Harmonization of Frontier Control of Goods, 1982, Annex 5, Article 2.* "Each Contracting Party shall ensure that information on the following is readily available to any person interested:

- "– The standards applied by it;
- "– The places where the goods may be presented for inspection;
- "– The requirements as set out in laws and regulations concerning the control of compliance with technical standards as well as their procedures of general application."

### **Information on quality controls**

*UNECE, International Convention on the Harmonization of Frontier Control of Goods, 1982, Annex 6, Article 2.* "Each Contracting Party shall ensure that information on the following is readily available to any person interested:

- "– The places where the goods may be presented for inspection;
- "– The requirements as set out in laws and regulations concerning quality control as well as their procedures of general application."

### **Coordinate working hours at borders**

*UNECE, International Convention on the Harmonization of Frontier Control of Goods, 1982, Annex 3, Article 4 (1)* "The Contracting Parties shall endeavour ... to facilitate the movement of goods, in particular through the co-ordination of working hours of the veterinary and Customs services and agreement to effect clearance outside normal hours, where their arrival has been notified in advance."

*Revised Kyoto Convention, General Annex, Chapter 3 Standard 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."

(See also 1973 Kyoto Convention, Annex B.1 Recommended Practice 4.)

### **Publicity for official tariff, information on clearance procedures, etc.**

*WCO, Revised Kyoto Convention, General Annex, Chapter 9, Standard 1.* "The Customs shall ensure that all relevant information of general application pertaining to Customs law is readily available to any interested person."

*WCO, Revised Kyoto Convention, Guidelines to the General Annex, Chapter 9, Part 2 on Information of general application.* "The information is usually made available:

- in publications such as the Customs tariff, official gazettes, bulletins and public notices;
- at appropriate Customs offices;
- at strategic locations where it is likely to be needed. For example, information on Customs formalities and exemptions from duty and tax allowed to travellers may be made available on ships, aircraft, international trains, or at places of international arrival and departure;
- in embassies and trade missions abroad, with supplies of notices for intending exporters and visitors in a variety of languages if necessary;
- by display in public offices such as major post offices, tourist centres, etc.;
- by publication in relevant newspapers and journals or by the issue of press releases; and
- through regular magazine-type publications or newsletters produced by administrations for the trade to provide news and articles on major developments and changes."

(See also 1973 Kyoto Convention, Annex G.1 Standard 3 and Note.)

*WCO, Revised Kyoto Convention, General Annex, Chapter 9 Standard 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."

(See also 1973 Kyoto Convention, Annex G.1 Recommended Practice 4.)

*WCO, Recommendation of the Customs Co-operation Council concerning the use of World Wide Web sites by Customs Administrations*

“RECOMMENDS that Members of the Council and members of the United Nations Organization or its specialized agencies, and Customs or Economic Unions, should implement a Customs World Wide Web site for their administration,

FURTHER RECOMMENDS that Members of the Council and members of the United Nations Organization or its specialized agencies, and Customs or Economic Unions, should make available on Customs administration web, sites, where practical or feasible, the data content as specified in the Annex to this Recommendation.”

### **Provision by Customs of information of a specific nature**

*WCO, Revised Kyoto Convention, General Annex, Chapter 9 Standard 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.”

(See also 1973 Kyoto Convention, Annex G.1 Standard 5.)

*WCO, Revised Kyoto Convention, General Annex, Chapter 9, Standard 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.”

(See also 1973 Kyoto Convention, Annex G.1 Recommended Practice 6.)

### **Customs to give information on duties and taxes, valuation and procedures**

*Revised Kyoto Convention, Guidelines to the General Annex, Chapter 9, Part 3.1.* on Types of information and decisions. “The following are typical subjects on which Customs may be asked to supply specific information:

- tariff classification of goods and rates of duties and taxes applicable to them;
- rules of origin and information necessary for their interpretation;
- exemption or relief from duties and taxes;
- valuation - general principles and practices for the calculation of value for Customs purposes and specific information showing how the value for goods has been calculated;
- eligibility for treatment under specific Customs procedures, particularly those offering relief from

- duties and taxes such as processing, temporary admission, warehousing or drawback;
- repayment arrangements;
- procedural and administrative arrangements, such as Customs approved routes, opening hours of Customs offices;
- security and acceptable methods for providing security for duty and taxes; and
- documentation requirements.”

(See also 1973 Kyoto Convention, Annex G.1 Standards 10, 13, 14, 15 and 16.)

### **No penalty for inadvertent declaration errors**

*WCO, Revised Kyoto Convention, General Annex, Chapter 3 Standard 39.* “The Customs shall not impose substantial penalties for errors where they are satisfied that such errors are inadvertent and that there has been no fraudulent intent or gross negligence. Where they consider it necessary to discourage a repetition of such errors, a penalty may be imposed but shall be no greater than is necessary for this purpose.”

(See also 1973 Kyoto Convention, Annex B.1 Standard 43.)

### **Designated offices for Customs clearance**

*WCO, Revised Kyoto Convention, General Annex, Chapter 3 Standard 1.* “The Customs shall designate the Customs offices at which goods may be produced or cleared. In determining the competence and location of these offices and their hours of business, the factors to be taken into account shall include in particular the requirements of the trade.”

(See also 1973 Kyoto Convention, Annex A.1 Standard 13.)

### **Person to make declaration**

*WCO, Revised Kyoto Convention, General Annex, Chapter 3 Standard 7.* “Any person having the right to dispose of the goods shall be entitled to act as declarant.”

*WCO, Revised Kyoto Convention, Guidelines to the General Annex, Chapter 3, Part 2.2.* on who can be a declarant. “Customs normally allow any person who can provide the necessary documentation to clear the goods to function as a declarant. However, where there may be any doubt Customs may require a declarant to justify that he has the right to dispose of the goods.”

(See also 1973 Kyoto Convention, Annex B.1 Recommended Practice 6 and Note.)

## **B. Provisions relating to official procedures and controls**

### **B.1. Provisions relating to exports**

#### **B.1.1. General**

##### **Fees charged to be commensurate with work involved**

*WTO, General Agreement on Tariffs and Trade 1947, Article VIII (1)(a).* “All fees and charges of whatever character (other than import and export duties and other than taxes within the purview of Article III) imposed by contracting parties on or in connection with importation or *exportation* shall be limited in amount to the approximate cost of services rendered and shall not represent an indirect protection to domestic products or a taxation of imports or exports for fiscal purposes.”

##### **Export procedures to be as simple as possible**

*WTO, General Agreement on Tariffs and Trade 1947, Article VIII (1)(c):* “The contracting parties also recognize the need for minimizing the incidence and complexity of import and export formalities and for decreasing and simplifying import and *export* documentation requirements.”

##### **Publication of export regulations**

*WTO, General Agreement on Tariffs and Trade 1947, Article X (1):* “1.laws, regulations, judicial decisions and administrative rulings of general application, made effective by any contracting party, pertaining to the classification or the valuation of products for customs purposes, or to rates of duty, taxes or other charges, or to requirements, restrictions or prohibitions on imports or *exports* or on the transfer of payments therefor, or affecting their sale, distribution, transportation, insurance, warehousing inspection, exhibition, processing, mixing or other use, shall be published promptly in such a manner as to enable Governments and traders to become acquainted with them. Agreements affecting international trade policy which are in force between the government or a governmental agency of any contracting party and the government or governmental agency of any other contracting party shall also be published. The

provisions of this paragraph shall not require any contracting party to disclose confidential information which would impede law enforcement or otherwise be contrary to the public interest or would prejudice the legitimate commercial interests of particular enterprises, public or private.”

##### **Impartial Application of Export Regulations**

*WTO, General Agreement on Tariffs and Trade 1947, Article X (3) (a):* “Each contracting party shall administer in a uniform, impartial and reasonable manner all its laws, regulations, decisions and rulings of the kind described in paragraph 1 of this Article.”

##### **Preshipment Inspection to be non-discriminatory**

*WTO Preshipment Inspection Agreement* includes numerous provisions that are particularly aimed at strengthening the rights of exporters *vis-à-vis* PSI agencies:

Article 2 of the Agreement obliges user Members (i.e WTO Members who are contracting PSI agencies to verify exports from other countries) to ensure that preshipment inspection activities are carried out in a non-discriminatory manner among exporters; that the information required from exporters is set out in a transparent manner; that unreasonable delays are avoided and within five working days, a Clean Report of Findings shall be issued or a detailed written explanation provided, specifying the reasons for non-issuance.

##### **Agreement on Technical Barriers to Trade**

*WTO*, Particularly with regard to exports from developing countries, Article 12.3 of the Agreement stipulates that that “Members shall, in the preparation and application of technical regulations, standards and conformity assessment procedures, take account of the special development, financial and trade needs of developing country Members, with a view to ensuring that such technical regulations, standards and conformity assessment procedures do not create unnecessary obstacles to exports from developing country Members.”

## **B.1.2 Customs**

### **Certified Cargo Manifest not to be evidence of arrival abroad**

*ICAO, Convention on International Civil Aviation, Annex 9 (4.18).* "Where goods are exported from a Contracting State, free of taxes or duties which would be payable in the absence of exportation, and that State requires evidence of the arrival abroad of such goods, it shall accept as such evidence a statement supplied by the shipper or consignee and certified by the Customs authorities in the State of destination. In any event, the Contracting State shall not require a certified Cargo Manifest as such evidence of arrival at destination."

### **Clearance at any approved Customs office**

*ICAO, Convention on International Civil Aviation, Annex 9 (4.17).* "Contracting States shall permit cargo, including unaccompanied baggage which is to be exported by air, to be presented for clearance purposes at any approved Customs office. Transfer from the first office to the air Customs office of the airport where the cargo, including unaccompanied baggage, is to be laden on the aircraft, shall be effected in accordance with the procedure laid down in the laws and regulations of the State concerned. Such procedure shall be as simple as possible, making due allowance for aviation security requirements, and any appropriate narcotics control measures."

### **Whenever possible, no physical export examination**

*ICAO, Convention on International Civil Aviation, Annex 9 (4.15).* "Except for reasons of aviation security, Contracting States shall not normally require physical examination of cargo, including unaccompanied baggage, to be exported by air."

"Note: - This provision is not intended to prevent authorities from examining goods exported under certain conditions, e.g. under bond, licence or drawback, nor is it intended to preclude other essential examinations, including any appropriate narcotics control measures."

### **Examination of exports with minimal handling of cargo**

*ICAO, Convention on International Civil Aviation, Annex 9 (4.17).* "In Contracting States where physical examination of export cargo cannot be waived completely, such examination shall be accomplished by applying the sampling or selective technique in a most liberal manner. The appropriate public authorities of the State concerned shall also,

in consultation with, inter alia, operators and airport administrations, devise physical means for carrying out the inspection rapidly and without necessitating a separate ground handling of the bulk of the goods for purposes of examination."

*WCO, Revised Kyoto Convention, General Annex, Chapter 6 Standard 2.* "Customs control shall be limited to that necessary to ensure compliance with the Customs law."

(See also 1973 Kyoto Convention, Annex C.1 Standard 15.)

### **Loading up to time of aircraft departure**

*ICAO, Convention on International Civil Aviation, Annex 9(4.13)* - "Contracting States shall make arrangements consistent with aviation security, as well as those appropriate for narcotics control, which permit operators to select and load cargo, including unaccompanied baggage, and stores on outbound aircraft up to the time of departure."

### **Waive presentation of individual documents**

*ICAO, Convention on International Civil Aviation, Annex 9(4.11) Recommended Practice.* "Contracting States should waive, as far as possible, presentation of individual documents pertaining to shipments of cargo including unaccompanied baggage to be exported by air."

### **Evidence of arrival abroad not normally required**

*WCO, Revised Kyoto Convention, Specific Annex C, Chapter 1 Standard 3.* "The Customs shall not require evidence of the arrival of the goods abroad as a matter of course."

*WCO, Revised Kyoto Convention, Guidelines to Specific Annex C, Chapter 1, Part 4. on Formalities to be completed under the normal procedure.* "When evidence not otherwise available must be furnished, Customs in the country of export would normally accept a statement supplied by the consignee who received the goods and certified by Customs in the country of destination."

(See also 1973 Kyoto Convention, Annex C.1 Standard 21 and Note.)

### **Acceptance of goods declarations at inland offices**

*WCO, Revised Kyoto Convention, General Annex, Chapter 3 Standard 1.* "The Customs shall designate the Customs offices at which goods may be produced or cleared. In determining the competence and location of these offices and their hours of business, the factors to be taken into



account shall include in particular the requirements of the trade.”

(See also 1973 Kyoto Convention, Annex C.1 Standard 4.)

### **Periodic export declarations**

*WCO, Revised Kyoto Convention, General Annex, Chapter 3 Transitional Standard 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.”

(See also Revised Kyoto Convention, Guidelines to the General Annex, Chapter 3, Part 7.3.1. on Periodic Goods declaration.)

(See also 1973 Kyoto Convention, Annex C.1 Standard 14 and Note.)

### **No export delay for minor information omission**

*WCO, Revised Kyoto Convention, General Annex, Chapter 3 Standard 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.”

*WCO, Revised Kyoto Convention, General Annex, Chapter 3 Standard 41.* “If the Customs are satisfied that the declarant will subsequently accomplish all the formalities in respect of clearance they shall release the goods, provided that the declarant produces a commercial or official document giving the main particulars of the consignment concerned and acceptable to the Customs, and that security, where required, has been furnished to ensure collection of any applicable duties and taxes.”

(See also 1973 Kyoto Convention, Annex C.1 Recommended Practice 20.)

### **B.1.3 Official documents**

#### **Simple formalities for goods permits and licences**

*ICAO, Convention on International Civil Aviation, Annex 9 (4.14).* “A Contracting State which continues to require export licences or permits for certain types of goods shall establish simple procedures whereby such licences or permits can be obtained or renewed rapidly.”

#### **Alignment of documents with United Nations Layout Key (ISO 6422)**

*ICAO, Convention on International Civil Aviation, Annex 9 (4.11.1) Recommended Practice.* “Contracting States, in giving effect to 4.11, should encourage to the maximum extent practicable, alignment of documents required for the clearance of export cargo with the United Nations Layout Key for Trade Documents, to follow the format set forth in Appendix 10– United Nations Layout Key for Trade Documents.”

#### **Limitation of documents to simple export declaration**

*ICAO, Convention on International Civil Aviation, Annex 9 (4.12).* “A Contracting State which continues to require such documents for export clearance shall, for as many types of goods as possible, limit its requirements to a simple export declaration.”

#### **Number of copies of export declaration**

*WCO, Revised Kyoto Convention, General Annex, Chapter 3 Standard 15.* “The Customs shall require the lodgement of the original Goods declaration and only the minimum number of copies necessary.”

(See also 1973 Kyoto Convention, Annex C.1 Recommended Practice 12.)

## **B. Provisions relating to imports**

### **B.2.1 General**

#### **National legislation to cater for computerized procedures**

*UN/CEFACT, Recommendation No. 13.* "... Being aware that the main concern of import authorities is the completeness and correctness of the information submitted rather than the form in which it is presented, and that problems often centre on the requirement of satisfactory supporting information;

"... Recommends to Governments to study and evaluate the possibility of accepting data transmitted by electronic or other automatic techniques under specific criteria."

#### **Fees charged to be commensurate with work involved**

*WTO, General Agreement on Tariffs and Trade, Article VIII (1)(a).* "All fees and charges of whatever character (other than import and export duties and other than taxes within the purview of Article III) imposed by contracting parties on or in connection with importation or exportation shall be limited in amount to the approximate cost of services rendered and shall not represent an indirect protection to domestic products or a taxation of imports or exports for fiscal purposes."

#### **Agreement on Import Licensing Procedures**

*WTO, The Agreement on Import Licensing Procedures* deals specifically with some of the procedural aspects of Article VIII. It recognizes that import-licensing procedures can have acceptable uses, but also that complex formalities may impede the flow of international trade. It establishes disciplines on the users of import licensing systems to ensure that the procedures applied for granting both "automatic" (where a license is granted in all cases, used normally to establish trade statistics) and "non-automatic" import licences (which usually serve to administer quantitative or other restrictions on imports) do not in themselves restrict or distort trade. WTO Members commit themselves to simplifying and bringing transparency to their import licensing procedures and to administering them in a neutral and non-discriminatory manner.

The Agreement sets up time limits for the publication of information concerning licensing procedures, for processing of licence applications, and for notification to the Committee on Import

Licensing. The Agreement requires prior publication of rules and all information concerning procedures for the submission of applications for licences, including the eligibility of persons, firms or institutions to make such applications, the administrative bodies to be approached, and the list of products subject to the licensing requirement, in such a manner as to enable Governments and traders to become acquainted with them. The Agreement further requires application forms for import licences and renewal forms to be as simple as possible. Foreign exchange is to be made available for licensed imports on the same basis as for goods not requiring import licences (Article 1.9).

*WTO, Agreement on the implementation of Article VII of the General Agreement on Tariffs and Trade 1994 (Customs valuation)*

Article VII lays down the main principles governing the valuation of imports for assessment of duties or other charges (not including internal taxes). It establishes that this assessment should be based on the "actual value of the imported merchandise, or of like merchandise, and should not be based on the value of merchandise of national origin or on arbitrary or fictitious values".

Interpretation and application of this Article has been more clearly specified in the Tokyo Round and Uruguay Round Agreements on Implementation of Article VII of GATT 1994" (Agreement on Customs Valuation) which establishes the rules for valuing imports for the assessment of ad valorem customs duties. As most countries today assess duties on the basis of an ad valorem system, the method in which customs authorities value imported goods is of paramount importance. Harmonization of the methodology used by countries for valuing imports creates predictability and transparency for exporters and importers transacting in the international marketplace. The Agreement stipulates that the price for customs purposes shall be the transaction value, that is the "price actually paid or payable for the goods when sold for export to the country of importation adjusted in accordance with the provisions of [the Agreement]". The Agreement provides for the establishment of an adequate legal and judicial framework, which would ensure the right of appeal for importers. In addition, the Agreement stipulates that customs authorities must release goods to importers with the posting of a guarantee or surety, in cases where further investigation is required.

## **B.2.2 Customs**

### **Airfreight consignments of low value to be exempted from import duties**

*ICAO, Convention on International Civil Aviation, Annex 9 (4.25) Recommended Practice* "Each Contracting State should arrange for imported airfreight consignments, including documents, private gift packages and trade samples, not exceeding a certain value or weight, specified by that State, to be exempted as far as possible from import duties and other taxes and charges, and either exempted from formal declaration procedures or accorded immediate release on the basis of minimal data requirements as proposed in the World Customs Organization Express Consignment Guidelines. Value levels fixed in accordance with this Recommended Practice should take account of the costs of entry processing for Customs and declarant and should be reviewed, regularly, to take account of inflation."

### **Acceptance of declaration before arrival of goods**

*ICAO, Convention on International Civil Aviation, Annex 9 (4.28) Recommended Practice.* "Procedures should be developed for the submission of pre-import information to Customs prior to arrival of cargo in order to facilitate the processing of entries."

*WCO, Revised Kyoto Convention, General Annex, Chapter 3 Standard 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."

(See also 1973 Kyoto Convention, Annex B.1 Recommended Practice 24 and Note.)

### **Abolition of consular invoices and fees**

*ICAO, Convention on International Civil Aviation, Annex 9 (4.23).* "Contracting States shall not require consular formalities or consular charges or fees in connection with documents for the clearance of air cargo."

### **Priority examination of live animals, perishables, etc.**

*ICAO, Convention on International Civil Aviation, Annex 9 (4.29).* "Contracting States shall, subject to compliance with any national prohibitions or restrictions and any required aviation security or appropriate narcotics control measures, make arrangements whereby special air cargo consignments, e.g. disaster relief shipments, perishable goods (livestock, plants, foodstuffs, etc) can be released and/or cleared immediately upon arrival."

*WCO, Revised Kyoto Convention, General Annex, Chapter 3 Standard 34* "When scheduling examinations, priority shall be given to the examination of live animals and perishable goods and to other goods which the Customs accept are urgently required."

(See also 1973 Kyoto Convention, Annex B.1 Recommended Practice 33.)

### **Selective examination of goods**

*ICAO, Convention on International Civil Aviation, Annex 9 (4.32).* "Contracting States shall accomplish their physical examination of cargo imported by air on a sampling or selective basis. The appropriate public authorities of the State concerned shall also, in consultation with, inter alia, operators and airport administrations, devise physical means for carrying out such examination rapidly."

### **Reduce documentary requirements**

*ICAO, Convention on International Civil Aviation, Annex 9 (4.19).* "Contracting States shall endeavour to simplify documentary requirements for the clearance of import cargo and reduce to a minimum the variety of forms and the information to be shown thereon."

### **Simplified Customs documentation for air cargo up to specified value or weight**

*ICAO, Convention on International Civil Aviation, Annex 9 (4.26).* "Contracting States shall make arrangements for the use of a simplified form of Customs documentation and facilitate prompt clearance and release in respect of that imported cargo, including private gift packages and trade samples, which exceeds the limits set in accordance with 4.25 and shall establish higher limits of value or weight up to which such simplified documentation will apply."

### **Commercial invoice the basic document**

*ICAO, Convention on International Civil Aviation, Annex 9 (4.20).* "The commercial invoice, which includes the information required by the importing country for the clearance of goods, shall constitute the basic document for the accomplishment of Customs or other governmental formalities."

### **Provisional declaration if all data not available**

*ICAO, Convention on International Civil Aviation, Annex 9 (4.27) Recommended Practice.* "Contracting States should make arrangements whereby the maximum number of consignments not falling under 4.25 and 4.26 above can be released promptly

after arrival upon presentation of a provisional entry document and an adequate guarantee for payment of duties and other taxes and charges, subject to complete fulfilment of Customs and other requirements within a time limit specified by that State.”

### **Customs or other official information not to be required on air waybill**

*ICAO, Convention on International Civil Aviation, Annex 9 (4.22)*. "Contracting States which continue to require the air waybill to be presented for inspection in connection with the clearance of cargo shall not require the consignor and/or operator to place special information for customs or other governmental purposes on the air waybill."

### **Expeditious clearance of goods**

*UN/CEFACT, Recommendation No. 13* "The Working Party ...

"Being aware that the Customs Co-operation Council has sought in International Convention on the Simplification and Harmonization of Customs Procedures (Kyoto Convention) (revised June 1999), and especially in the General Annex to encourage Customs authorities to grant special facilities for the expeditious clearance of goods; it is recommended that Governments to take note of the provisions contained in the Kyoto Convention and especially in the General Annex and to examine the possibility of introducing them into their national legislation”.

### **Immediate release to importer’s premises**

*UN/CEFACT, Recommendation No. 13* "The Working Party "...Recalling that in some countries special procedures have been introduced whereby detailed physical inspection of goods and presentation of the formal evidence at the point of importation are no longer required, allowing approved importers to take the goods directly to their own premises, sometimes on a deferred payment basis, on condition that:

- “the goods may be inspected;
- “the Import Declaration and satisfactory supporting evidence is made available when required;
- “such information is retained for later verification; and
- “security of payment and responsibility for the goods are assured;

“..."

"Recommends to Governments to take account of the developments referred to above with a view to the further promotion of all steps which would facilitate international trade procedures;”

*WCO, Revised Kyoto Convention, General Annex, Chapter 3 Transitional Standard 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.”

### **Customs to give information on clearance procedure**

*WCO, Revised Kyoto Convention, General Annex, Chapter 9 Standard 1*. “The Customs shall ensure that all relevant information of general application pertaining to Customs law is readily available to any interested person.”

(See also 1973 Kyoto Convention, Annex B.1 Recommended Practice 65.)

*WCO, Recommendation of the Customs Co-operation Council (WCO) concerning the use of World Wide Web sites by Customs Administrations*

“ RECOMMENDS that Members of the Council and members of the United Nations Organization or its specialized agencies, and Customs or Economic Unions, should implement a Customs World Wide Web site for their administration,

FURTHER RECOMMENDS that Members of the Council and members of the United Nations Organization or its specialized agencies, and Customs or Economic Unions, should make available on Customs administration web, sites, where practical or feasible, the data content as specified in the Annex to this Recommendation.”

### **Customs to supply information to assist completion of goods declaration**

*WCO, Revised Kyoto Convention, General Annex, Chapter 9 Standard 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.”

*WCO, Revised Kyoto Convention, General Annex, Chapter 9 Standard 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.”

(See also 1973 Kyoto Convention, Annex B.1 Recommended Practice 10.)

### **Inward processing use of equivalent domestic goods**

*WCO, Revised Kyoto Convention, Specific Annex F, Chapter 1 Recommended Practice 25.* “The products obtained from the treatment of equivalent goods should be deemed to be compensating products for the purposes of this Chapter (setting-off with equivalent goods).”

*WCO, Revised Kyoto Convention, Specific Annex F, Chapter 1 Recommended Practice 26.* “When setting-off with equivalent goods is allowed, the Customs should permit the exportation of compensating products prior to the importation of goods for inward processing.”

(See also 1973 Kyoto Convention, Annex E.6 Recommended Practice 43 and Note.)

### **Temporary importation of special handling equipment**

*WCO, Revised Kyoto Convention, Specific Annex J, Chapter 3 Recommended Practice 7.* “Special equipment for the loading, unloading, handling and protection of cargo, whether or not it is capable of being used separately from the means of transport for commercial use, which is imported with the means of transport for commercial use and is intended to be re-exported therewith, should be allowed to be brought temporarily into a Customs territory conditionally relieved from payment of import duties and taxes.”

*Revised Kyoto Convention, Guidelines to Specific Annex J, Chapter 3, Part 5. on Temporary admission of parts and equipment.* “Some Customs administrations allow temporary admission of this equipment on the condition that it is used only in

equipment on the condition that it is used only in the immediate vicinity of the means of transport for commercial use, for example within an airport or on shore at ports of call.

Normally a separate security or temporary admission document is not required for this equipment.”

(See also 1973 Kyoto Convention, Annex A.3 Standard 10 and Note.)

### **Limited Customs control of imported goods**

*WCO, Revised Kyoto Convention, General Annex, Chapter 6 Standard 2.* “Customs control shall be limited to that necessary to ensure compliance with the Customs law.”

(See also 1973 Kyoto Convention, Annex A.1 Standard 9.)

### **General security for goods in temporary store**

*WCO, Revised Kyoto Convention, General Annex, Chapter 5 Standard 5.* “When security is required to ensure that the obligations arising from a Customs procedure will be fulfilled, the Customs shall accept a general security, in particular from declarants who regularly declare goods at different offices in the Customs territory.”

(See also 1973 Kyoto Convention, Annex A.2 Standard 8.)

### **No security if Customs control temporary store**

*WCO, Revised Kyoto Convention, General Annex, Chapter 5 Standard 4.* “Where national legislation provides, the Customs shall not require security when they are satisfied that an obligation to the Customs will be fulfilled.”

(See also 1973 Kyoto Convention, Annex A.2 Recommended Practice 10.)

### **No duty on goods destroyed in temporary store**

*WCO, Revised Kyoto Convention, General Annex, Chapter 3 Standard 44.* “When goods have not yet been released for home use or when they have been placed under another Customs procedure, and provided that no offence has been detected, the person concerned shall not be required to pay the duties and taxes or shall be entitled to repayment thereof:

- when at his request, such goods are abandoned to the Revenue or destroyed or rendered commercially valueless under Customs control,

as the Customs may decide. Any costs involved shall be borne by the person concerned;

- when such goods are destroyed or irrecoverably lost by accident or force major, provided that such destruction or loss is duly established to the satisfaction of the Customs;
- on shortages due to the nature of the goods when such shortages are duly established to the satisfaction of the Customs.

Any waste or scrap remaining after destruction shall be liable, if taken into home use or exported, to the duties and taxes that would be applicable to such waste or scrap imported or exported in that state.”

(See also 1973 Kyoto Convention, Annex A.1 Standard 21.)

### **Limit for temporary storage**

*WCO, Revised Kyoto Convention, Specific Annex A, Chapter 2 Standard 9.* “Where national legislation lays down a time limit for temporary storage, the time allowed shall be sufficient to enable the importer to complete the necessary formalities to place the goods under another Customs procedure.”

(See also 1973 Kyoto Convention, Annex A.2 Standard 14.)

*WCO, Revised Kyoto Convention, Specific Annex E, Chapter 1 Recommended Practice 10.* “At the request of the person concerned, and for reasons deemed valid by the Customs, the latter should extend the period initially fixed.”

(See also 1973 Kyoto Convention, Annex A.2 Recommended Practice 15)

### **Responsibilities and rights of declarant**

*WCO, Revised Kyoto Convention, General Annex, Chapter 3 Standard 8.* “The declarant shall be held responsible to the Customs for the accuracy of the particulars given in the Goods declaration and the payment of the duties and taxes.”

(See also 1973 Kyoto Convention, Annex B.1 Standard 8.)

*WCO, Revised Kyoto Convention, General Annex, Chapter 3 Standard 9.* “Before lodging the Goods declaration the declarant shall be allowed, under such conditions as may be laid down by the Customs:

- (a) to inspect the goods; and
- (b) to draw samples.”

(See also 1973 Kyoto Convention, Annex B.1 Standard 8.)

### **Customs to give information on clearance procedure**

*WCO, Revised Kyoto Convention, General Annex, Chapter 9 Standard 1.* “The Customs shall ensure that all relevant information of general application pertaining to Customs law is readily available to any interested person.”

(See also 1973 Kyoto Convention Annex B.1 Standard 65.)

### **No separate declaration for samples taken**

*WCO, Revised Kyoto Convention, General Annex, Chapter 3 Standard 10.* “The Customs shall not require a separate Goods declaration in respect of samples allowed to be drawn under Customs supervision, provided that such samples are included in the Goods declaration concerning the relevant consignment.”

(See also 1973 Kyoto Convention, Annex B.1 Recommended Practice 9.)

### **Periodic home use declarations**

*WCO, Revised Kyoto Convention, General Annex, Chapter 3 Transitional Standard 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.”

(See also Revised Kyoto Convention, Guidelines to the General Annex, Chapter 3, Part 7.3.1. on Periodic Goods declaration.)

(See also 1973 Kyoto Convention, Annex B.1 Recommended Practice 25 and Note.)

### **Prompt examination of goods**

*WCO, Revised Kyoto Convention, General Annex, Chapter 3 Standard 33.* “When the Customs decide that goods declared shall be examined, this examination shall take place as soon as possible after the Goods declaration has been registered.”

*WCO, Revised Kyoto Convention, Guidelines to the General Annex, Chapter 3, Part 8. on Examination and sampling of the goods.* “This Standard (General Annex, Chapter 3 Standard 33) sets out a key principle that when Customs decides that goods should be examined, they are required to carry out the examination without any delay. The use of the term “when” implies that all goods that are declared should not be examined as a matter of course. It is linked to Standard 6.4 (General Annex, Chapter 6 Standard 4) which states that the decision to examine goods should be based on risk-assessment techniques. This will ensure the goods are released as quickly as possible, even when Customs decides to examine them.

The decision whether or not to examine the goods should be made as early as possible. In some cases Customs may make this decision as soon as the Goods declaration is registered.”

(See also 1973 Kyoto Convention, Annex B.1 Standard 32.)

### **Limited Customs control**

*WCO, Revised Kyoto Convention, General Annex, Chapter 6 Standard 2.* “Customs control shall be limited to that necessary to ensure compliance with the Customs law.”

*WCO, Revised Kyoto Convention, General Annex, Chapter 6 Standard 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.”

*WCO, Revised Kyoto Convention, Guidelines to the General Annex, Chapter 6, Part 5. on Principles of Customs control.* “Customs controls should therefore be kept to the minimum necessary to meet the main objectives and should be carried out on a selective basis using risk management techniques to the greatest extent possible.”

(See also 1973 Kyoto Convention, Annex B.1 Standard 38 and Note.)

### **Clearance by summary examination whenever possible**

*WCO, Revised Kyoto Convention, Guidelines to the General Annex, Chapter 3, Part 8. on Examination and sampling of the goods.* “The examination of goods can be either summary or detailed. In a summary examination Customs carries out some or all of the following checks:

- count the packages;
- compare marks and numbers to that on the declaration or invoices;
- verify that the goods are the same as those described on the declaration.

A summary examination may be considered sufficient where goods of the same description are imported or exported frequently by the same person and this person is known by Customs to be reliable; where the accuracy of the particulars given in the Goods declaration can be checked against the supporting documents or against other evidence; or where the import or export duties and taxes involved are low.”

(See also 1973 Kyoto Convention, Annex B.1 Recommended Practice 39.)

### **Detailed examination by selective methods**

*WCO, Revised Kyoto Convention, Guidelines to the General Annex, Chapter 3, Part 8. on Examination and sampling of the goods.* “A detailed examination is warranted when Customs is not satisfied about the accuracy of the particulars in the Goods declaration or in the supporting documents. Likewise, goods liable to substantial import or export duties and taxes may be routinely subjected to closer examination. A detailed examination usually involves:

- thorough inspection of the goods to determine as accurately as possible their composition;
- verification of the quantity;
- verification of the tariff classification;
- verification of the value; and
- where necessary, verification of the origin of the goods.

(See also 1973 Kyoto Convention, Annex B.1 Recommended Practice 40 and Note.)

### **Provisional declaration if all data not available**

*WCO, Revised Kyoto Convention, General Annex, Chapter 3 Standard 13.* “Where, for reasons deemed valid by the Customs, the declarant does not have all the information required to make the Goods declaration, a provisional or incomplete Goods declaration shall be allowed to be lodged, provided that it contains the particulars deemed necessary by the Customs and that the declarant undertakes to complete it within a specified period.”

(See also 1973 Kyoto Convention, Annex B.1 Recommended Practice 12 and Note.)

### **B.2.3 Official documents**

#### **Simple formalities for goods permits and licenses**

*ICAO, Convention on International Civil Aviation, Annex 9 (4.24) Recommended Practice.* “Where the nature of the consignment calls for different clearance agencies, e.g. Customs and veterinary or phytosanitary controls, Contracting States should endeavour to delegate authority for clearance to one of the agencies or, where not feasible, take all necessary steps to ensure that clearance is carried out simultaneously and with a minimum of delay.”

#### **Alignment of Customs import goods declarations**

*ICAO, Convention on International Civil Aviation, Annex 9(4.19.1) Recommended Practice.* “Contracting States, in giving effect to 4.19 should encourage to the maximum extent practicable, alignment of documents required for the clearance of import cargo with the United Nations Layout Key for Trade Documents, to follow the format set forth in Appendix 10–United Nations Layout Key for Trade Documents.”

*WCO, Revised Kyoto Convention, General Annex, Chapter 3 Standard 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.”

(See also 1973 Kyoto Convention, Annex B.1 Note 2 to Standard 11.)

### **Number of copies of goods declaration**

*WCO, Revised Kyoto Convention, General Annex, Chapter 3 Standard 15.* “The Customs shall require the lodgement of the original Goods declaration and only the minimum number of copies necessary.”

(See also 1973 Kyoto Convention, Annex B.1 Recommended Practice 13.)

### **No unnecessary certification of origin**

*WCO, Revised Kyoto Convention, Specific Annex K, Chapter 2 Recommended Practice 2.* “Documentary evidence of origin should be required only when it is necessary for the application of preferential Customs duties, of economic or trade measures adopted unilaterally or under bilateral or multilateral agreements or of measures adopted for reasons of health or public order.”

(See also 1973 Kyoto Convention, Annex D.2 Standard 2.)

### **Acceptance of declaration of origin**

*WCO, Revised Kyoto Convention, Specific Annex K, Chapter 2 Recommended Practice 12.* “Where documentary evidence of origin is required, a declaration of origin should be accepted in the following cases:

- (a) goods sent in small consignments addressed to private individuals or carried in travellers' baggage, provided that such importations are of a non-commercial nature and the aggregate value of the importation does not exceed an amount which shall not be less than USD 500;
- (b) commercial consignments the aggregate value of which does not exceed an amount, which shall not be, less than USD 300.

Where several consignments of the kind referred to in (a) or (b) are sent at the same time, by the same means, to the same consignee, by the same consignor, the aggregate value shall be taken to be the total value of those consignments.”

(See also 1973 Kyoto Convention, Annex D.2 Recommended Practice 12.)

### **Information on origin requirements**

*WCO, Revised Kyoto Convention, General Annex, Chapter 9 Standard 1.* “The Customs shall ensure that all relevant information of general application pertaining to Customs law is readily available to any interested person.”

(See also 1973 Kyoto Convention, Annex D.2 Standard 14.)



## **Alignment of certificates of origin**

*WCO, Revised Kyoto Convention, Specific Annex K, Chapter 2 Recommended Practice 6.* "When revising present forms or preparing new forms of certificates of origin, Contracting Parties should use the model form in Appendix I to this Chapter, in accordance with the Notes in Appendix II, and having regard to the Rules in Appendix III.

(See also 1973 Kyoto Convention, Annex D.2 Recommended Practice 6 and Note.)

## **B.3 Provisions relating to transit**

### **B.3.1. General**

#### **Normally no technical standards controls**

*UNECE, International Convention on the Harmonization of Frontier Control of Goods, 1982, Annex 5, Article 5* - "The controls of compliance with technical standards do not normally apply to goods in through transit."

#### **Normally no quality control**

*UNECE, International Convention on the Harmonization of Frontier Control of Goods, 1982, Annex 6, Article 4.* "Quality controls do not normally apply to goods in through transit."

#### **Freedom of transit to be allowed**

*WTO, General Agreement on Tariffs and Trade, Article V (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 territory of other Contracting Parties."

#### **No distinction based on flag, origin, ownership, etc.**

*WTO, General Agreement on Tariffs and Trade, Article V (2).* "No distinction shall be made which is based on the flag of vessels, the place of origin, departure, entry, exit or destination, or on any circumstances relating to the ownership of goods, of vessels or of other means of transport."

#### **No unnecessary delays or restrictions**

*WTO, General Agreement on Tariffs and Trade, Article V (3).* "Except in cases of failure to comply with applicable Customs laws and regulations, such traffic coming from or going to the territory of other Contracting Parties shall not be subject to any unnecessary delays or restrictions."

## **B.3.2 Customs**

### **Limitation of inspection**

*UNECE, International Convention on the Harmonization of Frontier Control of Goods, 1982, Article 10.* "The Contracting Parties shall, wherever possible, provide simple and speedy treatment for goods in transit, especially for those travelling under cover of an international Customs transit procedure, by limiting their inspections to cases where these are warranted by the actual circumstances or risks."

*UNECE, TIR Convention, Article 5*

"1. Goods carried under the TIR procedure in sealed road vehicles, combinations of vehicles or containers shall not as a general rule be subjected to examination at Customs offices en route.

"2. However to prevent abuses, Customs authorities may in exceptional cases, and particularly when irregularity is suspected, carry out an examination of the goods at such offices."

### **Exemption from Customs duties**

*UNECE, TIR Convention, Article 4.* "Goods carried under the TIR procedure shall not be subjected to the payment or deposit of import or export duties and taxes at Customs offices en route."

*WCO, Revised Kyoto Convention, Specific Annex E, Chapter 1 Standard 3.* "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."

(See also 1973 Kyoto Convention, Annex E.1 Standard 4.)

### **Flat rate bonds for transit goods**

*UNECE, Customs Convention on the International Transport of Goods under cover of TIR Carnets (TIR Convention), 1975, Article 8(3).* "Each Contracting Party shall determine the maximum sum per TIR carnet, which may be claimed from the guaranteeing association.

"Note: - Customs authorities are recommended to limit to a sum equal to USD 50,000 per TIR Carnet the maximum amount which may be claimed from the guaranteeing association. In the case of transport of alcohol and tobacco Customs authorities are recommended to increase the maximum amount which may be claimed from the guaranteeing association to a sum equal to USD 200,000."

## **No routine calculation of duty on transit goods**

*UNECE, Customs Convention on the International Transport of Goods under cover of TIR Carnets (TIR Convention), 1975, Article 8 (3) and 8 (6).* "Each Contracting Party shall determine the maximum sum per TIR carnet, which may be claimed from the guaranteeing association.

"For the carnet shall, in the absence of evidence to the contrary, be assumed purpose of determining the duties and taxes ..., the particulars of the goods as entered in the TIR to be correct."

## **TIR transit regime valid for all modes of transport**

*UNECE, Customs Convention on the International Transport of Goods under cover of TIR Carnets (TIR Convention), 1975, Article 2.* "This Convention shall apply to the transport of goods... in containers... provided that some portion of the journey between the beginning and the end of the TIR operation is made by road."

## **Normally no escort of goods**

*UNECE, TIR Convention, Article 23.* "The Customs authorities shall not

"- require road vehicles, combination of vehicles or containers to be escorted at the carrier's expense on the territory of their country ... except in special cases"

## **No duty on transit goods accidentally lost or destroyed**

*WCO, Revised Kyoto Convention, General Annex, Chapter 3 Standard 44.* "When goods have not yet been released for home use or when they have been placed under another Customs procedure, and provided that no offence has been detected, the person concerned shall not be required to pay the duties and taxes or shall be entitled to repayment thereof:

- when at his request, such goods are abandoned to the Revenue or destroyed or rendered commercially valueless under Customs control, as the Customs may decide. Any costs involved shall be borne by the person concerned;
- when such goods are destroyed or irrecoverably lost by accident or force majeure, provided that such destruction or loss is duly established to the satisfaction of the Customs;
- on shortages due to the nature of the goods when such shortages are duly established to the satisfaction of the Customs.

Any waste or scrap remaining after destruction shall be liable, if taken into home use or exported, to the duties and taxes that would be applicable to such waste or scrap imported or exported in that state."

*WCO, Revised Kyoto Convention, General Annex, Chapter 2 Definition of "repayment"* "repayment" means the refund, in whole or in part, of duties and taxes paid on goods and the remission, in whole or in part, of duties and taxes where payment has not been made."

*WCO, Revised Kyoto Convention, Guidelines to the General Annex, Chapter 3, Part 11.1. on Repayment or remission of duties and taxes.* "When partial relief of duties and taxes has been granted on imported goods on the condition that they are re-exported or used for specific purposes, the repayment or remission may be limited to that part of the duties and taxes which was not levied."

*WCO, Revised Kyoto Convention, Guidelines to the General Annex, Chapter 4, Part 2.3. on Repayment.* "Goods may be damaged, destroyed or irrecoverably lost, by accident or through force majeure. This may also happen while they are still under Customs control (in transit, in bonded warehouses or under temporary admission procedures). In these instances, for reasons of equity, the duties and taxes already charged might be refunded in whole or in part."

(See also 1973 Kyoto Convention, Annex E.1 Standard 30 and Note.)

## **No escort of goods in transit or itinerary**

*WCO, Revised Kyoto Convention, Specific Annex E, Chapter 1 Standard 15.* "Only when they consider such a measure to be indispensable shall the Customs:

- (a) require goods to follow a prescribed itinerary; or
- (b) require goods to be transported under Customs escort."

(See also 1973 Kyoto Convention, Annex E.1 Standard 23.)

## **Commercial or transport document as descriptive part of transit declaration**

*WCO, Revised Kyoto Convention, Specific Annex E, Chapter 1 Standard 6.* "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."

(See also 1973 Kyoto Convention, Annex E.1 Recommended Practice 13.)

### **No unnecessary delays or restrictions**

*WTO, General Agreement on Tariffs and Trade, Article V (3)*. "Except in cases of failure to comply with applicable Customs laws and regulations, such traffic coming from or going to the territory of other Contracting Parties shall not be subject to any unnecessary delays or restrictions."

### **B.3.3 Health and Safety**

#### **No medicosanitary inspection for goods in transit if no contamination risk**

*UNECE, International Convention on the Harmonization of Frontier Control of Goods, 1982, Annex 2, Article 4*. "Within the framework of Conventions in force the Contracting Parties shall, as far as possible, dispense with the medicosanitary inspection of goods in transit in those circumstances where there is no risk of contamination."

#### **No veterinary inspection for animal products in transit if no contamination risk**

*UNECE, International Convention on the Harmonization of Frontier Control of Goods, 1982, Annex 3, Article 5*. "Within the framework of conventions in force the Contracting Parties shall, as far as possible, dispense with the veterinary inspection of animal products in transit in those circumstances where there is no risk of contamination."

#### **No phytosanitary inspection for goods in transit if no contamination risk**

*UNECE, International Convention on the Harmonization of Frontier Control of Goods, 1982, Annex 3, Article 5*. "Within the framework of conventions in force the Contracting Parties shall, as far as possible, dispense with the phytosanitary inspection of goods in transit unless such measures are necessary for the protection of their own plants."

### **B.3.4 Security**

#### **Declarant to choose form of security**

*WCO, Revised Kyoto Convention, General Annex, Chapter 5 Standard 1*. "National legislation shall enumerate the cases in which security is required and shall specify the forms in which security is to be provided."

(See also 1973 Kyoto Convention, Annex E.1 Standard 14.)

*WCO, Revised Kyoto Convention, General Annex, Chapter 5 Standard 3*. "Any person required to provide security shall be allowed to choose any form of security provided that it is acceptable to the Customs."

(See also 1973 Kyoto Convention, Annex, E.1 Recommended Practice 15.)

#### **General security for several transit operations**

*WCO, Revised Kyoto Convention, General Annex, Chapter 5 Standard 5*. "When security is required to ensure that the obligations arising from a Customs procedure will be fulfilled, the Customs shall accept a general security, in particular from declarants who regularly declare goods at different offices in the Customs territory."

(See also 1973 Kyoto Convention, Annex E.1 Standard 17.)

#### **On completion, discharge of security without delay**

*WCO, Revised Kyoto Convention, General Annex, Chapter 5 Standard 7*. "Where security has been furnished, it shall be discharged as soon as possible after the Customs are satisfied that the obligations under which the security was required have been duly fulfilled."

(See also 1973 Kyoto Convention, Annex E.1 Standard 28.)

### **B.4 Measures relating to transshipment of goods**

#### **B.4.1. Customs**

##### **No duty on transhipped goods**

*WCO, Revised Kyoto Convention, Specific Annex E, Chapter 2 Standard 2*. "Goods admitted to transshipment shall not be subject to the payment of duties and taxes, provided the conditions laid down by the Customs are complied with."

(See also 1973 Kyoto Convention, Annex E.2 Standard 3.)

##### **No duty on destroyed transshipment goods**

*WCO, Revised Kyoto Convention, General Annex, Chapter 3 Standard 44*. "When goods have not yet been released for home use or when they have been placed under another Customs procedure, and provided that no offence has been detected, the person concerned shall not be required to pay the duties and taxes or shall be entitled to repayment thereof:

- when at his request, such goods are abandoned to the Revenue or destroyed or rendered commercially valueless under Customs control, as the Customs may decide. Any costs involved shall be borne by the person concerned;
- when such goods are destroyed or irrecoverably lost by accident or force majeure, provided that such destruction or loss is duly established to the satisfaction of the Customs;
- on shortages due to the nature of the goods when such shortages are duly established to the satisfaction of the Customs.

Any waste or scrap remaining after destruction shall be liable, if taken into home use or exported, to the duties and taxes that would be applicable to such waste or scrap imported or exported in that state.”

(See also 1973 Kyoto Convention, Annex E.2 Standard 24.)

### **Reduced duty if goods damaged and not exported**

*WCO, Revised Kyoto Convention, General Annex, Chapter 3 Standard 44.* “When goods have not yet been released for home use or when they have been placed under another Customs procedure, and provided that no offence has been detected, the person concerned shall not be required to pay the duties and taxes or shall be entitled to repayment thereof:

- when, at his request, such goods are abandoned to the Revenue or destroyed or rendered commercially valueless under Customs control, as the Customs may decide. Any costs involved shall be borne by the person concerned;
- when such goods are destroyed or irrecoverably lost by accident or force major, provided that such destruction or loss is duly established to the satisfaction of the Customs;
- on shortages due to the nature of the goods when such shortages are duly established to the satisfaction of the Customs.

Any waste or scrap remaining after destruction shall be liable, if taken into home use or exported, to the duties and taxes that would be applicable to such waste or scrap imported or exported in that state.”

*WCO, Revised Kyoto Convention, General Annex, Chapter 2 Definition of “repayment”* “repayment” means the refund, in whole or in part, of duties and taxes paid on goods and the remission, in whole or in part, of duties and taxes where payment has not been made.”

*WCO, Revised Kyoto Convention, Guidelines to the General Annex, Chapter 3, Part 11.1. on Repayment or remission of duties and taxes.* “When partial relief of duties and taxes has been granted on imported goods on the condition that they are re-exported or used for specific purposes, the repayment or remission may be limited to that part of the duties and taxes which was not levied.”

*WCO, Revised Kyoto Convention, Guidelines to the General Annex, Chapter 4, Part 2.3. on Repayment.* “Goods may be damaged, destroyed or irrecoverably lost, by accident or through force majeure. This may also happen while they are still under Customs control (in transit, in bonded warehouses or under temporary admission procedures). In these instances, for reasons of equity, the duties and taxes already charged might be refunded in whole or in part.”

(See also 1973 Kyoto Convention, Annex E.2 Standard 24 and Note.)

### **Normally no examination of transshipments**

*WCO, Revised Kyoto Convention, General Annex, Chapter 6 Standard 2.* “Customs control shall be limited to that necessary to ensure compliance with the Customs law.”

(See also 1973 Kyoto Convention, Annex E.2 Recommended Practice 16.)

### **Normally no escort of transshipments**

*WCO, 1973 Kyoto Convention, Annex E.2 Standard 18.* “Only when they consider such a measure to be indispensable shall the Customs authorities:

- “(a) Require goods to follow a prescribed itinerary;
- or
- “(b) Require goods to be transported under escort.”

## **B.4.2 Security**

### **Declarant to choose form of security**

*WCO, Revised Kyoto Convention, General Annex, Chapter 5 Standard 1.* "National legislation shall enumerate the cases in which security is required and shall specify the forms in which security is to be provided."

(See also 1973 Kyoto Convention, Annex E.2 Standard 11.)

*WCO, Revised Kyoto Convention, General Annex, Chapter 5, Standard 3.* "Any person required to provide security shall be allowed to choose any form of security provided that it is acceptable to the Customs."

(See also 1973 Kyoto Convention, Annex, E.2 Recommended Practice 12.)

### **General security for regular transshipments**

*WCO, Revised Kyoto Convention, General Annex, Chapter 5 Standard 5.* "When security is required to ensure that the obligations arising from a Customs procedure will be fulfilled, the Customs shall accept a general security, in particular from declarants who regularly declare goods at different offices in the Customs territory."

(See also 1973 Kyoto Convention, Annex E.2 Standard 14.)

*WCO, Revised Kyoto Convention, General Annex, Chapter 5 Standard 6.* "Where security is required, the amount of security to be provided shall be as low as possible and, in respect of the payment of duties and taxes, shall not exceed the amount potentially chargeable."

(See also 1973 Kyoto Convention, Annex E.2 Recommended Practice 15.)

## **C. Provisions relating to transport and transport equipment**

### **C.1. Air transport**

#### **Minimization of dwell-time of air cargo**

*ICAO, Convention on International Civil Aviation, Annex 9 (4.31).* "Contracting States, in co-operation with operators, airport authorities and other agencies concerned with the handling, clearance and forwarding of goods, shall take the necessary steps to reduce to a minimum the dwell-time of air cargo in airport cargo terminals."

#### **No General Declaration for air transport**

*ICAO, Convention on International Civil Aviation, Annex 9 (2.5).* - "Contracting States shall not require the presentation of the General Declaration when this information can be readily obtained in an alternative and acceptable manner."

#### **Use of ICAO standard General Declaration if one required**

*ICAO, Convention on International Civil Aviation, Annex 9 (2.5.1).* - "A Contracting State which continues to require the presentation of a General Declaration shall limit its requirements to the items and shall follow the format set forth in Appendix I - General Declaration."

#### **Agent or pilot may sign declaration**

*ICAO, Convention on International Civil Aviation, Annex 9 (2.5.3).* - "A Contracting State which continues to require the presentation of the General Declaration shall accept it when signed by either the

authorized agent or the pilot-in-command, but may, when necessary, require the health section thereof to be signed by a crew member when the General Declaration itself has been signed by a non-crew member."

#### **Standard Manifest for air cargo**

*ICAO, Convention on International Civil Aviation, Annex 9 (2.9).* - "A Contracting State which continues to require the presentation of a Cargo Manifest shall, apart from the information indicated in the heading of the format of the Cargo Manifest set forth in Appendix 3, not require more than the following three items:

- "a) the air waybill number;
- "b) the number of packages related to each air waybill number; and
- "c) the nature of the goods.

"The Cargo Manifest shall be accepted either when it follows the above-mentioned format, or a clear and understandable format adapted to electronic data-processing techniques.

"Note: - It is part of the intention of this provision that, for the purpose of reporting air cargo on arrival to the authorities, operators be given the following options subject to the agreement of the Governments concerned:

- "a) submission of the Cargo Manifest as per Appendix 3 when prepared by the station of loading abroad; or

- "b) preparation and submission of the Cargo Manifest on arrival on the basis of shipments actually landed; or
- "c) submission of the information required in the Cargo Manifest in a different way, such as direct transmission into a computer, teletype listings, or one copy of the air waybill per shipment."

### **Nature of goods not to be shown on Standard Manifest**

*ICAO, Convention on International Civil Aviation, Annex 9 (2.9.1) Recommended Practice* - "Contracting States should dispense with the requirement for information concerning the nature of goods in the Cargo Manifest. A Contracting State should require the information listed on the Manifest only once."

### **Minimum documentation for aircraft arrival/departure**

*ICAO, Convention on International Civil Aviation, Annex 9 (2.3)*. - "No document, other than those provided for in this Chapter, shall be required by the public authorities from operators for the entry and departure of aircraft.

"Note: - It is part of the intention of this provision that standard forms shall not be varied by the inclusion of national markings thereon."

### **Arrival/departure documents not required for internal stops, only on arrival from and departure to abroad**

*ICAO, Convention on International Civil Aviation, Annex 9(2.18)*. - "Contracting States shall not require documents or procedures for entry or departure of aircraft which are different from or in excess of those prescribed in this Chapter (i.e. Chapter 2. Entry and departure of aircraft) in the case where aircraft stop at two or more international airports within their territories without intermediate landing in the territory of another State."

### **No duty on air transport ground equipment**

*ICAO, Convention on International Civil Aviation, Annex 9 (4.48) Recommended Practice*. "Ground equipment and security equipment imported into the territory of a Contracting State by an airline of another Contracting State for use within the limits of an international airport in connection with the establishment or maintenance of an international service operated by that airline should be admitted free of Customs duties and, as far as possible, other taxes and charges, subject to compliance with the regulations of the Contracting State concerned.

Such regulations should not unreasonably interfere with the necessary use by the airline concerned of such ground equipment and security equipment."

(Note gives a list of items of the kind that should be admitted under this provision.)

### **No duty on air transport training equipment**

*ICAO, Convention on International Civil Aviation, Annex 9 (4.49) Recommended Practice*. "Instructional material and training aids imported by an airline of another Contracting State into the territory of a Contracting State for use in connection with the technical training of ground and flight personnel required to establish and maintain an international service operated by that airline should be admitted free of Customs duties and other taxes and charges, subject to compliance with the regulations of the Contracting State concerned."

(A note gives a list of items of the kind that should be admitted under this provision.)

## **C.2 Sea transport**

### **Acceptance of standard manifest**

*ICS, Standard Manifest Report and Recommendation, paragraph 2*. - "It is considered advantageous to have a model layout for a Standard Manifest for three main reasons: (a) Mechanization, (b) Simplification, (c) Facilitation."

### **Use of Standard Bill of Lading**

*ICS, Standard Format of Bills of Lading, Definitive version, 1972*. - "In the knowledge that the ECE Layout Key has been adopted by many countries ... and that the use of documents based on this layout is being continually extended, shipowners are recommended to adopt bills of lading based on the revised ICS Standard Bill of Lading. ... "

### **Single comprehensive security for shipowners**

*IMO, Convention on Facilitation of International Maritime Traffic, 1965, Annex B (6.1) Recommended Practice*. "Where public authorities require bonds or other forms of security from shipowners to cover liabilities under the Customs, immigration, public health, agricultural quarantine or similar laws and regulations of a State, they should permit the use of a single comprehensive bond or other form of security wherever possible

### **No prior authentication of ship and cargo documents**

*IMO, Convention on Facilitation of International Maritime Traffic, 1965, Annex B (2.16) Standard* - "Public authorities of the country of any intended

port of arrival, discharge, or transit shall not require any document relating to the ship, its cargo, stores, passengers, or crew, to be legalized, verified, authenticated, or previously dealt with by any of their representatives abroad. This shall not be deemed to preclude a requirement for the presentation of a passport or other identity document of a passenger or crew member for visa or similar purposes.”

(See also I.28 on the abolition of consular formalities.)

### **Minimum formalities at second port call**

*IMO, Convention on Facilitation of International Maritime Traffic, 1965, Annex B (2.13) Recommended Practice.* “Taking into account the procedures carried out on arrival of a ship at the first port of call in the territory of a State, the formalities and documents required by the public authorities at any subsequent port of call in that country visited without intermediate call at a port in another country should be kept to a minimum.”

### **Grant of pratique by radio**

*IMO, Convention on Facilitation of International Maritime Traffic, 1965, Annex B (5.4) Recommended Practice.* “Public Authorities should whenever practicable authorize granting of pratique by radio to a ship when, on the basis of information received from it prior to its arrival, the health authority for the intended port of arrival is of the opinion that its arrival will not result in the introduction or spread of a quarantinable disease. Health authorities should as far as practicable be allowed to join a ship prior to entry of the ship into port.”

### **Limited documents required on ship’s arrival**

*IMO, Convention on Facilitation of International Maritime Traffic, 1965, Annex B (2.1) Standard.* “Public authorities shall not require for their retention, on arrival or departure of ships to which the Convention applies, any documents other than those covered by the present section. The documents in question are:

- “– General Declaration
- “– Cargo Declaration
- “– Ship’s Stores Declaration
- “– Crew’s Effects Declaration
- “– Crew List
- “– Passenger List
- “– The document required under the Universal Postal Convention for mail
- “– Maritime Declaration of Health.”

### **Use of General Declaration**

*IMO, Convention on Facilitation of International Maritime Traffic, 1965, Annex B (2.2) Standard.* “The General Declaration shall be the basic document on arrival and departure providing information required by public authorities relating to the ship.”

### **Same form of General Declaration for arrival**

*IMO, Convention on Facilitation of International Maritime Traffic, 1965, Annex B (2.2.1) Recommended Practice.* “The same form of General Declaration should be accepted for both arrival and departure of a ship.”

### **Information required on General Declaration**

*IMO, Convention on Facilitation of International Maritime Traffic, 1965, Annex B (2.2.2) Recommended Practice* “–In the General Declaration public authorities should not require more than the following information:

- “– Name and description of ship
- “– Nationality of ship
- “– Particulars regarding registry
- “– Particulars regarding tonnage
- “– Name of master
- “– Name and address of ship’s agent
- “– Brief description of the cargo
- “– Number of crew
- “– Number of passengers
- “– Brief particulars of voyage
- “– Date and time of arrival, or date of departure
- “– Port of arrival or departure
- “– Position of the ship in the port.”

### **Authentication of General Declaration**

*IMO, Convention on Facilitation of International Maritime Traffic, 1965, Annex (2.2.3) Standard.* “Public authorities shall accept a General Declaration dated and signed by the master, the ship’s agent or some other person duly authorized by the master.”

### **Use of Cargo Declaration for arrival and departure**

*IMO, Convention on Facilitation of International Maritime Traffic, 1965, Annex B (2.3) Standard.* “The Cargo Declaration shall be the basic document on arrival and departure providing information required by public authorities relating to the cargo.”

### **Information required on Cargo Declaration**

*IMO, Convention on Facilitation of International Maritime Traffic, 1965, Annex B (2.3.1) Recommended Practice.* "In the Cargo Declaration public authorities should not require more than the following information:

**"(a) On arrival**

- "–Name and nationality of ship
- "–Name of master
- "–Port arrived from
- "–Port where report is made
- "–Marks and numbers; number and kind of packages; quantity and description of the goods
- "–Bill of Lading numbers for cargo to be discharged at the port in question
- "–Ports at which cargo remaining on board will be discharged
- "–Original ports of shipment in respect of goods shipped on through Bills of Lading

**"(b) On departure**

- "–Name and nationality of ship
- "–Name of master
- "–Port of destination
- "–In respect of goods loaded at the port in question: marks and numbers; number and kind of packages; quantity and description of the goods
- "–Bill of Lading numbers for cargo loaded at the port in question."

### **Limited information about cargo remaining on board**

*IMO, Convention on Facilitation of International Maritime Traffic, 1965, Annex B (2.3.2.) Standard* "In respect of cargo remaining on board, public authorities shall require only brief details of the minimum essential items of information to be furnished."

### **Number of copies of documents**

*IMO, Convention on Facilitation of International Maritime Traffic, 1965, Annex B (2.10) Standard.* "In respect of a ship's arrival in port, public authorities shall not require more than:

- "– 5 copies of the General Declaration
- "– 4 copies of the Cargo Declaration
- "– 4 copies of the Ship's Stores Declaration
- "– 2 copies of the Crew's Effects Declaration
- "– 4 copies of the Crew List
- "– 4 copies of the Passenger List
- "– 1 copy of the Maritime Declaration of Health."

*IMO, Convention on Facilitation of International Maritime Traffic, 1965, Annex B (2.11) Standard.* "In respect of a ship's departure from port, public authorities shall not require more than:

- "– 5 copies of the General Declaration
- "– 4 copies of the Cargo Declaration
- "– 4 copies of the Ship's Stores Declaration
- "– 2 copies of the Crew List
- "– 2 copies of the Passenger List"

### **Authentication of Cargo Declaration**

*IMO, Convention on Facilitation of International Maritime Traffic, 1965, Annex B (2.3.3) Standard.* "Public authorities shall accept a Cargo Declaration dated and signed by the master, the ship's agent or some other person duly authorized by the master."

*ICAO, Convention on International Civil Aviation, Annex 9 (2.5.2).* "When a Contracting State has eliminated the Passenger Manifest and no longer requires the General Declaration (except for purposes of attestation) it shall accept, at the option of the operator, either a General Declaration or an appropriate attestation, signed by the authorized agent or pilot-in-command, on one page only of the Cargo Manifest. The attestation on the Cargo Manifest can be provided by means of a rubber stamp.

### **Manifest in lieu of Cargo declaration**

*IMO, Convention on Facilitation of International Maritime Traffic, 1965, Annex B (2.3.4) Standard -* "Public authorities shall accept in place of the Cargo Declaration a copy of the ship's manifest provided it contains at least the information required in accordance with Recommended Practices 2.3.1 (C.26) and 2.3.2 (C.27) and is signed or authenticated, and dated in accordance with Standard 2.3.3 (C.29)."

### **Separate advice of unmanifested parcels**

*IMO, Convention on Facilitation of International Maritime Traffic, 1965, Annex B (2.3.4.1) Standard-* "Public authorities shall allow unmanifested parcels in possession of the master to be omitted from the Cargo Declaration provided that particulars of these parcels are furnished separately."

### **Acceptance of Bill of Lading as alternative to Cargo Declaration**

*IMO, Convention on Facilitation of International Maritime Traffic, 1965, Annex B (2.3.4.1) Recommended Practice -* "As an alternative, public



authorities may accept a copy of the transport document signed or authenticated in accordance with Standard 2.3.3 (C.29) or certified as a true copy, if the nature and quantity of cargo makes this practicable and provided that any information in accordance with Recommended Practices 2.3.1 (C.26) and Standard 2.3.2 (C.27) which does not appear in such documents is also furnished elsewhere and duly certified."

### **No departure Cargo Declaration for cargo remaining on board**

*IMO, Convention on Facilitation of International Maritime Traffic, 1965, Annex B (2.11.1) Standard -* "A new Cargo Declaration shall not be required on departure from a port in respect of cargo which has been the subject of a declaration on arrival in that port and which has remained on board."

### **Correction of inadvertent errors without delay to ship**

*IMO, Convention on Facilitation of International Maritime Traffic, 1965, Annex B (2.17) Standard -* "Public authorities shall, without delaying the ship, allow corrections of errors in a document provided for in (this) Annex, which they are satisfied are inadvertent, not of a serious nature, not due to recurrent carelessness and not made with intent to violate the laws or regulations, on the condition that these errors are discovered before the document is fully checked and the corrections can be effected without delay."

### **Use of model arrival forms**

*IMO, Convention on Facilitation of International Maritime Traffic, 1965. -* "The six Model Forms developed by (the then) IMO were adopted in their final form by the Sixth Assembly of IMO and recommended for universal use by Resolution A.194 (VI) of 29 October 1969."

### **No penalties for inadvertent errors**

*IMO, Convention on Facilitation of International Maritime Traffic, 1965, Annex B (2.18) Standard -* "If errors are found in documents provided for in (this) Annex, signed by or on behalf of a shipowner or master, no penalties shall be imposed until an opportunity has been given to satisfy the public authorities that the errors were inadvertent, not of a serious nature, not due to recurrent carelessness and not made with intent to violate laws or regulations."

### **Issue of single original Bill of Lading**

*UN/CEFACT, Recommendation No. 12, paragraph 17.* "In respect of the concept that bills of lading should be issued in original only, there is evidence of a gradual change of thought regarding the norm. For example, where the 1983 UCP 400 referred to acceptance of "the full set of originals issued to the consignor if issued in more than one original...", the current revision, UCP 500, is likely to use the wording "...a sole original bill of lading or, if issued in more than one original, the full set as so issued..." --i.e. stressing a preference for a sole original, or "a full set of 1/1". (See ICC document 470-37/72).

(French law calls for at least two originals, i.e. one retained by the carrier and one issued to the shipper. It is the original issued to the shipper, which is of importance in the concept of a sole original.)

### **Use of Sea Waybill in preference to Bill of Lading**

*UN/CEFACT, Recommendation No. 12, paragraph 42* "... (i) appreciate the advantages and encourage the use of the non-negotiable sea waybill instead of the bill of lading, where goods are not traded in during the course of transit (see paragraphs 10 to 14, 20 of Recommendation No. 12)

### **Simpler Shipping Marks**

*UN/CEFACT, Recommendation No. 15.* "... Governments, international organizations and those engaged in the international movement and documentation of goods should:

- “(a) adopt a Standard Shipping Mark comprising Abbreviated name, Reference number, Destination, and Package number, as described hereafter, and note opportunities for further simplification made possible in certain modes of transport and by the use of a Common Access Reference (CAR).
- “(b) discontinue requirements, especially official requirements, for additional information on packages (e.g. Country of Origin, Import Licence No., Documentary Credit No.); where such information is still required, it should be separated from the Standard Shipping Mark on packages and should not be required as part of the mark when reproduced in documents;
- “(c) promote the indication on packages of the Gross Weight, in kilograms, but not of other weights or dimensions;
- “(d) adopt ISO Standards for cargo handling instructions and United Nations standards for danger warnings; and
- “(e) adopt the physical marking methods, practices and standards set out in this Recommendation.

### **C.3 Multimodal transport**

#### **Use of blank-back forms**

*UN/CEFACT, Recommendation No. 12, paragraph 15* "The 1983 revision of the ICC's Uniform Customs and Practice for Documentary Credits (UCP 400) Articles 25 (b (ii)) and 26 (b (ii)) specifically encouraged the use of bills of lading and combined transport documents which indicated "...some or all of the conditions of carriage by reference to a source or document other than the transport document itself (short form/blank back transport document)". The current revision, UCP 500, emphasizes banking acceptance of a bill of lading, a multimodal transport document or a non-negotiable sea waybill which:

"appears to contain all the terms and conditions of carriage or only some of such terms and conditions by reference to a source or document other than the transport document (short form/blank back transport documents)."

It also stresses that:

"banks will not examine the contents of such terms and conditions." (ICC Document 470 - 37/104 dated 1992.09.17) (It has to be borne in mind that in certain jurisdictions it is necessary to have evidence that the consignee is duly aware of the full terms and conditions to which the short form makes reference. The use of the short form for a series of shipments may need explicit acceptance on the part of the consignee.)

#### **Use of codes for modes of transport**

*UN/CEFACT, Recommendation No. 19.* "The Working Party...recommends that the code structure described should be applied whenever there is a need for a coded representation for indicating mode of transport for purposes of international trade."

#### **Layout Key for Standard Consignment Instructions**

*UN/CEFACT, Recommendation No. 22,* "Recommends that the layout key appended to the present recommendation be used as a basis for the design of standard consignment instructions intended to convey instructions from either a seller/consignor or a buyer/consignee to a freight forwarder, carrier or his agent, or other provider of service, enabling the movement of goods and associated activities."

#### **Undocumented temporary importation of vehicles or containers containing goods under TIR**

*UNECE, TIR Convention, Article 15.* "No special Customs document shall be required in respect of the temporary importation of a road vehicle,

combination of vehicles or container carrying goods under cover of the TIR procedure. No guarantee shall be required for the road vehicle or combination of vehicles or container."

#### **Acceptance of foreign Customs seals on containers**

*UNECE, TIR Convention, Article 22*

"1. As a general rule and except when they examine the goods in accordance with article 5, paragraph 2, (i.e. when irregularity is suspected), the Customs authorities of the Customs offices en route of each of the Contracting Parties shall accept the Customs seals of other Contracting Parties, provided that they are intact. The said Customs authorities may, however, if control requirements make it necessary, add their own seals.

"2. The Customs seals thus accepted by a Contracting Party shall have in the territory of that Contracting Party the benefit of the same legal protection as is accorded to the national seals."

*WCO, Revised Kyoto Convention, Specific Annex E, Chapter 1 Recommended Practice 17.* "Customs seals and identification marks affixed by foreign Customs should be accepted for the purposes of the Customs transit operation unless :

- they are considered not to be sufficient;
- they are not secure; or
- the Customs proceed to an examination of the goods.

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."

(See also 1973 Kyoto Convention, Annex E.1 Recommended Practice 26.)

#### **Minimum Customs formalities for means of transport**

*WCO, Revised Kyoto Convention, General Annex, Chapter 1 Standard 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."

(See also 1973 Kyoto Convention, Annex A.3 Standard 3.)

#### **Temporary importation of means of transport**

*WCO, Revised Kyoto Convention, Specific Annex J, Chapter 3 Recommended Practice 3.* "Means of transport for commercial use, whether loaded or not,

should be allowed to be brought temporarily into a Customs territory conditionally relieved from payment of import duties and taxes, provided that such means of transport for commercial use are not used for internal transport in the Customs territory of the country of temporary admission. They must be intended for re-exportation without having undergone any change except normal depreciation due to their use, normal consumption of lubricants and fuel and necessary repairs.”

(See also 1973 Kyoto Convention, Annex A.3 Standard 6.)

*WCO, Revised Kyoto Convention, Specific Annex J, Chapter 3 Standard 4.* “The Customs shall require security or a temporary admission document for means of transport for commercial use duly registered abroad only when they consider it essential for the purposes of Customs control.”

(See also 1973 Kyoto Convention, Annex A.3 Recommended Practice 7.)

*WCO, Revised Kyoto Convention, Specific Annex J, Chapter 3 Standard 5.* “Where the Customs fix a time limit for the re-exportation of means of transport for commercial use, they shall take into account all the circumstances of the transport operations intended.”

(See also 1973 Kyoto Convention, Annex A.3 Standard 8.)

*WCO, Revised Kyoto Convention, Specific Annex J, Chapter 3 Recommended Practice 6.* “At the request of the person concerned, and for reasons deemed valid by the Customs, the latter should extend any period initially fixed.”

(See also 1973 Kyoto Convention, Annex A.3 Recommended Practice 9.)

### **Duty on destroyed or damaged means of transport**

*WCO, Revised Kyoto Convention, General Annex, Chapter 3 Standard 44.* “When goods have not yet been released for home use or when they have been placed under another Customs procedure, and provided that no offence has been detected, the person concerned shall not be required to pay the duties and taxes or shall be entitled to repayment thereof:

- when at his request, such goods are abandoned to the Revenue or destroyed or rendered commercially valueless under Customs control, as the Customs may decide. Any costs involved shall be borne by the person concerned;

- when such goods are destroyed or irrecoverably lost by accident or force majeure, provided that such destruction or loss is duly established to the satisfaction of the Customs;
- on shortages due to the nature of the goods when such shortages are duly established to the satisfaction of the Customs.

Any waste or scrap remaining after destruction shall be liable, if taken into home use or exported, to the duties and taxes that would be applicable to such waste or scrap imported or exported in that state.”

(See also 1973 Kyoto Convention, Annex A.3 Standard 33.)

### **No prior authentication of means of transport documents**

*WCO, Revised Kyoto Convention, Specific Annex J, Chapter 3 Standard 11.* “No documents to be produced to or lodged with the Customs in connection with the arrival of means of transport for commercial use shall be required to be legalized, verified, authenticated or previously dealt with by any representatives abroad of the country into which means of transport for commercial use arrive.”

(See also 1973 Kyoto Convention, Annex A.3 Standard 25.)

(See also I.28 on the abolition of consular formalities.)

### **Reduced number of copies of declaration of arrival**

*WCO, Revised Kyoto Convention, Specific Annex J, Chapter 3 Standard 10.* “The Customs shall reduce, as far as possible, the number of copies of the declaration of arrival required to be submitted to them.”

(See also 1973 Kyoto Convention, Annex A.3 Standard 21.)

### **Use of foreign containers in internal traffic**

*WCO, Customs Convention on Containers, 1972, Article 9.* “Contracting Parties shall permit containers granted temporary admission under the terms of the (present) Convention to be used for the carriage of goods in internal traffic, in which case each Contracting Party shall be entitled to impose one or more of the conditions set out in Annex 3.

“(i.e.: (a) the journey shall bring the container by a reasonably direct route to, or nearer to, the place where export cargo is to be loaded or from where the container is to be exported empty;

"(b) the container will be used only once in internal traffic before re-exported.)"

### **Acceptance of foreign containers for temporary admission**

*WCO, Customs Convention on Containers, 1972, Article 3*

"1. Subject to the conditions laid down in articles 4 to 9, each Contracting Party shall grant temporary admission to containers, whether loaded with goods or not.

"2. Each Contracting Party reserves the right not to grant temporary admission to containers which have been the subject of purchase, hire-purchase, lease or a contract of a similar nature, concluded by a person resident or established in its territory."

### **Temporary admission for replacement parts for containers**

*WCO, Customs Convention on Containers, 1972, Article 10.* "Temporary admission shall be granted to component parts intended for the repair of temporarily admitted containers."

### **Temporary admission for accessories and equipment for containers**

*WCO, Customs Convention on Containers, 1972, Article 11.* "The Contracting Parties agree to grant temporary admission to accessories and equipment of temporarily admitted containers, which are either imported with a container to be re-exported separately or with another container, or imported separately to be re-exported with a container."

### **Undocumented temporary importation of foreign containers**

*WCO, Customs Convention on Containers, 1972, Article 6.* "... containers temporarily imported under the terms of the present Convention shall be granted temporary admission without the production of Customs documents being required on their importation and re-exportation and without the furnishing of a form of security."

### **Acceptance of approved foreign containers**

*WCO, Revised Kyoto Convention, Specific Annex E, Chapter 1 Standard 10.* "When a consignment is conveyed in a transport-unit and Customs sealing is required, the Customs seals shall be affixed to the transport-unit itself provided that the transport-unit is so constructed and equipped that:

- (a) Customs seals can be simply and effectively affixed to it;
- (b) no goods can be removed from or introduced into the sealed part of the transport-unit without leaving visible traces of tampering or without breaking the Customs seal;
- (c) it contains no concealed spaces where goods may be hidden; and
- (d) all spaces capable of holding goods are readily accessible for Customs inspection.

The Customs shall decide whether transport-units are secure for the purposes of Customs transit."

*WCO, Revised Kyoto Convention, Guidelines to Specific Annex E, Chapter 1, Part 6.4. on Fitting out and approval of the transport-unit.* "...There are several international agreements that contain details of transport-units approved for the transport of goods under Customs seal. Some of these international agreements are the Customs Convention on Containers, done at Geneva on 18 May 1956, the Customs Convention on the international transport of goods under cover of TIR carnets, done at Geneva on 15 January 1959, the Unité technique des chemins de fer, concluded at Berne in May 1886 (1960 edition), and the Regulations of the Central Rhine Commission concerning the sealing of Rhine navigation vessels (21 November 1963 version).

Transport-units may also be approved in the future pursuant to new agreements that could supersede those listed above. Furthermore, additional arrangements for approval can be made by administrations through bilateral or multilateral agreement for transport-units to be used for Customs transit solely within their territories, such as containers having an internal volume of less than one-cubic metre but which in all other respects qualify for Customs treatment as containers."

(See also 1973 Kyoto Convention, Annex E.1 Note to Standard 21.)

## **D. Provisions relating to the movement of persons**

### **No passenger manifest to be required for air transport**

*ICAO, Convention on International Civil Aviation, Annex 9 (2.7).* - "Contracting States shall not normally require the presentation of a Passenger Manifest, but when this type of information is required it may also be provided in an alternative and acceptable manner."

### **Use of Standard Passenger Manifest if one Required**

*ICAO, Convention on International Civil Aviation, Annex 9 (2.7).* - "Contracting States shall not normally require the presentation of a Passenger Manifest, but when this type of information is required it may also be provided in an alternative and acceptable manner."

"Note: - If the type of information referred to in 2.7 above is required, it should be limited to the items shown in the format of a Passenger Manifest set forth in Appendix 2.

## **E. Provisions relating to the management of dangerous goods and harmful substances**

### **Separate advice of dangerous goods**

*IMO, Convention on Facilitation of International Maritime Traffic, 1965, Annex B (2.3) Standard.* "The Cargo Declaration shall be the basic document on arrival and departure providing information required by public authorities relating to the cargo. However, particulars of any dangerous cargo may also be required to be furnished separately."

### **Information relating to dangerous goods**

*UN/CEFACT, Recommendation No. 11.*

"I. The harmonisation of the overall information on requirements of dangerous goods documents between the different modes of transport should be pursued as a matter of priority. This should be carried out according to Chapter 13 of the United Nations Recommendations on the Transport of dangerous Goods ("Orange Book") in its latest amended version.

II. The actual data elements required to identify the goods should be standardised throughout the different modes of transport. It is recommended that these should be: Proper Shipping Name, Class Division, UN Number and Packing Group, as recommended in the "Orange Book".

III. The single form of words held in the "Orange Book" should be adopted as the text for the legal declaration by all regulations and conventions governing different modes of transport:

"I hereby declare that the contents of this consignment are fully and accurately described above by the proper shipping name, and are classified, packaged, marked and labelled/

placarded, and are in all respects in proper condition for transport according to applicable international and national governmental regulations."

IV. It should be possible to derive the emergency information from the UN number to ensure that no additional information is required. (Where there is no UN Number available this information can be derived from the proper shipping name). The manual entry of additional related information or codes on documents should not be required. As an example transport emergency information can be provided in the form of standard, pre-printed tables for each substance or group of substances, each table bearing as a key reference the United Nations number for that substance(s). (It should be noted however, that this information is not required for the rail mode).

### **Use of dangerous goods declaration**

*UN/CEFACT, Recommendation No. 11*

"VI. "Whenever possible, the dangerous goods declaration should be incorporated in, or combined with, an existing transport or cargo handling documents;

VII. "Where special separate forms are used for dangerous goods forms (including standard forms contained in Recommendations, regulations, international Conventions and annexes thereto), they should be designed in accordance with the aligned recommended layout contained in this Recommendation"

VIII. "Regulations and Conventions should not preclude the transmission of dangerous goods information by electronic data interchange (EDI) and any legal barriers which exist, whether they be national or international, should be removed. Where possible this method of transfer of information should be actively encouraged;"

IX. "Where special additional documentary requirements exist, such as for radioactive substances or government exemption, regulations and conventions should permit incorporation of the necessary data in the dangerous goods declaration itself, as an optional alternative to a separate document."

## F. Provisions relating to payment procedures

### Use of abbreviations for PAYTERMS

*UN/CEFACT, Recommendation No. 17.* "The Working Party ... draws attention to the 'PAYTERMS' corresponding to conditions of payment which are most frequently used in international trade, which can be employed when the contract of sale to which they relate makes this appropriate; recommends that the abbreviations shown in the list of 'PAYTERMS' be used in such contracts."

### Duty payment by means other than cash

*WCO, Revised Kyoto Convention, General Annex, Chapter 4 Standard 6.* "National legislation shall specify the methods that may be used to pay the duties and taxes."

*WCO, Revised Kyoto Convention, Guidelines to the General Annex, Chapter 4, Part 2.1.3. on Payment.* "To facilitate the accounting procedure, Customs should accept payment of duties and taxes in forms other than cash, such as travellers cheques, money orders, certified cheques, uncertified cheques (in specified circumstances), bonds, credit cards, securities, etc. A modern practice which is highly recommended is that electronic funds transfer systems be established wherever possible, allowing for quick and efficient payment. This is especially useful for Customs brokers and traders who import/export frequently on a large scale, paying considerable amounts of duties and taxes on a monthly basis. The use of electronic data interchange (EDI) is also useful in expediting payment."

(See also 1973 Kyoto Convention, Annex B.1 Recommended Practice 49 and Note.)

### Deferred duty payments

*WCO, Revised Kyoto Convention, General Annex, Chapter 4 Standard 15.* "Where national legislation provides for the deferred payment of duties and

taxes, it shall specify the conditions under which such facility is allowed."

*WCO, Revised Kyoto Convention, General Annex, Chapter 4 Standard 16.* "Deferred payment shall be allowed without interest charges to the extent possible."

(See also 1973 Kyoto Convention, Annex B.1 Recommended Practice 51 and Note.)

### Proof of duty payment to be issued

*WCO, Revised Kyoto Convention, General Annex, Chapter 4 Standard 12.* "When the duties and taxes have been paid, a receipt constituting proof of payment shall be issued to the payer, unless there is other evidence constituting proof of payment."

*WCO, Revised Kyoto Convention, Guidelines to the General Annex, Chapter 4, Part 2.1.3. on Payment.* "Often the receipt is given on the declarant's copy of the declaration or, in the case of periodic payments, on the monthly statements. Sometimes the receipt may be issued by an authorized body other than a Customs office."

(See also 1973 Kyoto Convention, Annex B.1 Standard 56 and Note.)

### Refund of overpayments

*WCO, Revised Kyoto Convention, General Annex, Chapter 4 Standard 18.* "Repayment shall be granted where it is established that duties and taxes have been overcharged as a result of an error in their assessment."

*WCO, Revised Kyoto Convention, General Annex, Chapter 4 Standard 22.* "Where it is established by the Customs that the overcharge is a result of an error on the part of the Customs in assessing the duties and taxes, repayment shall be made as a matter of priority."

(See also 1973 Kyoto Convention, Annex B.1 Standard 42.)

## **G. Provisions relating to the use of Information and Communications Technology (ICT)**

### **Basic principles for the introduction of EDI**

*ICAO, Convention on International Civil Aviation, Annex 9 (4.9) Recommended Practice* "When the introduction, or modification, of electronic data-processing techniques for air cargo is planned, Contracting States should endeavour to apply the following principles:

- "(a) affording all interested parties, from the outset, the opportunity for consultation;
- "(b) evaluating existing procedures and eliminating those which are unnecessary;
- "(c) determining those procedures which are to be computerized;
- "(d) adopting existing industry standards such as the International Air Transport Association (IATA)/Customs Cooperation Council (CCC) Joint Customs/Airlines Electronic Data Interchange Manual and, as they mature, UN/EDIFACT standards including but not limited to the UN Trade Data Elements Directory (TDED), Electronic Data Interchange for Administration, Commerce and Transport (EDIFACT syntax rules) and UN Standard Messages (UNSMs);
- "(e) ensuring compatibility with the various electronic data-processing systems in existence; and
- "(f) adopting a single international electronic identification standard (e.g. bar coding, radio frequency chips, etc.) to facilitate shipment."

### **Participation by operators to be optional**

*ICAO, Convention on International Civil Aviation, Annex 9 (4.10)*. "When introducing electronic data-processing for air cargo, Contracting States shall consider the principle of optionality regarding participation by operators and other interested parties."

### **Study use of information technology to facilitate airfreight**

*ICAO, Convention on International Civil Aviation, Annex 9 (4.8)*. "Contracting States shall examine, in close collaboration with international operators and others concerned with air cargo, the facilitation implications which may result from the introduction of electronic data-processing techniques."

### **Encouragement of use of EDI**

*ICAO, Convention on International Civil Aviation, Annex 9 (4.4) Standard*. "When introducing electronic data interchange (EDI) techniques for air

cargo facilitation, Contracting States shall encourage international airline operators, handling companies, airports, customs and other authorities and cargo agents to exchange data electronically, in conformance with relevant UN Electronic Data Interchange for Administration, Commerce and Transport (UN/EDIFACT) international standards, in advance of the arrival of the aircraft, to facilitate cargo processing"

### **Customs to provide data interchange with trade users**

*ICAO, Convention on International Civil Aviation, Annex 9 (4.7)*. "Contracting States shall accept commercial documents required for the clearance of air cargo, when produced by electronic data-processing techniques, provided they are in legible and understandable form and that they contain the required information."

### **Acceptance of information technology prepared Cargo Manifest**

*ICAO, Convention on International Civil Aviation, Annex 9 (2.9)*. "The Cargo Manifest shall be accepted when it follows ... a clear and understandable format adapted to electronic data-processing techniques."

### **Electronic data-processing techniques for facilitation of ships' clearance**

*IMO, Convention on Facilitation of International Maritime Traffic, 1965, Annex B (1.4) Recommended Practice*. "When introducing electronic data-processing and interchange techniques to facilitate the clearance of ships, Contracting Governments should encourage public authorities and private parties concerned to exchange data electronically in conformity with international Standards."

*IMO, Convention on Facilitation of International Maritime Traffic, 1965, Annex B (1.5) Standard*. "Public authorities shall accept any of the documents required for the clearance of ships, when produced by electronic data-processing or interchange techniques that conform with international Standards, provided they are in legible and understandable form and contain the required information."

*IMO, Convention on Facilitation of International Maritime Traffic, 1965, Annex B (1.6) Standard.* “Public authorities, when introducing electronic data processing and interchange techniques for the clearance of ships, shall limit the information they require to that provided for in the pertinent provisions of this annex.”

*IMO, Convention on Facilitation of International Maritime Traffic, 1965, Annex B (1.7) Recommended Practice.* “When planning for, introducing, or modifying electronic data-processing or interchange techniques for the clearance of ships, public authorities should endeavour to:

- (a) afford all interested parties, from the outset, the opportunity for consultation;
- (b) evaluate existing procedures and eliminate those, which are unnecessary;
- (c) determine those procedures that are to be computerized;
- (e) use United Nations (UN) Recommendations and relevant ISO Standards to the maximum extent practicable;
- (f) adapt these techniques for multimodal applications; and
- (g) take appropriate steps to minimize the cost of implementing these techniques to operators and other private parties.”

*IMO, Convention on Facilitation of International Maritime Traffic, 1965, Annex B (1.8) Standard.* “Public authorities, when introducing electronic data-processing and interchange techniques for the clearance of ships, shall encourage but not require their use by maritime operators and other parties concerned.”

### **Acceptance of authentication without signature**

*UN/CEFACT, Recommendation No. 14* “The Working Party ... recommends to Governments and international organizations responsible for relevant intergovernmental agreements to study national and international texts which embody requirements for signature on documents needed in international trade and to give consideration to amending such provisions, where necessary, so that the information which the documents contain may be prepared and transmitted by electronic or other automatic means of data transfer, and the requirements of a signature may be met by authentication guaranteed by the means used in the transmission; and

“Recommends to all organizations concerned with the facilitation of international trade procedures to examine current commercial documents, to identify those where signature could safely be eliminated and to mount an extensive programme of education and training in order to introduce the necessary changes in commercial practices.”

### **Use of UN/EDIFACT including use of UN Trade Data Interchange Directory (TDID) (Syntax: ISO 9735)**

*UNECE, UN/EDIFACT* is the internationally recognized standard for EDI messages. The EDIFACT syntax rules are endorsed as ISO 9735 by the International Organization for Standardization. A set of standard messages, each corresponding to a specific business function, is available. These messages are maintained according to agreed rules under the aegis of UNECE. They are recommended for use whenever EDI takes place between trade partners.

### **National legislation to cater for computerized procedures**

*WCO, Revised Kyoto Convention, General Annex, Chapter 7 Standard 4.* “New or revised national legislation shall provide for:

- 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.”

(See also Revised Kyoto Convention, Guidelines General Annex Chapter 7 Part 10)

(See also 1973 Kyoto Convention, Annex J.1 Recommended Practices 5 and 6.)

*WCO, Recommendation of the Customs Co-operation Council concerning the transmission and authentication of customs information which is being processed by computer* ...1. Allow under conditions to be laid down by the Customs authorities, declarants to use various electronic media (values added networks, national ptt (postal, telegraph and telephone) agency, ptt, disc, tape, etc.) for the transmission of Customs regulatory information to the Customs authorities for automatic processing and to receive an automatic response to such information, from the Customs;



2. Accept, under conditions to be laid down by the Customs authorities, Customs regulatory information from declarants and other government agencies, which is transmitted by use of electronic media, validated and authenticated by security technology, without the need to produce paper documentation with a handwritten signature;

3. Accept, where legal recognition of electronically transmitted Customs regulatory information is not resolved, that the Customs should authorize declarants, under conditions to be laid down by the Customs or other competent authorities, to produce Customs regulatory information on plain paper.

4. Accept, where EDI security and automated processing techniques are used but where, due to legal constraints, the production of paper documentation and hand written signatures are required, the periodic submission of paper documentation or their storage on the premises of the declarant, under conditions laid down by the Customs administration; »

#### **Continuous liaison Customs - national information technology services**

*WCO, 1973 Kyoto Convention, Annex J.1 Recommended Practice 16.* "Continuous liaison and consultation should be established at the national level, between the services responsible for ADP and the services responsible for Customs control matters within each Customs administration with a view to identifying the needs of Customs control services and in order to make the best possible use of ADP techniques and facilities to assist in meeting such needs."

#### **Customs administrations to exchange information technology information**

*WCO, Revised Kyoto Convention, General Annex, Chapter 7 Standard 4.* "New or revised national legislation shall provide for:

- 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."

(See also Revised Kyoto Convention, Guidelines to the General Annex, Chapter 7, Part 6.3. on Information exchange with other Customs administrations.)

*WCO, 1973 Kyoto Convention, Annex J.1 Recommended Practice 11.* "Where practicable the Customs authorities should, at the request of the Customs authorities of another country, co-operate on technical matters concerning computerized systems for Customs purposes, utilizing the channels of the (Customs Co-operation) Council so far as may be possible."

"Note: Technical co-operation may take the form of:

- The provision of information,
- The provision of specialized Customs-related ADP training,
- The organization of seminars, courses or symposia intended for foreign participants in order to promote computerization,
- The provision of expert advice following on-site analysis of existing procedures."

#### **Customs to maximize use of information technology techniques**

*WCO, Revised Kyoto Convention, General Annex, Chapter 6 Transitional Standard 9.* "The Customs shall use information technology and electronic commerce to the greatest possible extent to enhance Customs control."

*WCO, Revised Kyoto Convention, General Annex, Chapter 7 Standard 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."

(See also Revised Kyoto Convention, Guidelines to the General Annex Chapter 7 Part 4.6)

(See also Revised Kyoto Convention, Guidelines to the General Annex Chapter 6 Part 2 & 6.2.5)

(See also 1973 Kyoto Convention, Annex J.1 Recommended Practice 4.)

#### **Customs computer systems to use international standards**

*WCO, Revised Kyoto Convention, General Annex, Chapter 7 Standard 2.* "When introducing computer applications, the Customs shall use relevant internationally accepted standards."

*WCO, Revised Kyoto Convention, General Annex, Chapter 3 Standard 11.* “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.”

(See also Revised Kyoto Convention, Guidelines to the General Annex, Chapter 7, Part 6, 7.2, 7.3 & 7.4.)

(See also 1973 Kyoto Convention, Annex J.1 Recommended Practice 9 and Note.)

*WCO, Recommendation of the Customs Co-operation Council concerning the use of the UN/EDIFACT rules for electronic data interchange* “RECOMMENDS that Members of the Council and all members of the United Nations Organization or its specialized agencies, and Customs or Economic Unions should apply the UN/EDIFACT rules as defined in the Annex to this Recommendation, and future updated versions of these rules for the preparation of electronic messages to be interchanged between Customs administrations and between Customs administrations and other trade users.

*WCO, Recommendation of the Customs Co-operation Council concerning the use of the WCO Data Mapping Guide for Customs UN/EDIFACT messages* “RECOMMENDS that Members of the Customs Co-operation Council and all members of the United Nations Organization or its specialized agencies, and Customs or Economic Unions should adopt the WCO Data Mapping Guide for UN/EDIFACT messages as the standard reference document for the development of all Implementation Guides for UN/EDIFACT messages utilized by Customs in exchanging data electronically between Customs administrations and between Customs administrations and trade users,

*WCO, Recommendation of the Customs Co-operation Council concerning the use of the codes for the representation of data elements* “RECOMMENDS that Members of the Council and members of the United Nations Organization or its specialized agencies, and Customs or Economic Unions, should use the codes or coding structures specified in the Annexes to the Recommendation and future updated or revised versions of these codes or coding structures for the representation of data elements in the interchange of data among Customs administrations and between Customs administrations and participants in international

trade whenever there is a need for a coded designation.”

### **Review Customs manual procedures before computerizing**

*WCO, 1973 Kyoto Convention, Annex J.1 Recommended Practice 7.* “The Customs authorities should review and where appropriate modernize existing manual procedures, documentation and coding practices prior to introducing the use of ADP techniques.”

### **Customs to provide data interchange with trade users**

*WCO, Revised Kyoto Convention, General Annex, Chapter 7 Standard 4.* “New or revised national legislation shall provide for:

- 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.”

(See also Revised Kyoto Convention, Guidelines to the General Annex, Chapter 7, Part 6.1. on Information exchange with trading partners.)

(See also 1973 Kyoto Convention, Annex J.1 Recommended Practice 13 and Note.)

*WCO, Recommendation of the Customs Co-operation Council concerning the transmission and authentication of customs information which is being processed by computer* “1. Allow, under conditions to be laid down by the Customs authorities, declarants to use various electronic media (values added networks, national ptt (postal, telegraph and telephone) agency, ptt, disc, tape, etc.) for the transmission of Customs regulatory information to the Customs authorities for automatic processing and to receive an automatic response to such information, from the Customs.”

### **Customs to use information technology criteria**

*WCO, Revised Kyoto Convention, Guidelines to the General Annex, Chapter 7, Part 4.6. on Customs enforcement.* “In order to ensure proper compliance with Customs regulations, using scarce resources efficiently, Customs must employ selectivity and risk assessment techniques.”

(See also 1973 Kyoto Convention, Annex J.1 Recommended Practice 17.)

## **Exchange of information technology between Customs administrations**

*Revised Kyoto Convention, General Annex, Chapter 7 Standard 4.* "New or revised national legislation shall provide for:

- 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."

(See also Revised Kyoto Convention, Guidelines to the General Annex, Chapter 7, Part 6.3. on Information exchange with other Customs administrations.)

*WCO, 1973 Kyoto Convention, Annex J.1 Recommended Practice 11.* "Where practicable the Customs authorities should, at the request of the Customs authorities of another country, co-operate on technical matters concerning computerized systems for Customs purposes, utilizing the channels of the (Customs Co-operation) Council so far as may be possible."

"Note: Technical co-operation may take the form of:

- The provision of information,
- The provision of specialized Customs-related ADP training,
- The organization of seminars, courses or symposia intended for foreign participants in order to promote computerization,
- The provision of expert advice following on-site analysis of existing procedures."

## **Exchange of information technology information between Customs and other parties**

*WCO, 1973 Kyoto Convention, Annex J.1 Recommended Practice 16.* "Continuous liaison and consultation should be established at the national level, between the services responsible for ADP and the services responsible for Customs control matters within each Customs administration with a view to identifying the needs of Customs control services and in order to make the best possible use of ADP techniques and facilities to assist in meeting such needs."

(See also Revised Kyoto Convention, Guidelines to the General Annex, Chapter 7, Part 6.2. on Information exchange with other government agencies.)

## **H. Provisions relating to commercial trade practices and the use of international standards**

### **Avoidance of excessive detail in credits**

*ICC, Uniform Customs and Practice for Documentary Credits, ICC Publication 500, Article 5 (a)* "Instructions for the issuance of a Credit, the Credit itself, instructions for an amendment thereto and the amendment itself, must be complete and precise. In order to guard against confusion and misunderstanding, banks should discourage any attempt "i. To include excessive detail in the Credit or in any amendment thereto;"

### **Authenticated teletransmission deemed operative credit/amendment unless qualified**

*ICC, Uniform Customs and Practice for Documentary Credits, ICC Publication 500, Article 11 (a)(i) - (ii).* "When an Issuing Bank instructs an Advising Bank by an authenticated teletransmission to advise a Credit or an amendment to a Credit, the teletransmission will be deemed to be the operative Credit instrument or the operative amendment, and no mail confirmation should be sent... If the teletransmission states "full details to follow" (or

words of similar effect) or states that the mail confirmation is to be the operative Credit instrument or the operative amendment, then the teletransmission will not be deemed to be the operative Credit instrument or the operative amendment..."

### **Despatch of operative credit/amendment without delay after qualified teletransmission**

*ICC, Uniform Customs and Practice for Documentary Credits, ICC Publication 500, Article 11 (a)(ii).* "If the teletransmission states "full of details to follow" (or words of similar effect) or states that the mail confirmation is to be the operative Credit instrument or the operative amendment, then the teletransmission will not be deemed to be the operative Credit instrument or the operative amendment. The Issuing Bank must forward the operative Credit instrument or the operative amendment to such Advising Bank without delay."

## **Bank acceptance of photocopied, carbon copies and information technology-produced documents**

*ICC, Uniform Customs and Practice for Documentary Credits, ICC Publication 500, Article 20(b).* "Unless otherwise stipulated in the Credit, banks will also accept as an original document, a document(s) produced or appearing to have been produced:

- "(i) By reprographic, automated or computerized systems;
- "(ii) As carbon copies, provided that it is marked as original and, where necessary, appears to be signed."

## **Copies do not need to be signed**

*ICC, Uniform Customs and Practice for Documentary Credits, ICC Publication 500, Article 20 (c)(i)* - "Unless otherwise stipulated in the Credit, banks will accept as copy(ies), a document(s) either labelled copy or not marked as an original - a copy (ies) need not be signed."

## **Acceptance of alternative documents when credit calls for Bill of Lading**

*ICC, Uniform Customs and Practice for Documentary Credits, ICC Publication 500, Article 23(a).* "If a Credit calls for a bill of lading covering a port-to-port shipment, banks will, unless otherwise stipulated in the Credit, accept a document, however named, which:

- "(i) appears on its face to indicate the name of the carrier and to have been signed or otherwise authenticated by:
  - "– the carrier or a named agent for or on behalf of the carrier, or
  - "– the master or a named agent for or on behalf of the master ..., and
- "(ii) indicates that the goods have been loaded on board, or shipped on a named vessel ..., and
- "(iii) indicates the port of loading and the port of discharge stipulated in the Credit, notwithstanding that it:
  - "a. indicates a place of taking in charge different from the port of loading, and/or a place of final destination different from the port of discharge, and/or
  - "b. contains the indication 'intended' or similar qualification in relation to the port of loading and/or port of discharge, as long as the document also states the ports of loading and/or discharge stipulated in the Credit, and
- "(iv) consists of a sole original bill of lading or, if issued in more than one original, the full set as so issued, and

- "(v) appears to contain all of the terms and conditions of carriage, or some of such terms and conditions by reference to a source or document other than the bill of lading (short form/blank back bill of lading); banks will not examine the contents of such terms and conditions, and
- "(vi) contains no indication that it is subject to a charter party and/or no indication that the carrying vessel is propelled by sail only, and
- "(vii) in all other respects meets the stipulations of the Credit."

## **Limited acceptance of transshipment when credit prohibits**

*ICC, Uniform Customs and Practice for Documentary Credits, ICC Publication 500, Article 23(c).* "Unless transshipment is prohibited by the terms of the Credit, banks will accept a bill of lading which indicates that the goods will be transhipped, provided that the entire ocean carriage is covered by one and the same bill of lading;"

"(d) Even if the Credit prohibits transshipment, banks will accept a bill of lading which:

- "(i) indicates that transshipment will take place as long as the relevant cargo is shipped in Container(s), Trailer(s) and/or "LASH" barge(s) as evidenced by the bill of lading, provided that the entire ocean carriage is covered by one and the same bill of lading, and/or
- "(ii) incorporates clauses stating that the carrier reserves the right to tranship."

## **Acceptance of alternative documents when credit calls for non-negotiable waybill**

*ICC, Uniform Customs and Practice for Documentary Credits, ICC Publication 500, Article 24(a).* "If a Credit calls for a non-negotiable sea waybill covering a port-to-port shipment, banks will, unless otherwise stipulated in the Credit, accept a document, however named, which:

- "(i) appears on its face to indicate the name of the carrier and to have been signed or otherwise authenticated by:
  - " the carrier or a named agent for or on behalf of the carrier, or
  - " the master or a named agent for or on behalf of the master..., and
- "(ii) indicates that the goods have been loaded on board, or shipped on a named vessel..., and
- "(iii) indicates the port of loading and the port of discharge stipulated in the Credit, notwithstanding that it:
  - "a. indicates a place of taking in charge different from the port of loading, and/or

a place or final destination different from the port of discharge, and/or

- "b. contains the indication 'intended' or similar qualification in relation to the port of loading and/or port of discharge, as long as the document also states the ports of loading and/or discharge stipulated in the Credit, and
- "(iv) consists of a sole original non-negotiable sea waybill, or if issued in more than one original, the full set as so issued, and
- "(v) appears to contain all the terms and conditions of carriage, or some of such terms and conditions by reference to a source or document other than the non-negotiable sea waybill, (short form/blank back non-negotiable sea waybill); banks will not examine the contents of such terms and conditions, and
- "(vi) contains no indication that it is subject to a charter party and/or no indication that the carrying vessel is propelled by sail only, and
- "(vii) in all other respects meets the stipulations of the Credit."

#### **Acceptance of alternative documents when credit calls for charter party Bill of Lading**

*ICC, Uniform Customs and Practice for Documentary Credits, ICC Publication 500, Article 25.* "If a Credit calls for or permits a charter party bill of lading, banks will, unless otherwise stipulated in the Credit, accept a document, however named, which:

- "(i) contains any indication that it is subject to a charter party, and
- "(ii) appears on its face to have been signed or otherwise authenticated by:
  - "– the master or a named agent for or on behalf of the master, or
  - "– the owner or a named agent for or on behalf of the owner, ... and
- "(iii) does or does not indicate the name of the carrier, and
- "(iv) indicates that the goods have been loaded on board or shipped on a named vessel, ... and
- "(v) indicates the port of loading and the port of discharge stipulated in the Credit, and
- "(vi) consists of a sole original bill of lading or, if issued in more than one original, the full set as so issued, and
- "(vii) contains no indication that the carrying vessel is propelled by sail only, and
- "(viii) in all other respects meets the stipulations of the Credit."

#### **Acceptance of alternative documents when credit calls for multimodal transport document**

*ICC, Uniform Customs and Practice for Documentary Credits, ICC Publication 500, Article 26(a).* "If a Credit calls for a transport document covering at least two different modes of transport (multimodal transport), banks will, unless otherwise stipulated in the Credit, accept a document, however named, which:

- "(i) appears on its face to indicate the name of the carrier or multimodal transport operator and to have been signed or otherwise authenticated by:
  - "– the carrier or multimodal transport operator or a named agent for or on behalf of the carrier or multimodal transport operator, or
  - "– the master or a named agent for or on behalf of the master..., and
- "(ii) indicates that the goods have been dispatched, taken in charge or loaded on board..., and
- "(iii) a. indicates the place of taking in charge stipulated in the Credit which may be different from the port, airport or place of loading, and the place of final destination stipulated in the Credit which may be different from the port, airport or place of discharge, and/or
  - "(iii) b. contains the indication 'intended' or similar qualification in relation to the vessel and/or port of loading and/or port of discharge, and
- "(iv) consists of a sole original multimodal transport document or, if issued in more than one original, the full set as so issued, and
- "(v) appears to contain all of the terms and conditions of carriage, or some of such terms and conditions by reference to a source or document other than the multimodal transport document (short form/blank back multimodal transport document); banks will not examine the contents of such terms and conditions, and
- "(vi) contains no indication that it is subject to a charter party and/or no indication that the carrying vessel is propelled by sail only, and
- "(vii) in all other respects meets the stipulations of the Credit."

### **Acceptance of alternative document when credit calls for air transport document**

*ICC, Uniform Customs and Practice for Documentary Credits, ICC Publication 500, Article 27.* "If a Credit calls for an air transport document, banks will, unless otherwise stipulated in the Credit, accept a document, however named, which:

"(i) appears on its face to indicate the name of the carrier and to have been signed or otherwise authenticated by:

"- the carrier, or

"- a named agent for or on behalf of the carrier, ..., and

"(ii) indicates that the goods have been accepted for carriage, and

"(iii) where the Credit calls for an actual date of dispatch, indicates a specific notation of such date, the date of dispatch so indicated in the air transport document will be deemed to be the date of shipment.

"For the purpose of this Article, the information appearing in the box on the air transport document (marked "For Carrier Use Only" or similar expression) relative to the flight number and date will not be considered as a specific notation of such date of dispatch.

"In all other cases, the date of issuance of the air transport document will be deemed to be the date of shipment, and

"(iv) indicates the airport of departure and the airport of destination stipulated in the Credit, and

"(v) appears to be the original for consignor/shipper even if the Credit stipulates a full set of originals, or similar expressions, and

"(vi) appears to contain all of the terms and conditions of carriage, or some of such terms and conditions, by reference to a source or document other than the air transport document; banks will not examine the contents of such terms and conditions, and

"(vii) in all other respects meets the stipulations of the Credit."

### **Acceptance of alternative documents when credit calls for road, rail or inland waterway transport document**

*ICC, Uniform Customs and Practice for Documentary Credits, ICC Publication 500, Article 28 -* "If a Credit calls for a road, rail, or inland waterway transport document banks will, unless otherwise stipulated in the Credit, accept a document of the type called for, however named, which:

"(i) appears on its face to indicate the name of the carrier and to have been signed or otherwise authenticated by the carrier or a named agent for or on behalf of the carrier and/or to bear a reception stamp or other indication of receipt by the carrier or a named agent for or on behalf the carrier, ... and

"(ii) indicates that the goods have been received for shipment, dispatch or carriage or wording to this effect. The date of issuance will be deemed to be the date of shipment unless the transport document contains a reception stamp, in which case the date of the reception stamp will be deemed to be the date of shipment, and

"(iii) indicates the place of shipment and the place of destination as stipulated in the Credit, and

"(iv) in all other respects meets the stipulations of the Credit."

### **Acceptance of post receipt or certificate of posting (conditions)**

*ICC, Uniform Customs and Practice for Documentary Credits, ICC, Publication 500, Article 29(a).* "If a Credit calls for a post receipt or certificate of posting, banks will, unless otherwise stipulated in the credit, accept a post receipt or certificate of posting which:

"(i) appears on its face to have been stamped or otherwise authenticated and dated in the place from which the Credit stipulates the goods are to be shipped or dispatched and such date will be deemed to be the date of shipment or dispatch, and

"(ii) in all respects meets the stipulations of the Credit."

### **Acceptance of courier receipt (conditions)**

*ICC, Uniform Customs and Practice for Documentary Credits, ICC Publication 500, Article 29(b).* "If a Credit calls for a document issued by a courier or expedited delivery service evidencing receipt of the goods for delivery, banks will, unless otherwise stipulated in the credit, accept a document, however named, which:

"(i) appears on its face to indicate the name of the courier/service, and to have been stamped, signed or otherwise authenticated by such named courier/service (unless the Credit specifically calls for a document issued by a named Courier/Service, banks will accept a document issued by any Courier/Service), and

"(ii) indicates a date of pick-up or of receipt or wording to this effect, such date being deemed to be the date of shipment or dispatch, and

"(iii) in all other respects meets the stipulations of the Credit."

### **Limited acceptance of freight forwarder issued transport document**

*ICC, Uniform Customs and Practice for Documentary Credits, ICC Publication 500, Article 30.* "Unless otherwise authorised in the Credit, banks will only accept a transport document issued by a freight forwarder if it appears on its face to indicate:

- "(i) the name of the freight forwarder as a carrier or multimodal transport operator and to have been signed or otherwise authenticated by the freight forwarder as carrier or multimodal transport operator, or
- "(ii) the name of the carrier or multimodal transport operator and to have been signed or otherwise authenticated by the freight forwarder as a named agent for or on behalf of the carrier or multimodal transport operator."

### **Commercial invoices need not be signed**

*ICC, Uniform Customs and Practice for Documentary Credits, ICC Publication 500, Article 37(a).* "Unless otherwise stipulated in the Credit, commercial invoices:

- "(i) must appear on their face to be issued by the Beneficiary named in the Credit ... and
- "(ii) must be made out in the name of the Applicant, ... and
- "(iii) need not be signed."

### **Acceptance of weight certificate on transport document**

*ICC, Uniform Customs and Practice for Documentary Credits, ICC Publication 500, Article 38.* "If a Credit calls for an attestation or certification of weight in the case of transport other than by sea, banks will accept a weight stamp or declaration of weight which appears to have been superimposed on the transport document by the carrier or his agent unless the Credit specifically stipulates that the attestation or certification of weight must be by means of a separate document."

### **Acceptance of goods description in general terms**

*ICC, Uniform Customs and Practice for Documentary Credits, ICC Publication 500, Article 37(c).* "The description of the goods in the commercial invoice must correspond with the description in the Credit. In all other documents, the

goods may be described in general terms not inconsistent with the description of the goods in the Credit."

### **Use of aligned trade documents**

*UN/CEFACT, Recommendation No. 1 (United Nations Layout Key for Trade Documents) paragraphs 15-17.*

"15. The Recommendation on a layout key for trade documents aims at providing an international basis for the standardization of documents used in international trade and transport and for visual display representations of such documents.

"16. The United Nations Layout Key for Trade Documents is intended for application in the designing of documents related to the various administrative, commercial, productive and distributive activities constituting external trade, whether these documents are completed in handwriting, by mechanical means such as typewriters and automatic printers, or by reproductive methods.

"17. The Layout Key is intended particularly as a basis for the designing of aligned series of forms employing a master document".

Note:

In 1984, UNECE WP.4 issued Guidelines for the Application of the United Nations Layout Key when Designing Trade Documents (TRADE/WP4/INF.93; TD/B/FAL/INF.93).

In 1985, the ISO adopted International Standard ISO 64.22 Layout Key for Trade Documents.

### **Use of Country Codes**

*UN/CEFACT, Recommendation No. 3* "... recommends that the two-letter alphabetic codes referred to in the International Standard ISO 3166 as "ISO ALPHA-2 Country Code" should be used for representing the names of countries for purposes of International Trade whenever there is a need for a coded alphabetical designation."

### **Use of INCOTERMS abbreviations**

*UN/CEFACT, Recommendation No. 5* "... recommends that the abbreviations of the trade terms ... used by Governments, international organizations and business whenever these trade terms are referred to in abbreviated form and mutually promote their use in support of a common approach to trade facilitation."

### **Use of Aligned Invoice Layout Key**

*UN/CEFACT, Recommendation No. 6.* “The Working Party ...noting that the recommended layout key would offer sufficient flexibility for adaptation to various national, commercial and technical needs decided to recommend that Governments... should adopt an aligned invoice layout key for international trade based on (this) Recommendation as an integral part of their respective national series of aligned forms, that they should encourage its use in the greatest possible number of commercial transactions and that the aligned invoice should be accepted by their competent authorities to complement or replace some or all of the administrative documents required hitherto.”

### **Use of codes for dates, times and periods of time**

*UN/CEFACT, Recommendation No. 7* “... recommended Governments and international organizations to accept and use, and to promote the general acceptance of, the methods set out of expressing dates, time and periods of time, whenever these data are to be used in numerical form in international trade.”

### **Use of a Unique Identification Code (UNIC)**

*UN/CEFACT, Recommendation No. 8/Rev. 1* “...agreed to recommend:

“1. To the parties responsible for international trade transactions at different stages the use of a Unique Identification Code created in accordance with the provisions set out (in the body of the Recommendation No. 8);

“2. To Governments and national trade facilitation bodies;

“2.1. The promotion of the acceptance of the Unique Identification Code Methodology, e.g. by adopting it in relevant national official or private documentary procedures, including national series of standardized documents used in international trade, trade data interchange messages and, where possible, in the marking of shipments; ...”

### **Use of International Currency Codes**

*UN/CEFACT, Recommendations No. 9* “ The Working Party ... agreed to recommend that Governments members of the Economic Commission for Europe and international organizations concerned, as well as other participants in international trade, should:

- (a) accept and use the three-letter alphabetic codes of International Standard ISO 4217, "Codes for the representation of currencies and funds", for application in international trade; and

- (b) encourage their use in commercial transactions when currencies are expressed in coded or abbreviated form.

### **Use of Codes for the Identification of ships**

*UN/CEFACT, Recommendation No. 10* “...agreed to recommend to participants in international trade including shipowners, port authorities and other parties involved in the maritime transport of goods:

- 1.1 to use the International Maritime Organisation’s Ship Identification Number Scheme for the unique identification of ships.
- 1.2 To use only the final seven characters of the IMO number in EDI applications.”

### **Official adoption of agreed location codes (UN/LOCODE)**

*UN/CEFACT, Recommendation No. 16* “ Recommends that the five-character code system described hereafter should be used for purposes of trade to designate locations whenever there is a need for a coded representation for the names of ports, airports, inland clearance depots, inland freight terminals and other transport related locations, such as places of receipt and delivery, which are used for goods movements associated with trade (for example locations where Customs clearance of goods can take place), or otherwise proposed by Governments;”

### **Use of Codes for Units of Measure**

*UN/CEFACT, Recommendation No. 20* “..recommend that participants in international trade when there is a need for coded representation of units of measure use a single list of code elements for use worldwide in administration, commerce, transport, science and technology.

### **Use of Packaging Codes**

*UN/CEFACT, Recommendation No. 21.* “... recommends Governments and organizations responsible for relevant national regulations and practices related to the movement of goods in international trade to support international facilitation work by considering the codes described in the (present) Recommendation with a view to introducing them in such regulations and in practice;”

“Recommends organizations responsible for international instruments that contain codes such as those covered by the (present) Recommendation to consider harmonization of any such codes in accordance with those presented (hereafter) when reviewing existing or preparing new international provisions;”



“Recommends participants in international trade, when there is a need to use codes to represent different types of cargo, packages, and packaging materials, to use the numeric codes presented in (this) recommendation, and - when there is a need for such codes to represent names of packages - to use the complementary alphabetic codes.”

#### **Use of Standard Consignment Instructions**

*UN/CEFACT, Recommendation No. 22* “The Working Party ... “Recommends that the layout key (appended to the present recommendation) be used as a basis for the design of Standard Consignment Instructions intended to convey instructions from either a seller/consignor or a buyer/consignee to a freight forwarder, carrier or his agent, or other provider of service, enabling the movement of goods and associated activities.”

#### **Use of Freight Codes**

*UN/CEFACT, Recommendation No. 23*, “...Recommends that the naming system for freight costs and other charges described be accepted and used by international and national organisations, transport operators, transport users and other interested parties and that its acceptance and use is promoted by national trade facilitation bodies;

“Further recommends that the coding system referred to as the “Freight Cost Code (FMC) be used whenever there is a need for coded representation of plain language names for freight costs and other charges.”

#### **Use of Trade and Transport Status Codes**

*UN/CEFACT, Recommendation No. 24*, “...recommends that Governments and business do implement the Trade and Transport Status codes in support of a common approach to trade facilitation.”

#### **Use of the EDI standard**

*UN/CEFACT, Recommendation No. 25*, “...recommends that:

9. Governments should use the UN/EDIFACT standards for international applications of electronic data interchange (EDI) among different parties within the public sector as well as between public authorities on the one hand and parties of the private sector on the other hand

10. Whenever, in a particular field of business and/or administration of a country, both private and public parties are involved, and if the introduction of EDI as a modern tool of communication techniques is deemed advisable in that field or has proved to be worthwhile in similar cases within other countries, regions or communities, the

national government of that country should take appropriate action to initiate, support and encourage the use of the UN/EDIFACT standard for international transactions in that particular field. The same pertains, mutatis mutandis, for the executive bodies of economic regions...”

#### **The commercial use of Interchange Agreements for Electronic Data Interchange**

*UN/CEFACT, Recommendation No. 26*, “...recommend that:

1. The international community of EDI users, including commercial parties deciding to use Electronic Data Interchange in connection with international trade transactions, apply the Model Interchange Agreement for the International Commercial Use of Electronic Data Interchange as set out below in order to increase the legal security of their trading relationship.

2. United Nations member countries take into account the terms and provisions of the Model Interchange Agreement when introducing legislative and regulatory reforms, in order for these reforms to be consistent with the intentions and business practices which are the substance of the Model Interchange Agreement.

3. In negotiating and entering into interchange agreements, the use of the Model Interchange Agreement for the International Commercial Use of Electronic Data Interchange is endorsed...”

#### **Use of trade data elements internationally (ISO 7372)**

*UNECE, United Nations Trade Data Elements Directory (TDED), paragraph 1.1.* “The standard data elements included in the Directory are intended to facilitate interchange of data in international trade.

These standard data elements can be used with any method of data interchange, on paper documents as well as with other means of data communication; they can be selected for transmission one by one, or used within a particular system of interchange rules, e.g. the United Nations syntax rules for Electronic Data Interchange For Administration, Commerce and Transport (UN/EDIFACT) developed within the ECE and published as International Standard ISO 9735. Sections 1, 2, 3, 4 and 9 of the Directory constitute International Standard ISO 7372.”

#### **Standards and certification systems should not create obstacles to trade**

*WTO, Agreement on Technical Barriers to Trade, Article 2.1:* Members shall ensure that in respect of technical regulations, products imported from the

territory of any Member shall be accorded treatment no less favourable than that accorded to like products of national origin and to like products originating in any other country.

### **Use of International Standards**

*WTO, Agreement on Technical Barriers to Trade, Article 2.2:* Where technical regulations are required and relevant international standards exist or their completion is imminent, Members shall use them, or the relevant parts of them, as a basis for

their technical regulations except when such international standards or relevant parts would be an ineffective or inappropriate means for the fulfilment of the legitimate objectives pursued, for instance because of fundamental climatic or geographical factors or fundamental technological problems.

## **I. Legal aspects of trade facilitation**

### **Use of Uniform Rules of Conduct for Interchange of Trade Data by Teletransmission (UNCID)**

*ICC, The UNCID Rules,* developed within a Special Joint Committee of the International Chamber of Commerce (ICC), aim at facilitating the interchange of trade data effected by teletransmission, through the establishment of agreed rules of conduct between parties engaged in such transmission.

### **Electronic Commerce Agreement**

*UN/CEFACT, Recommendation No. 31,* “proposes with this Recommendation a model for a contractual approach of electronic commerce operations. This approach takes into consideration the need for a framework of basic provisions to be agreed by business entities combined with the flexibility required to conduct day-to-day commercial transactions.

The Electronic Commerce Agreement, hereinafter referred to as the "E-Agreement", is intended to serve the commercial requirements of business to business electronic commerce partners. It contains a basic set of provisions which can ensure that one or more electronic commercial transactions, hereinafter referred to as "E-Transactions", may subsequently be concluded by commercial partners within a sound legal framework.

The E-Agreement aims at addressing all forms of electronic communications available to conclude E-Transactions. Commercial partners engaged into contractual relations based exclusively on EDI are recommended to continue to use the EDI Interchange Agreement. Commercial partners engaged in contractual relations based on the use of a combination of electronic commerce technologies including EDI are recommended to use the E-Agreement and, to the extent necessary, replace the use of an EDI Interchange Agreement by the E-Agreement.”

## *SECTION IV*

# **INTERNATIONAL ORGANIZATIONS DEALING WITH TRADE FACILITATION\***

### **INTERNATIONAL CIVIL AVIATION ORGANIZATION (ICAO)**

<http://www.icao.org>

#### **Convention on International Civil Aviation, 1944 (as amended)**

The Contracting Parties have agreed on certain principles and arrangements in order that international civil aviation may be developed in a safe and orderly manner, that international air transport services may be established on the basis of equality of opportunity, and operated soundly and economically.

Annex 9 of the Convention (Ninth Edition, applicable on 15 November 1990) deals with the facilitation of air traffic. Chapter 4 of the annex, entitled "Entry and Departure of Cargo and Other Articles", includes standards and recommended practices designed to facilitate international movement of goods by air.

### **INTERNATIONAL CHAMBER OF COMMERCE (ICC)**

<http://www.iccwbo.org>

The International chamber of commerce is the world business organization, the only representative body that speaks with authority on behalf of enterprises from all sectors in every part of the world. With thousands of member companies and associations from more than 130 countries, ICC promotes an open international trade and investment system and the market economy.

ICC also provides essential services, foremost among them, the ICC International Court of Arbitration, the world's leading arbitration institution.

### **UCP Uniform Customs and Practice for Documentary Credits**

Documentary credits have become a standard means of settling payment for imports and exports throughout the world. For many years virtually all documentary credit operations have been carried out in accordance with the Uniform Customs and Practice for Documentary Credits (UCP). The most recent version (UCP 500) was approved by the

Banking Commission in April 1993. The implementation date was 1 January 1994.

### **UNCID Uniform Rules of Conduct for Interchange of Trade Data by teletransmission**

In September 1987, the ICC Executive Board adopted the UNCID rules, which aim at facilitating the interchange of trade data effected by teletransmission, through the establishment of agreed rules of conduct between parties engaged in such transmission.

The UNCID rules are included in the United Nations Trade Data Interchange Directory (see TDID)

### **INTERNATIONAL CHAMBER OF SHIPPING (ICS)**

<http://www.marisec.org>

The International Chamber of Shipping is a voluntary association of national organizations founded on the basis of private enterprise and representing shipowners in various countries. Its object is to enable shipping, through international agreement amongst shipowners, to fulfil its primary

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\* This section includes only those international organizations which have developed the instruments listed in section III

function - the provision of cheap and efficient sea transport and the development of the freedom of the sea. Its concern is to secure the removal of all unnecessary restrictions on world trade and world sea transport.

The ICS Standard Bill of Lading, aligned to the UN Layout Key, is used worldwide as a basis for the design of B/L forms. The ICS model layout for a Standard Manifest combines, as far as possible, the requirements of both manual and mechanical methods for document preparation.

### **INTERNATIONAL MARITIME ORGANIZATION (IMO)**

<http://www.imo.org>

#### **FAL Convention on Facilitation of International Maritime Traffic, 1965. Latest edition 1998**

The purpose of this Convention is to facilitate maritime transport by simplifying and minimizing the formalities, documentary requirements and procedures associated with the arrival, stay and departure of ships engaged on international voyages. It was originally developed to meet growing international concern about excessive documents required for merchant shipping. Traditionally, large numbers of documents are required by customs, immigration, health and other public authorities pertaining to the ship, its crew and passengers, baggage, cargo and mail. Unnecessary paperwork is a problem in most industries, but the potential for red tape is probably greater in shipping than in other industries, because of its international nature and the traditional acceptance of formalities and procedures.

The Convention emphasizes the importance of facilitating maritime traffic and demonstrates why authorities and operators concerned with documents should adopt the standardized documentation system developed by IMO and recommended by its Assembly for worldwide use. Contracting Parties to the Convention undertake to bring about uniformity and simplicity in the facilitation of international maritime traffic.

In the respective amendments care has been taken to ensure that new developments such as electronic data-processing techniques and electronic business are taken into account and that the standards for this have been defined and are kept up to date.

### **WORLD CUSTOMS ORGANIZATION (WCO)**

<http://www.wcoomd.org>

#### **CCO Customs Convention on Containers, 1972 (UN Convention administered by the WCO)**

The objective of the Convention is the development and facilitation of international carriage by container.

This Convention is similar to, and will eventually supersede, the Customs Convention on Containers, 1956 (UNECE). It lays down standards for the construction of containers, an approval system, and provides container temporary importation and repair facilities with minimum formalities. Containers approved under the Convention will be accepted for the transport of goods under Customs seal.

#### **HS International Convention on the Harmonized Commodity Description and Coding System (1983)**

The objectives of the Convention include the facilitation of international trade, the standardization of trade documentation and the transmission of data. The collection, comparison and analysis of trade statistics are facilitated by reducing the expense incurred in re-describing, reclassifying and re-coding goods from one classification to another.

#### **KC International Convention on the Simplification and Harmonization of Customs Procedures (Kyoto), 1973**

The Kyoto Convention is designed to overcome barriers to international trade that could be created by the diversity and complexity of Customs procedures and documentation in the various countries. The Convention has 31 technical annexes, each dealing with a specific Customs procedure or activity. Contracting parties undertake to promote the simplification and harmonization of Customs procedures, and, to that end, to conform with the Standards and Recommended Practices contained in the Annexes, but nothing prevents a contracting party from granting greater facilities. A contracting party must accept at least one Annex.

## **RKC International Convention on the Simplification and Harmonization of Customs Procedures (Revised June 1999)**

In 1994 the World Customs Organization undertook a revision of the 1973 Convention. The revision was aimed at providing a set of standard and simplified principles, which would be the blueprint for Customs procedures in the 21st Century. In June 1999 the Council of the World Customs Organization adopted the revised texts. The revised Convention, with its new structure and binding obligations, provides the Customs administrations with efficient and effective procedures that facilitate the international movement of goods while ensuring full compliance with national laws.

The revised Convention contains all the core principles of simple and standard procedures in a single General Annex that is obligatory for accession and implementation by Contracting Parties. This key Annex in its 10 chapters covers areas relating to the clearance of goods, payment of duties and taxes, Customs and trade cooperation, information to be supplied by Customs and appeals in all Customs matters – areas of concern both to the Customs administrations and to the trading community. It also requires Customs administrations to use risk management techniques and it promotes the use of information technology. The diversity and complexity of core Customs procedures in various countries will be eliminated since no reservations can be entered against the provisions of this annex.

The revised Convention also has 10 specific annexes with a total of 25 chapters dealing with different Customs procedures. Contracting Parties may accede to only those specific annexes and/or chapters that are relevant to them and can enter reservations only to Recommended Practices in the chapters they accept.

Comprehensive implementation guidelines have also been developed for all the annexes of the Convention in order to ensure that the procedures are applied in a uniform and effective manner.

## **WORLD TRADE ORGANIZATION (WTO)**

<http://www.wto.org>

Founded in 1995 as a result of the Uruguay Round (1987-1993), the WTO succeeded the General Agreement on Tariffs and Trade (GATT). The WTO administers *inter alia* the legal provisions of the GATT 1994, which include the tariff concessions negotiated during the Uruguay Round, as well as the whole of the legal decisions taken by the Contracting Parties since the inception of the GATT in 1947. In addition, it also administers the General Agreement on Trade in Services (GATS) and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). The WTO has currently 136 Members, including all industrialized countries, but some 75% are developing countries.

In the GATT 1994, Articles V (Freedom of Transit), Article VII (Valuation for Customs Purposes), Article VIII (Fees and Formalities connected with Importation and Exportation), Article IX (Marks of Origin), and Article X (Publication and Administration of Trade Regulations) contain obligations for Members which are aimed at easing the conduct of international trade transactions.

In addition, several WTO Agreements have a direct bearing for trade facilitation. These are the Agreements on Customs Valuation, Import Licensing Procedures, Preshipment Inspection, Rules of Origin, Technical Barriers to Trade, as well as the Agreement on the Application of Sanitary and Phytosanitary Measures.

The General Agreement on Trade in Services (GATS), with its annexed schedules, provides for liberalization in a number of service industries which are vital for the facilitation of trade, e.g. transport, financing, telecommunications. The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) contains a section on border measures which allows members to take specific measures to prevent the inflow of counterfeit and pirated goods.

## **UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE (UNECE)**

<http://www.unece.org>

UNECE is one of the five regional arms of the United Nations and was set up to develop economic activity and strengthen economic relations within the UNECE region and between this region and the rest of the world.

UNECE provides a regional forum for governments to develop conventions, norms and standards with the aim of harmonizing action and facilitating exchanges between member States through the elimination of obstacles and the simplification of procedures.

UNECE's main areas of activity are: economic analysis, environment, transport, development of trade, industry and enterprise, forests and timber, sustainable energy, statistics and human settlements.

UNECE is a key player in the development of international trade facilitation tools and recommendations. UNECE developed UN/EDIFACT, the international standard for electronic trade, and is host to the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT). Further information on the work of UN/CEFACT is provided below.

### **HAR International Convention on the Harmonization of Frontier Control of Goods, 1982 (UNECE)**

[http://www.unece.org/trans/new\\_tir/  
conventions/list.htm](http://www.unece.org/trans/new_tir/conventions/list.htm)

The Convention aims at reducing the requirements for completing formalities, as well as the number and duration of controls, in particular through national and international coordination of control procedures and of their methods of application. Annexes to the Convention deal with the following types of control: Customs, medico-sanitary, veterinary, phytosanitary, technical standards and quality.

### **TIR Customs Convention on the Interna- tional Transport of Goods under Cover of TIR Carnets, 1975 (UNECE)**

[http://www.unece.org/trans/new\\_tir/welc\\_tir.htm](http://www.unece.org/trans/new_tir/welc_tir.htm)

The Convention applies to the transport of goods in road vehicles, combinations of vehicles or in

containers, across one or more frontiers, provided that some portion of the journey between the beginning and the end of the TIR transport is made by road.

The TIR system is based on the following basic rules:

1. The goods must travel in secure (agreed) vehicles or containers;
2. Duties and taxes at risk in the transit country must be covered by an internationally valid guarantee;
3. The goods must be accompanied by an internationally accepted Customs document (TIR) Carnet;
4. Customs control measures (e.g. seals affixed) taken in the country of departure should be accepted by the countries of transit and destination.
5. Transport operators using the TIR system as well as, national associations issuing TIR Carnets must be authorized by Customs authorities and registered in the international TIR data bank.

### **UN/CEFACT Centre for Trade Facilitation and Electronic Business**

<http://www.uncefact.org>

UN/CEFACT is a worldwide forum for inter-governmental cooperation with international organizations and the business community, to reach a consensus on priorities and policies in trade facilitation work and, to develop recommendations for the simplification and standardization of international trade formalities and procedures. UN/CEFACT is under the auspices of UNECE. The results of its work include aligned trade documents, the UN Trade Data Elements Directory (UNTDDED), the UN Trade Data Interchange Directory (UNTDID, which contains the syntax rules and directories for UN/EDIFACT), and other formal recommendations.

Depending on the subject matter, UN/CEFACT recommendations are addressed to Governments, to international or national organizations active in the field of international trade, or to companies involved in such activities.

Several recommendations issued by UN/CEFACT are based on International Standards issued by the International Organization for Standardization (ISO), or have been endorsed by ISO and issued as International Standards. This is mentioned in the title and, whenever relevant, in the text of individual

recommendations, for example in section H (Use of trade data elements directory, ISO 7372); (Use of country codes, ISO 3166); and in section G (Use of EDIFACT standard, ISO 9735), etc.

The following recommendations have been adopted by UN/CEFACT:

- Rec.No.1 United Nations Layout Key for Trade Documents, March 1981 and an Addendum is currently under development
- Rec. No.2 Location of codes in documents used in international trade, incorporated into Recommendation No.1
- Rec. No.3 ISO country code for representation of names of countries, last revised January 1996
- Rec. No.4 National Trade Facilitation Bodies, last revised June 1999
- Rec. No.5 Abbreviations of INCOTERMS Alphabetic code for Incoterms 2000, last revised May 2000
- Rec. No.6 Aligned Invoice Layout Key for International Trade, last revised September 1983
- Rec. No.7 Numerical representation of Dates, Time and Periods of Time, last revised October 1988
- Rec. No.8 Unique Identification Code Methodology – UNIC, January 1992 (Supersedes the Recommendation on Common Access Number, February 1978)
- Rec. No.9 Alphabetic code for the Representation of Currencies, February 1978
- Rec.No.10 Codes for the Identification of Ships (Supersedes the Recommendation on Codes for Ships' Names)
- Rec.No.11 Documentary aspects of the International Transport of Dangerous Goods
- Rec.No.12 Measures to Facilitate Maritime Transport Documents Procedures
- Rec.No.13 Facilitation of Identified Legal Problems in Import Clearance Procedures
- Rec.No.14 Authentication of Trade Documents by means other than signature
- Rec.No.15 Simpler Shipping Marks, September 1979
- Rec.No.16 United Nations Codes for Trade and Transport locations - UN/LOCODE (Supersedes the Recommendation on

UN/LOCODE Codes for Ports and other locations). The codes are published yearly on: <http://www.uncefact.org>

- Rec.No.17 PAYTERMS - Abbreviations for Terms of Payment
- Rec.No.18 Facilitation measures related to International Trade Procedures.
- Rec.No.19 Codes for Modes of Means of Transport
- Rec.No.20 Codes for Units of Measure used in International Trade
- Rec.No.21 Codes for Passengers, Types of Cargo, Packages and Packaging Materials (with complementary codes for package names)
- Rec.No.22 Layout Key for Standard Consignment Instructions
- Rec.No.23 Freight Cost Code - FCC - Harmonization of the description of freight costs and other charges
- Rec.No.24 Trade and Transport Status Codes (Supersedes Rec. on Harmonization of Transport Status Codes)
- Rec.No.25 Use of the UN Electronic Data Interchange for Administration, Commerce and Transport Standard (UN/EDIFACT)
- Rec.No.26 The Commercial Use of Interchange Agreements for Electronic Data Interchange
- Rec.No.27 Preshipment Inspection
- Rec.No.28 Codes for Types of Means of Transport
- Rec.No.29 Codes for Types of Cargo
- Rec.No.31 Electronic Commerce Agreement

## **UNTDED United Nations Trade Data Elements Directory**

The United Nations Trade Data Elements Directory has been compiled on the basis of the work done in the Working Party on Facilitation of Trade Procedures now known as UN/CEFACT. In this Directory agreed sets of standard data elements have been included for various areas of application. Sections 1, 2, 3, 4 and 9 of UNTDED constitute International Standard ISO 7372: 1993.

The standard data elements included in this Directory are intended to facilitate interchange of data in international trade.

These standard data elements can be used with any method for data interchange on paper documents as well as with other means of data communication.

**UNTDID United Nations Trade Data  
Interchange Directory**

<http://www.edifact-wg.org>

UN/EDIFACT (the United Nations rules for Electronic Data Interchange for Administration, Commerce and Transport) comprise a set of internationally agreed standards, directories, and guidelines for the electronic interchange of structured data, between independent computerized information systems.

Recommended within the framework of the United Nations, the rules are approved and published by UNECE in the UNTDID and are maintained under agreed procedures.

UNTDID includes:

- **Part 1** Introduction
- **Part 2** Uniform rules of conduct for interchange of Trade data by teletransmission (UNCID)
  - *Chapter 1.* Introductory note
  - *Chapter 2.* Text of the Uniform Rules of Conduct
  - *Chapter 3.* Interchange Agreement
- **Part 3** Terms and Definitions
- **Part 4** United Nations rules for Electronic Data Interchange for Administration, Commerce and Transport
  - *Chapter 1.* Introduction
  - *Chapter 2.* General information
    - Establishment of United Nations Standard Message Types (UNSMs)
    - UN/EDIFACT message design rules for EDI (latest version)
    - General introduction to UNSM
    - UN/CEFACT rules for presentation of standardized message and directories documentation R.1023 (latest version)
- **Part 5** United Nations Directories for electronic data interchange for administration, commerce and transport
  - *Chapter 1.* Introduction
  - *Chapter 2.* Message type directory xDMD (EDMD and IDMD)
  - *Chapter 3.* Segment directory xDSD (EDSD and IDSD)
  - *Chapter 4.* Composite data element directory xDCD (EDCD and IDCD)
  - *Chapter 5.* Data element directory EDED
  - *Chapter 6.* Code lists

**UNITED NATIONS COMMISSION ON  
INTERNATIONAL TRADE LAW**

**(UNCITRAL)**

<http://www.uncitral.org>

UNCITRAL was created in 1966 by the United Nations General Assembly in order to enable the United Nations to play a more active role in reducing or removing legal obstacles to the flow of international trade. The mandate given by the General Assembly to UNCITRAL, as the "Core legal body within the United Nations system in the field of international trade law", was to further the progressive harmonization and unification of the law applicable to international trade transactions.

At its eighteenth session held in June 1985, UNCITRAL adopted a recommendation on the legal value of computer records, which addresses some of the legal aspects of automatic interchange of trade data. On 11 December 1985, the General Assembly adopted Resolution 40/71 in which it commended UNCITRAL for its Recommendation and called upon Governments and international organizations to take action in conformity with the Commission's recommendation.



**ANNEX**  
**LIST OF COUNTRIES OR TERRITORIES HAVING**  
**ACCEPTED OR ACCEDED TO TRADE**  
**FACILITATION INSTRUMENTS**

Country / Territory

Trade Facilitation instruments

	IMO	UNECE			ICC	ICAO	WCO		
	FAL <sup>(1)</sup>	TIR <sup>(2)</sup>	HAR <sup>(3)</sup>	UN/ CEFACT <sup>(4)</sup>	UCP 500 <sup>(5)</sup>	<sup>(6)</sup>	CCO <sup>(7)</sup>	KC <sup>(8)</sup>	HS <sup>(9)</sup>
Afghanistan		+				+			
Albania		+		+					
Algeria	+	+			+	+	+	+	+
Antigua and Barbuda					+	+			
Argentina	+				+	+			+
Armenia		+	+						
Aruba (Netherlands)	+		+		+				
Australia	+			+	+	+	+	+	+
Austria	+	+	+	+	+	+	+	+	+
Azerbaijan		+	+	+		+			
Azores (Portugal)					+				
Bahamas	+				+				
Bahrain					+	+			
Bangladesh					+	+			+
Barbados	+				+	+			
Belarus		+	+	+		+	+		+
Belgium	+	+	+	+	+	+		+	+
Belize						+			
Benin	+								
Bermuda (United Kingdom)									
Bolivia					+				
Bosnia and Herzegovina		+	+			+			
Botswana								+	+
Brazil	+				+	+			+
Brunei Darussalam						+			
Bulgaria	+	+	+	+	+	+	+	+	+
Burkina Faso						+			+
Burundi	+					+		+	
Cameroon	+							+	+
Canada	+	+		+	+	+	+	+	+
Cape Verde	+								
Cayman Islands (United Kingdom)					+				
Central African Republic									+
Chad									+
Channel Islands (United Kingdom)					+				
Chile	+	+		+	+				
China	+				+	+	+	+	+
Colombia	+				+				

	IMO	UNECE			ICC	ICAO	WCO		
	FAL <sup>(1)</sup>	TIR <sup>(2)</sup>	HAR <sup>(3)</sup>	UN/ CEFACT <sup>(4)</sup>	UCP 500 <sup>(5)</sup>	<sup>(6)</sup>	CCO <sup>(7)</sup>	KC <sup>(8)</sup>	HS <sup>(9)</sup>
Comoros									
Cook Islands					+				
Costa Rica					+				
Côte d'Ivoire	+							+	+
Croatia	+	+	+	+	+	+		+	+
Cuba	+		+	+		+	+	+	+
Cyprus		+			+	+		+	+
Czech Republic	+	+	+	+	+	+	+	+	+
Democratic People's Republic of Korea	+				+				+
Democratic People's Republic of the Congo								+	+
Denmark	+	+	+	+	+	+		+	+
Djibouti									
Dominica					+				
Dominican Republic	+				+				
Ecuador	+				+	+			
Egypt	+			+					+
El Salvador									
Equatorial Guinea	+								
Eritrea						+			
Estonia		+	+			+			+
Ethiopia						+			+
Fiji	+				+				+
Finland	+	+	+	+	+	+	+	+	+
France	+	+	+	+	+	+		+	+
French Polynesia					+				
Gabon				+					
Gambia	+					+		+	
Georgia	+	+	+						
Germany	+	+	+	+	+	+		+	+
Ghana	+				+	+			
Gibraltar (United Kingdom)			+		+				
Greece	+	+	+		+	+	+	+	+
Grenada									
Guam (USA)	+								
Guatemala				+	+	+			
Guinea	+								+
Guyana	+					+			
Haiti						+			
Honduras									
Hong Kong	+				+				
Hungary	+	+	+	+	+	+	+	+	+
Iceland	+			+	+	+			+
India	+			+	+	+		+	+
Indonesia		+			+	+	+		+
Iran (Islamic Republic of)	+	+		+	+	+			+
Iraq	+					+			
Ireland	+	+	+	+	+			+	+
Israel	+	+		+	+	+		+	+
Italy	+	+	+	+	+	+		+	+
Jamaica					+				

	IMO	UNECE			ICC	ICAO	WCO		
	FAL <sup>(1)</sup>	TIR <sup>(2)</sup>	HAR <sup>(3)</sup>	UN/ CEFACT <sup>(4)</sup>	UCP 500 <sup>(5)</sup>	<sup>(6)</sup>	CCO <sup>(7)</sup>	KC <sup>(8)</sup>	HS <sup>(9)</sup>
Japan				+	+			+	+
Jordan	+	+			+	+			+
Kazakhstan		+							
Kenya				+	+			+	+
Kiribati					+				
Kyrgyzstan		+	+	+					
Kuwait		+				+			
Latvia	+	+				+		+	+
Lebanon		+			+	+			+
Lesotho			+			+		+	+
Liberia	+								
Libyan Arab Jamahiriya						+			+
Liechtenstein	+	+	+	+	+	+	+	+	+
Lithuania	+	+	+	+					+
Luxembourg	+	+	+	+	+	+		+	+
Macao (China)					+				
Madagascar	+								+
Madeira (Portugal)					+				
Malawi						+		+	+
Malaysia				+	+	+		+	+
Mali					+				+
Malta		+		+	+	+			+
Marshall Islands	+								
Mauritius	+					+			+
Mexico	+				+	+			+
Monaco	+					+			
Mongolia				+					+
Montserrat (United Kingdom)			+		+				
Morocco		+			+		+	+	+
Mozambique									
Myanmar									+
Namibia					+				
Nepal				+		+			
Netherlands Antilles	+		+		+				
Netherlands	+	+	+	+	+	+		+	+
New Caledonia (France)					+	+			
New Zealand	+			+	+		+	+	+
Nicaragua					+				
Nigeria	+			+	+			+	+
Niger				+		+			+
Niue Island					+				
Norway	+	+	+		+	+		+	+
Oman						+			
Pakistan					+	+		+	+
Panama					+	+			+
Papua New Guinea					+				
Paraguay					+				
Peru	+				+				+
Philippines				+	+				
Poland	+	+	+	+	+	+	+	+	+
Polynesia									
Portugal	+	+	+		+			+	+

	IMO	UNECE			ICC	ICAO	WCO		
	FAL <sup>(1)</sup>	TIR <sup>(2)</sup>	HAR <sup>(3)</sup>	UN/ CEFACT <sup>(4)</sup>	UCP 500 <sup>(5)</sup>	<sup>(6)</sup>	CCO <sup>(7)</sup>	KC <sup>(8)</sup>	HS <sup>(9)</sup>
Puerto Rico	+				+				
Qatar									
Republic of Korea		+		+	+	+	+	+	+
Republic of Moldova		+				+			
Romania		+		+	+	+	+		+
Russian Federation	+		+	+	+	+	+		+
Rwanda					+			+	+
Saint Kitts and Nevis					+				
Saint Lucia					+				
Saint Pierre and Miquelon									
Saint Vincent and the Grenadines					+				
Samoa					+				
San Marino						+			
Saudi Arabia					+	+		+	+
Senegal	+			+		+		+	+
Seychelles	+					+			
Sierra Leone									
Singapore	+			+	+	+			
Slovakia	+	+	+	+	+		+	+	+
Slovenia	+	+	+	+	+	+		+	+
Solomon Islands					+				
South Africa			+	+	+			+	+
Spain	+	+	+	+	+	+	+	+	+
Sri Lanka	+				+	+		+	+
Sudan									+
Suriname	+				+				
Swaziland									+
Sweden	+	+	+	+	+	+		+	+
Switzerland	+	+	+	+	+	+	+	+	+
Syrian Arab Republic	+	+		+		+			
Taiwan (Province of China)					+				
Tajikistan		+				+			
Tanzania									
Thailand	+				+	+			+
The former Yugoslav Republic of Macedonia		+	+	+		+			+
Togo									+
Tonga					+	+			
Trinidad and Tobago	+				+		+		
Tunisia	+	+			+				+
Turkey		+		+	+	+	+	+	+
Turkmenistan		+				+			
Tuvalu					+				
Uganda					+	+		+	+
Ukraine	+	+		+	+		+		
United Arab Emirates					+	+			
United Kingdom of Great Britain and Northern Ireland	+	+	+	+	+	+		+	+
United States of America	+	+		+	+	+	+	+	+
Uruguay	+	+			+	+			
Uzbekistan		+	+			+	+		+

	IMO	UNECE			ICC	ICAO	WCO		
	FAL <sup>(1)</sup>	TIR <sup>(2)</sup>	HAR <sup>(3)</sup>	UN/ CEFACT <sup>(4)</sup>	UCP 500 <sup>(5)</sup>	<sup>(6)</sup>	CCO <sup>(7)</sup>	KC <sup>(8)</sup>	HS <sup>(9)</sup>
Vanuatu	+				+	+			
Venezuela					+				+
Viet Nam					+	+		+	+
Wallis and Futuna (France)									
Yemen	+					+			
Yugoslavia	+	+	+		+				
Zambia	+					+		+	+
Zimbabwe					+			+	+

Notes:

The list of Contracting Parties, States and Governments is constantly updated by the organizations responsible for the trade facilitation instruments. It is recommended to visit the organizations' websites, specified in Section IV of this *Compendium*, for updated information.

- (1) .. Contracting Governments as at 26 January 2000
- (2) .. Contracting Parties to the TIR Convention, 1975
- (3) .. Contracting Parties to the HAR Convention, 1985
- (4) .. Countries participating in the work of UN/CEFACT
- (5) .. Adherence list
- (6) .. Contracting States as at 30 August 2000
- (7) .. Signatures, ratifications and accessions as at 30 June 1999
- (8) .. Ratifications and accessions as at 30 June 1999
- (9) .. Contracting Parties as at 30 June 1999

