



WORLD TRADE
ORGANIZATION



Trade Facilitation
Agreement Facility

Provisions in the WTO TFA which might require ICT support and solutions for their implementation

Seminar for the Promotion of Electronic Exchange of Customs
Information and the Adoption of Standard Electronic Messages

UNECE

Palais des Nations, Room V
Geneva, 20-21 June 2016

Alejandro Gamboa-Alder
WTO Secretariat

In this presentation:

- A. What is Trade Facilitation?
- B. What needs to be addressed?
- C. Structure of the Agreement
 - Scope and nature of the substantive provisions
 - S&D categories
- D. Provisions in the TFA requiring ICT solutions
- E. Additional work by the Standards and Trade Development Facility (STDF)

A. What is Trade Facilitation?

A. What is TF in WTO terms?



- No single definition
- In WTO terms TF can be understood as:
 - **Simplification, harmonization, automation** of the procedures applied to international trade, particularly the requirements and formalities related to importation and exportation **with a view to further expediting the movement, release and clearance of goods**, including goods in transit.

B. What needs to be addressed?

B.1 Typical problems:



- ✓ Excessive documentation requirements
- ✓ Inefficient border-crossing procedures
- ✓ Transport and transit impediments
- ✓ Lack of transparency and predictability
- ✓ Lack of cooperation and coordination
- ✓ Lack of automated processes and scarce use of information technology
- ✓ Lack of more uniform rules and, user-friendly and efficient procedures
- ✓ High administrative costs
- ✓ Increase in the amount of goods traded worldwide



B.2 Customs Transactions Worldwide

Customs transactions vary widely from country to country. In 2014, these transactions involved:

← EXPORT →



2-11
documents



6-86
days

→ IMPORT ←



2-17
documents



4-130
days

Source: World Bank "Doing Business" project, 2015.



B.3 Why does it matter?



**9 billion documents
each year to process
movement of goods!**

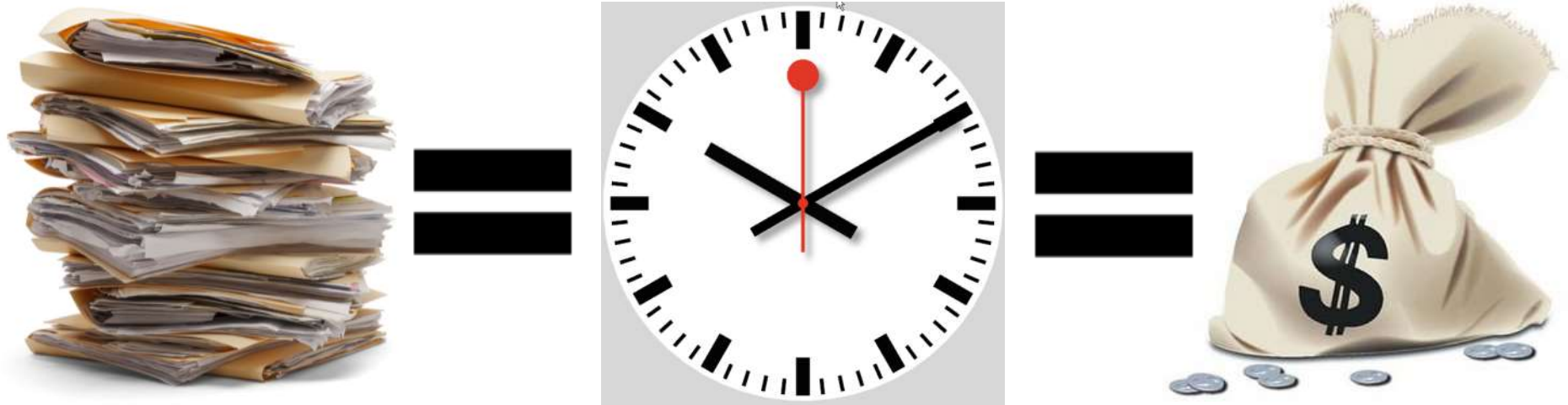


1 day clearance \approx 1 % tariff

- ✓ Companies sometimes spend more money complying with customs regulations than the amount earned in revenue by Customs



Big efforts



have been made by different institutions

However, not everything has changed !!!
A Customs office in November 2015...





B.10 Sources of Delay/Costs



Infrastructure

Technology

**Border procedures, inspections,
controls**

**Document and information
requirements**

Fees and charges

C. Structure of the WTO TFA

- Scope and nature of the substantive provisions
- S&D categories



Structure of the TFA



Section I

The TFA contains 12 Articles with approximately 40 “technical measures”



Section II

Special provisions for developing and least-developed country Members



Section III

Final provisions and institutional arrangements



Section I

The trade facilitation Agreement contains 12 Articles with approximately 40 “technical measures”



Article 1
Publication & Availability of Information



Article 5
Measures to Enhance Impartiality, Non-Discrimination & Transparency



Article 9
Movement under Customs Control



Article 2
Comment and Consultations



Article 6
Disciplines on Fees and Charges



Article 10
Import, Export & Transit Formalities



Article 3
Advance Rulings



Article 7
Release and Clearance of Goods



Article 11
Freedom of transit



Article 4
Procedures for Appeal or Review



Article 8
Border Agency Cooperation



Article 12
Customs Cooperation

Nature and scope of obligations:



Binding

Art. 1.1 (Publication):
“Each Member **shall**
promptly publish the
following information
...”

Best endeavour

Art. 1.3 3.3 (Enquiry
Points): Members **are
encouraged** not to
require the payment of
a fee ...”

Combination

Art. 1.2 2.1 (Information
through internet): “Each
Member **shall** make
available, **and** update **to
the extend possible and
as appropriate**, the
following through
internet...”

Art. 1.2 2.3 “Members
are encouraged to make
available further trade-
related information ...”

Categories of provisions: S&D Treatment for DC and LDCs



Each developing and LD Country Member will classify each measure of **Section I** into one of three categories: Art. 14

CATEGORY A (Art. 15)

- Implementation upon Entry Into Force of the Agreement
- +1 year for LDCs
- Annex to TFA

CATEGORY B (Art. 16)

- Implementation after a transitional period from the entry into force
- Only time needed

CATEGORY C (Art. 16)

- Implementation only after acquisition of implementation capacity through TA and CB
- Need time + support

Based on country's own assessment!



D. Provisions in the TFA requiring ICT solutions



On Transparency

- Article 1: Publication and Availability of Information:
 1. Publication: promptly publish information in a non-discriminatory and easily accessible manner: **gazettes, official journal, URL, websites**
 2. Information available through Internet: make available and update as appropriate **information through internet** on import/export/transit procedures; **forms and documents required, contact information on the enquiry points(s) EP**
 3. Enquiry Points: **establish or maintain one or more EP** to answer reasonable enquiries [...] **and provide forms and documents**
 4. Notifications to the WTO TF Committee the **official places where publications take place; Uniform Locators of websites**, and the contact information of the EPs

Extended and Enhanced Transparency



Article 2: Opportunity to comment, Information before entry into force, and consultations

1.1.2: to the extent practicable ensure that new or amended laws and regulations of general application related to release and clearance of goods , even in transit, **are published or information on them made otherwise publicly available**

Article 5.2 (Detention): **promptly inform the carrier or importer in case of detention of goods declared** for importation, for inspection by customs or any other competent authority

Article 5.3.2 (Opportunity for a second test): when a Member grants an opportunity for a second test in case of an adverse result of a first test on a sample of goods declared for importation, it shall **publish, in a non-discriminatory and easily accessible manner, the name and address of any laboratory where the second test can be carried-out**

Extended and Enhanced Transparency



Article 6: Disciplines on fees and charges:

1.1.1: **Information on fees and charges shall be published in** accordance with Art. 1

Article 7: Release and clearance of goods

7.7: the **criteria to qualify as an authorized operator shall be published**

Article 11: Freedom of Transit

14: each Member shall **make publicly available the relevant information** it uses to set the guarantee for traffic in transit

Electronic exchange of Customs Information



Article 12: Customs Cooperation

2. Exchange of Information: **Upon request** and subject to conditions , Members shall exchange information for the purposes of verifying an import or export declaration

4. Request: the requesting Member shall provide the requested Member with a written request, **through paper or electronic means** ...

- 6.1 Provision of Information: the requested Member shall promptly (a) respond in writing, **through paper or electronic means** ...

Clearance and Release of Goods



Article 3: Advanced Rulings

1. Each Member shall issue an advance ruling in a reasonable, time-bound manner **to the applicant that has submitted a written request** containing all necessary information. If the Member declines to issue the AR, it shall **promptly notify the applicant in writing**

6: Each Member shall **publish, at a minimum the requirements for the application for an advanced ruling**, including the information to be provided **and the format**

Comment: the Member can accept electronic requests and also inform electronically that it declines to issue the AR. Formats can also be e-forms

Clearance and Release of Goods



Article 7: Release and Clearance of Goods

1.2: Each Member shall, **as appropriate, provide for advance lodging of documents in electronic format for pre-arrival processing of such documents**

2 Electronic Payment: Each Member shall, to the extend practicable, adopt or maintain **procedures allowing the option of electronic payment for duties, taxes, fees, and charges collected by customs incurred upon importation and exportation**

Clearance and Release of Goods



Article 7: Release and Clearance of Goods

3. Use of international standards: Members are encouraged to use relevant international standards or parts thereof as a basis for their import, export or transit formalities and procedures [...]

Comment: encouragement to use standards set-out by relevant international organizations ,including e-forms contained therein

Clearance and Release of Goods



Article 7: Release and Clearance of Goods

4. Single Window: Members shall endeavour to establish or maintain a single window, enabling traders to submit documentation and/or data requirements for importation, exportation, or transit of goods through a single entry point to the participating authorities or agencies. After the examination by the participating authorities or agencies of the documentation and/or data, the results shall be notified to the applicants through the single window

Comments:

Use of ICT tools to structure, operate and feed the single window with the pertinent and accurate data and information in real time.

Possibility to submit electronically all the documentation, forms, and requirements, including e-payment

Freedom of Transit



Article 11: Freedom of Transit

Comment:

The recourse to ICT tools could avoid unnecessary delays, controls and use of convoys (i.e. GPS on trucks, scanners at the border or throughout the route for traffic in transit)



E. Additional work by the Standards and Trade Development Facility (**STDF**)



STDF Seminar on Electronic SPS Certification

Aimed at:

- Raising awareness of opportunities and challenges linked to implementing electronic SPS certification systems, especially in developing countries
- identifying good practice to help developing countries move from paper-based to automated SPS cross-border trade procedures.

STDF Seminar: 28 June 2016, in Geneva

Fine out more and register to participate at:

<http://www.standardsfacility.org/STDF-eCert-Seminar>



Paperless trade and electronic certificates

- Electronic Certificates are part of the regulatory documents exchanged in an international trade transaction.
 - Electronic SPS certificates are important for improved control and efficiency in agriculture trade
- Paperless trade involves the exchange of information (in a structured format using open and agreed standards) via electronic documents.
 - International standard for electronic SPS certificates is the e-Cert standard developed by the UN Centre for Trade Facilitation and Electronic Business (UN/CEFACT).



Use of Electronic SPS Certificates

Potential Benefits

- Reduce time and costs
- Expedite communications between SPS authorities in importing and exporting countries
- Reduce fraudulent certificates
- Support efforts to implement other improvements in SPS management (e.g. risk-based inspections)

Challenges

- Digital divide
- Limited resources for infrastructure, etc.
- Limited experience and knowledge – implementation mainly at pilot stage



Global electronic trade facilitation: Enhancing safe trade in plants and plant products through innovation (STDF E-Phyto Project)

Objective: Enable Contracting Parties to the International Plant Protection Convention (IPPC) to **provide phytosanitary assurances in trade in an innovative, cost effective and globally harmonized way, using a global framework for exchange of electronic phytosanitary certificates**

Approach: Provide developing countries with the **ability to use a simple generic web-based system to produce, send and receive electronic phytosanitary certificates.**

Time-frame: 2016-19

Implementation: IPPC Secretariat, FAO



Thank you.